

**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 October 29, 2021)**

October 25, 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 October 29, 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 October 29, 2021, at 10:30 a.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. An Order, substantially in the form attached hereto as **TAB 3** of the motion record dated October 25, 2021 (the “**Motion Record**”), for the following relief:

- (a) abridging the time for service of the Motion Record, this Notice of Motion, and the Eighth Report of the Receiver dated 25, 2021 (the “**Eighth Report**”) so that this Motion is properly returnable on October 29, 2021, and dispensing with further service thereof;
- (b) approving and authorizing a distribution by the Receiver to the creditors of Turuss with proven claims (the “**Proven Creditors**”), as determined by the Receiver in accordance with the terms with the claims procedure (the “**Claims Procedure**”) approved by the Order of Justice Koehnen dated August 3, 2021 (the “**Claims Procedure Order**”), from the sale proceeds (the “**Sale Proceeds**”) resulting from the closing of the transaction (the “**Transaction**”) contemplated in the asset purchase agreement between the Receiver and Chelsea Property Holdings Inc. dated May 31, 2021 (as amended) (“**Chelsea APA**”);
- (c) approving the Eighth Report, and the activities of the Receiver as set out therein;
- (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Eighth Report, the fee Affidavit of Jerry Henechowicz sworn October 21, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn 25, 2021 (the “**Kennedy Affidavit**”, and collectively the Henechowicz Affidavit, the “**Fee Affidavits**”);
- (e) approving the interim statement of receipts and disbursements dated October 21, 2021 (the “**R&D**”); and
- (f) 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 which, among other things, approved and authorized the Transaction contemplated by the Chelsea APA. The Transaction contained a purchase price of \$9,200,000 (the “**Purchase Price**”), and closed on June 25, 2021. The Receiver filed the Receiver’s certificate pursuant to the Chelsea APA, confirming the completion of the Transaction and that the Receiver had been paid the Purchase Price.
3. Pursuant to the Order of Justice Dunphy dated June 7, 2021, the Court authorized a distribution by the Receiver to Pillar Capital Corp. (“**Pillar**”) from the Sale Proceeds in an amount sufficient to repay Pillar in respect of principal and interest in connection to its demand credit facility, and the principal amount owing by the Receiver to Pillar pursuant to the Receiver’s borrowings. Pursuant to the same Order, the Court authorized 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.
4. Pursuant to the Order of Justice Koehnen dated August 3, 2021, the Court authorized and approved a final distribution to Pillar and Hsieh from the Sale Proceeds. As set out in the R&D, the Receiver currently holds \$4,719,106.38.

### ***Claims Procedure***

5. Pursuant to the Claims Procedure Order, the Court approved and authorized the Claims Procedure to address the claims of all outstanding Turuss creditors. A summary of the Claims Procedure is set forth below (capitalized terms not otherwise defined herein shall have the meaning ascribed to them pursuant to the Claims Procedure Order):
  - (a) the Claims Procedure Order approves 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 same;
  - (b) 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 30, 2021;

- (c) 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.
  - (d) where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim;
  - (e) 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
  - (f) 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.
6. The Claims Procedure Order prescribed the following timeframe for administering the Claims Procedure:

<b>PROCESS</b>	<b>DATE</b>
Receiver to publish Notice to Creditors in Globe and Mail (National Edition) and the National Post	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
Receiver to cause to be delivered the Claim Document Package to those Creditors with a payable from a review of the information obtained from the books and records of Turuss	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
Receiver to post a copy of the Claims Procedure Order, Motion Record and Claims Package on the Receiver's Website	Not later than five (5) Business Days following the granting of the Claims Procedure Order
Receiver to deliver 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.	As soon as reasonably possible after receiving request
Claims Bar Date	September 30, 2021 by 5 p.m.
Receiver to issue Notice of Revision or Disallowance	As soon as practicable following review of Proof of Claim.
Creditor to deliver Objection to Receiver	Within fifteen (15) days following receipt by the Creditor of the Notice of Revision or Disallowance
Creditor to file notice of motion in respect of determination of the Claim in dispute, with a copy to be sent to the Receiver immediately after filing	Returnable within thirty (30) days following receipt by the Receiver of the Objection.

7. Pursuant to the Claims Procedure Order, the Receiver published a Notice to Creditors in the Globe and Mail (National Edition) and the National Post on August 11, 2021, while also delivering the Claim Document Package to the known creditors of Turuss on August 10, 2021. The Receiver posted a copy of the Claims Procedure Order, Motion Record and Claims Document Package on the Receiver's website.

8. Throughout the claims period, the Receiver maintained constant communication with each creditor expressing an interest in making a claim as part of the Claims Procedure. The Receiver responded to all inquiries with respect to the same.
9. On or before the Claims Bar Date, eleven (11) creditors delivered a Proof of Claim to the Receiver. Following the Receiver's review of the aforementioned claims, the Receiver has finally determined each of the claims above as proven totaling in aggregate \$638,830.84 (subject to the two notices of revision discussed above) (collectively, the "**Proven Claims**"). For greater certainty, the aforementioned amount does not include Canada Revenue Agency ("**CRA**") claims for unremitted HST and/or source deductions or amounts claimed pursuant to Qi's claim.
10. The Receiver is in the process of reviewing and resolving three outstanding claims submitted by Liyuan Qi ("**Qi**") in the amount of \$313,223 for outstanding amounts in connection with inventory previously located at the Chesley Property, a claim from Emix Ltd. ("**Emix**") in the amount of \$159,394.61 for outstanding, rent, legal fees and removal costs associated with a commercial space leased by Turuss in Pickering, Ontario, and a claim from Hydro One Networks Inc. in the amount of \$348,472.83.
11. The Receiver understands that based on assessments and other correspondence from CRA that Turuss' liability for unremitted HST at the Receiver's appointment date is in the range of between \$450,000 to \$500,000, and the potential liability for unremitted employee source deductions is likely less than \$50,000. The Receiver is working with CRA to coordinate a trust examination of the Company's available records that has been delayed due to COVID-19 safety protocols, and intends to update the Court on the status of CRA claims in the future.
12. The Receiver is reasonably satisfied that it has reviewed all claims of creditors in accordance with the Claims Procedure. A distribution on account of the Proven Claims is appropriate and reasonable in the circumstances. Sufficient cash will remain in the receivership estate to address the claims associated with the payment of statutory priorities, any potential amounts on account of Qi's claim, any other amounts due to those creditors

that have received a notice of revision, and the fees of the Receiver and its counsel to the completion of these proceedings.

***Fees and Disbursements***

13. As noted above, the Receiver has provided services and incurred disbursements during the period of July 5, 2021 to September 30, 2021 which are described in the Henechowicz Affidavit.
14. 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.
15. The Receiver and Dentons have implemented reasonable measures to control the time spent and costs incurred in these proceedings.
16. The Receiver requests that this Court approve its interim accounts for the period of July 5, 2021 to September 30, 2021 in the amount of \$48,413.72, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of June 10, 2021 to September 30, 2021 in the amount of \$79,368.39 inclusive of disbursements and HST (collectively, the “**Professional Fees**”);
17. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order;

***Receipts and Disbursements***

18. The R&D reports net interim receipts over disbursements, as at October 21, 2021, of \$4,719,106.38. The Receiver respectfully requests that the Court approve the R&D.

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

19. The Eighth Report; and

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

**DATED:** October 25, 2021

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<https://dentons.zoom.us/j/93704868785?pwd=WFFYUFowOVpmK3JsZ2REZm03UkJqdz09>

**Meeting ID:** 937 0486 8785

**Passcode:** 412158

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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 **October 29, 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.**

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*ACT*, R.S.O. 1990, c. C-43, AS AMENDED

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

**October 25, 2021**

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- Appendix “B”:** Seventh Report of the Receiver dated July 27, 2021
- Appendix “C”:** Claims Procedure Order dated August 3, 2021
- Appendix “D”:** Claims Procedure Table
- Appendix “E”:** Globe and Mail Newspaper and National Post advertisements dated August 11, 2021
- Appendix “F”:** Order dated April 8, 2021 (Dalian Action)
- Appendix “G”:** Email correspondence to Dalian Natural Wood Industry Co, Ltd. on August 13, 2021, September 14, 2021, September 22, 2021, September 27, 2021, and September 29, 2021.
- Appendix “H”:** Summary of Proven Claims
- Appendix “I”:** Henechowicz Affidavit dated October 21, 2021
- Appendix “J”:** Kennedy Affidavit dated October 25, 2021
- Appendix “K”:** Interim statement of receipts and disbursements dated October 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 assets consist of a 349,000 sq. ft. commercial property and adjacent vacant land located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), that is leased to Bruce Power L.P. (“**Bruce Power**”) pursuant to a lease agreement between Turuss and Bruce Power dated November 30, 2018, as amended.
4. The Receiver has filed seven (7) reports and received numerous Orders 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) on October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property;

- (c) the second report, dated November 9, 2020, 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;
- (d) the third report, dated January 5, 2021 (the "**Third Report**"), together with the Receiver's supplement to the Third Report, dated January 20, 2021, seeking, *inter alia*, an order extending the bid deadline for the submission of offers in the Sale Process (the "**Deadline**") from January 11, 2021 to February 26, 2021;
- (e) 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);
- (f) the fourth report to the Court, dated March 23, 2021, 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 (the "**Auction Procedures**");
- (g) 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;
- (h) 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 Deadline to April 30, 2021;
- (i) on April 14, 2021, the Court issued an order:
  - (i) authorizing the Receiver to execute the Stalking Horse Bid; and
  - (ii) approving the Stalking Horse Bidding Procedures and an extension to the Deadline to April 30, 2021;
- (j) 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), 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; 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 (the “**Limited Hsieh Distribution**”), and authorizing the Receiver to make such further distributions to Hsieh on account of proper interest and other costs claimed;

- (k) On June 7, 2021, the Court issued an order:
  - (i) authorizing the Receiver to take such steps as are necessary and appropriate to facilitate 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), 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;
  - (ii) 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, and the principal amount owing by the Receiver to Pillar pursuant to the Receiver’s borrowings; and
  - (iii) authorizing a distribution by the Receiver to Hsieh from the Sale Proceeds, in the amount of the Limited Hsieh Distribution;
- (l) the Receiver’s Supplemental Report to the Sixth Report dated June 28, 2021, 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**”);
- (m) 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;

- (n) the Receiver's Seventh report, dated July 27, 2021 (the "**Seventh Report**") in support of its motion (returnable August 3, 2021) seeking, *inter alia*, orders:
- (i) 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**");
  - (ii) authorizing and approving the Receiver to distribute to Hsieh from the Sale Proceeds such further funds on account of proper interest and fees owing to Hsieh by Turuss (the "**Final Hsieh Distribution**").
  - (iii) approving and authorizing a claims procedure (the "**Claims Procedure**") and authorizing and directing the Receiver to administer the Claims Procedure in accordance with the terms of the Claims Procedure Order dated August 3, 2021 (the "**Claims Procedure Order**"); and
  - (iv) such further and other grounds as counsel may advise and this Court may permit;

A copy of the Seventh Report (without appendices) is attached hereto as **Appendix "B"**;

- (o) On August 3, 2021, the Court issued the Claims Procedure Order authorizing the Receiver to implement the Claims Procedure in accordance with the claims Procedure Order. In addition, the Court issued an Order dated August 3, 2021 authorizing and directing the Receiver to make the Final Pillar Distribution and the Final Hsieh Distribution. A copy of the Claims Procedure Order is attached hereto as **Appendix "C"**.

5. 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

6. The purpose of the Receiver's eight report dated October 24, 2021 (the "**Eighth Report**") is to update the Court with respect to:
  - (a) the Receiver's activities since the date of the Seventh Report;
  - (b) the Claims Procedure implemented by the Receiver and details of the claims filed and proven in accordance with the Claims Procedure, as well as other remaining and unresolved claims against Turuss;
  - (c) the Receiver's recommendation for orders, *inter alia*:
    - (i) abridging the time for service of the Motion Record, this Notice of Motion, and this Eighth Report;
    - (ii) approving and authorizing a distribution by the Receiver to the creditors of Turuss with proven claims (the "**Proven Creditors**"), as determined by the Receiver in accordance with the terms with the Claims Procedure set out in Claims Procedure Order, from the remaining Sale Proceeds currently held by the Receiver (the "**Remaining Sales Proceeds**");
    - (iii) approving the Eighth Report, and the activities of the Receiver as set out therein;
    - (iv) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP ("**Dentons**"), as set out in the fee Affidavit of Jerry Henechowicz sworn October 21, 2021 (the "**Henechowicz Affidavit**") and the fee Affidavit of Robert Kennedy sworn October 25, 2021 (the "**Kennedy Affidavit**");
    - (v) approving the interim statement of receipts and disbursements dated October 21, 2021 (the "**R&D**"); and
    - (vi) such further and other grounds as counsel may advise and this Court may permit.

## TERMS OF REFERENCE

7. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Claims Procedure Order.
8. In preparing the Eighth Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but is not limited to, the following information (collectively the “**Information**”):
  - (a) as provided by Jiang, which includes the Company’s available Books and Records;
  - (b) obtained in discussions with creditors and stakeholders generally;
  - (c) as provided by a former employee of Turuss, who was retained by the Receiver on a contract basis; and
  - (d) as otherwise available to the Receiver and its counsel.
9. Except as described in this Eighth Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
10. All currency references are in Canadian Dollars unless otherwise specified.

## ACTIVITIES TO DATE

11. Since filing the Seventh Report, the Receiver’s activities have concentrated on:
  - (a) updating the Website, as necessary;
  - (b) attending to the completion of the Final Pillar Distribution and Final Hsieh Distribution;
  - (c) attending to the payment of all operating expenses incurred by the Receiver in relation to the Chesley Property prior to the closing of the Transaction, as well as collecting any additional rents due to the Receiver;

- (d) implementing the Claims Procedure in accordance with the Claims Procedure Order;
- (e) reviewing and assessing all Proofs of Claim received in accordance with the Claims Procedure;
- (f) investigating and reviewing a third party property claim by Liyuan Qi (“**Qi**”) with respect to some property previously located and stored at the Chesley Property (the “**Qi Claim**”);
- (g) responding to enquiries from Canada Revenue Agency (“**CRA**”) and other potential creditors regarding their Claims; and
- (h) preparing this Eighth Report.

## **CLAIMS PROCEDURE**

12. The Claims Procedure Order set out certain steps to be implemented by the Receiver in terms of notice to creditors, and established the Claims Bar Date and a claim revision and objection procedure. Attached as **Appendix “D”** is a table summarizing the key provisions of the Claims Procedure.
13. On August 10, 2021, based on the review of the Company’s limited books and records and other available information to the Receiver, the Claim Document Package comprised of the prescribed Instruction Letter, Notice to Creditors, Proof of Claim, and Notice of Revision or Disallowance was sent to a total of 22 known creditors.
14. On August 11, 2021, the Notice to Creditors was published in the national editions of the Globe and Mail Newspaper and National Post. Copies of the advertisements are attached as **Appendix “E”**.
15. On August 11, 2021, a copy of the Claims Procedure Order, Notice to Creditors and the Claim Document Package was posted on the Website.

16. Leading up to the Claims Bar Date, the Receiver maintained constant communication with each creditor expressing an interest in making a Claim in accordance with the Claims Procedure. The Receiver responded to all inquiries with respect to the Claims Procedure generally, or requests for a copy of the Claim Document Package.

#### **Dalian Natural Wood Industry Co., Ltd. Action**

17. On December 11, 2020, the Receiver was contacted by Cambridge LLP (“**Cambridge**”), representing Dalian Natural Wood Industry Co., Ltd. (“**Dalian**”), in connection with a Statement of Claim dated February 10, 2020 made by Dalian against Turuss (the “**Dalian Action**”). During the course of those communications, Dalian’s counsel inquired about filing a proof of claim in the receivership proceeding, however, at that time, no procedure in the receivership administration existed for the calling of claims against Turuss.
18. From review of the Dalian Action, it appears Dalian claims the amount of \$3,000,000 resulting from Turuss’ breach of various agreements between Dalian and Turuss, unjust enrichment, and corresponding interest and costs. The Receiver has no other information relating to the Dalian Action.
19. The Receiver was notified in January 2021 that Cambridge no longer represented Dalian, and to add Dalian’s representative, an employee named Tina Li ([naturalwood001@126.com](mailto:naturalwood001@126.com)), to the Receiver’s service list.
20. As part of the general distribution of Claim Document Packages, the Receiver provided a Claim Document Package to Dalian’s former counsel on August 10, 2021. Shortly thereafter, Cambridge again confirmed that it no longer represented Dalian.
21. The Receiver reviewed the Court records associated with the Dalian Action. As part of that review, the Receiver located an Order dated April 8, 2021 removing Cambridge as solicitors of record for Dalian in the Dalian Action (the “**Dalian**

**Order**”). The Dalian Order set out contact information for Dalian. A copy of the Dalian Order is attached as **Appendix “F”**.

22. The Receiver and Dentons attempted to contact Dalian numerous times by email with respect to the Claims Procedure and its claim, including on August 13, 2021, September 14, 2021, September 22, 2021, September 27, 2021, and September 29, 2021, but received no response from Dalian (collectively, the “**Dalian Email Correspondence**”). A copy of the Dalian Email Correspondence is attached as **Appendix “G”**.
23. The Receiver completed a federal and provincial corporate profile search for “Dalian Natural Wood Industry Co., Ltd.” to retrieve further contact details, but no corporate profile exists in Canada. The Receiver has barred this claim due to Dalian not submitting a Proof of Claim on or prior to the Claims Bar Date.

#### **Liyuan Qi Claim**

24. The Receiver received a proof of claim from Qi in the amount of \$313,223 for outstanding amounts in connection with inventory previously located at the Chesley Property. The Receiver and Qi are currently in discussions regarding the claimed amounts and intend to report to the Court in the future regarding the status of Qi’s Claim.

#### **Emix Ltd. Claim**

25. The Receiver received a proof of claim from Emix Ltd. (“**Emix**”) in the amount of \$159,394.61 regarding its claim to outstanding rent, legal fees, and removal costs for a commercial space leased by Turuss in Pickering, Ontario. The Receiver has issued a notice of revision, with a revised claim amount of \$147,544.45. The revised amount accounts for the application of deposit funds against the outstanding indebtedness.

#### **Hydro One Networks Inc.’s Claim**

26. As set out in Appendix “H” referenced below, the Receiver revised the Proof of Claim by Hydro One Networks Inc. (“**Hydro One**”). The revised amount of the

Hydro One claim accounts for the application of a credit in the amount of \$45,841.01. Accordingly, the Receiver has issued a notice of revision, with a revised claim amount of \$302,631.82.

### **STATUTORY PRIORITIES**

27. The Receiver understands that based on assessments and other correspondence from CRA:
  - (a) the Company's liability for unremitted HST at the Receiver's appointment date, is in the range of between \$450,000 to \$500,000; and
  - (b) the potential liability for unremitted employee source deductions is likely less than \$50,000.
  
28. The Receiver is working with CRA to co-ordinate a trust examination of the Company's available records that has been delayed due to COVID-19 safety protocols. The Receiver will update the Court on the status CRA claims in the future.

### **PROVEN CLAIMS**

29. On or before the Claims Bar Date, eleven (11) creditors delivered a Proof of Claim to the Receiver. Following the Receiver's review of the aforementioned claims, the Receiver has finally determined each of the claims above as proven totaling in aggregate \$638,830.84 (subject to the two notices of revision discussed above) (collectively, the "**Proven Claims**"). For greater certainty, the aforementioned amount does not include CRA claims for unremitted HST and/or source deductions or amounts claimed pursuant to the Qi Claim.

Attached hereto as **Appendix "H"** is a table summarizing the Proven Claims.

30. The Receiver is reasonably satisfied that it has reviewed all claims of creditors in accordance with the Claims Procedure. A distribution on account of the Proven Claims is appropriate and reasonable in the circumstances.

## DISTRIBUTION TO PROVEN CREDITORS

31. As set out in the R&D, the Receiver holds approximately \$4,719,106.38. Should the Court authorize the Receiver's recommended distribution from the Remaining Sale Proceeds to Proven Creditors in the amount of \$638,830.84, sufficient cash will remain in the receivership estate to address the claims associated with:
- (a) the payment of the statutory priorities set out above;
  - (b) any potential amounts on account of the Qi Claim;
  - (c) any other amounts due to those creditors that have received a notice of revision; and
  - (d) the fees of the Receiver and its counsel to the completion of these proceedings.
32. Following the receipt, verification and payment of CRA's statutory priority claims and settlement of the Qi Claim, the Receiver will provide the Court with its recommendation regarding the final distribution of the residual of the Remaining Sale Proceeds. Currently, the Receiver is in the process of reviewing the corporate books and records of Turuss to review and assess any distribution mechanics and the current shareholdings.

## FEES AND DISBURSEMENTS

33. As noted above, the Receiver has provided services and incurred disbursements during the period July 5 to September 30, 2021 totaling \$48,413.72 inclusive of disbursements and applicable HST as set out in the Henechowicz Affidavit. A copy of the Henechowicz Affidavit is attached hereto as **Appendix "T"**.
34. 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 "J"**.

35. The Receiver requests that this Court approve its interim accounts for the period of July 5 to September 30, 2021 in the amount of \$48,413.72, inclusive of disbursements and HST, and approve the interim accounts of its legal counsel for the period of June 10, 2021 to September 30, 2021 in the amount of \$79,368.39 inclusive of disbursements and HST (collectively, the “**Professional Fees**”).
36. 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**

37. The R&D reports net interim receipts over disbursements, as at October 21, 2021, of \$4,719,106.38. The Receiver respectfully requests that the Court approve the R&D. A copy of the R&D is attached hereto as **Appendix “K”**.

### **CONCLUSION AND RECOMMENDATION**

38. Based on the foregoing and as outlined in this Eighth Report, the Receiver respectfully requests that this Court issue an order as outlined in paragraph 6(c).

All of which is respectfully submitted this 25<sup>th</sup> day of October, 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 Eighth 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 Turuss (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

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p>	<p>RECEIVERSHIP ORDER</p>
<p>GOWLING WLG (CANADA) LLP Barristers &amp; Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 Tel: 416-862-7525 Fax: 416-862-7661</p> <p>Thomas Gertner (LSO# 67756S) Tel: 416-369-4618 <a href="mailto:thomas.gertner@gowlingwlg.com">thomas.gertner@gowlingwlg.com</a></p> <p>Solicitors for the Applicant</p>	

Court File Number: CV-20-00646729 <sup>43</sup>

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Pillae Capital Corp  
Plaintiff(s)

AND

TURUS (CANADA) FINANCIAL  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:

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

- Adjourned to: \_\_\_\_\_  
 Time Table approved (as follows):

① Order to go on the  
terms of the attached.  
Haining J  
September 18, 2020

\_\_\_\_\_ Date

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

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

Appendix “B”  
to the Eighth 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

**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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**APPENDICES**

- 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

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

**Robert Kennedy** (LSO #474070)  
Tel: (416) 367-6756  
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**Daniel Loberto** (LSO # 79632Q)  
Tel: (416) 863-4760  
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*Lawyers for the Receiver*

Appendix “C”  
to the Eighth Report of the Receiver

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, 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 30, 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 Haaney 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) and the National Post;
- (b) the Receivers shall, not later than ten (10) Business Days following the granting of the Claims Procedure Order, cause to be delivered the Claim Document Package to those Creditors with a payable from a review of the information obtained from the books and records of Turuss;
- (c) 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
- (d) 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.

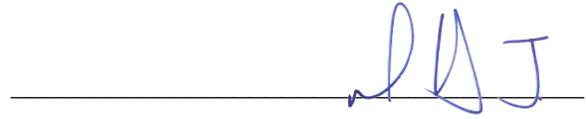
28. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is subsequently amended by further Order of the Court, the Receiver shall serve notice of such amendment on the Service List in these proceedings and the Receiver shall post such further Order on the Receiver's website and such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

A handwritten signature in blue ink is positioned above a horizontal line. The signature is stylized and appears to consist of the letters 'R', 'A', and 'J'.

**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 30, 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 30, 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"*):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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 30, 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**

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

**Robert J. 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)**

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**

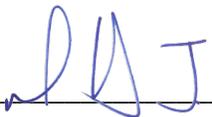
1. **THIS COURT ORDERS** that the time for service and notice of this Motion is abridged and validated such that this Motion is properly returnable today, without further service or notice thereof.

**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**

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

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

Appendix “D”  
to the Eighth Report of the Receiver

**Claims Procedure Table**

<b>PROCESS</b>	<b>DATE</b>
Receiver to publish Notice to Creditors in Globe and Mail (National Edition) and the National Post	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
Receiver to cause to be delivered the Claim Document Package to those Creditors with a payable from a review of the information obtained from the books and records of Turuss	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
Receiver to post a copy of the Claims Procedure Order, Motion Record and Claims Package on the Receiver's Website	Not later than five (5) Business Days following the granting of the Claims Procedure Order
Receiver to deliver 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.	As soon as reasonably possible after receiving request
Claims Bar Date	September 30, 2021 by 5 p.m.
Receiver to issue Notice of Revision or Disallowance	As soon as practicable following review of Proof of Claim.
Creditor to deliver Objection to Receiver	Within fifteen (15) days following receipt by the Creditor of the Notice of Revision or Disallowance
Creditor to file notice of motion in respect of determination of the Claim in dispute, with a copy to be sent to the Receiver immediately after filing	Returnable within thirty (30) days following receipt by the Receiver of the Objection.

*Capitalized terms not otherwise defined in the above table shall have the meaning ascribed to them pursuant to the Claims Procedure Order dated August 3, 2021,*

Appendix “E”  
to the Eighth Report of the Receiver

# Porsche SE face U.S. lawsuit over VW diesel emissions claim

FRANKFURT

Porsche SE, Volkswagen's largest shareholder, is facing a lawsuit in the United States over claims related to the car maker's diesel emissions scandal.

The suit, filed with the Supreme Court of the state of New York in April, targets Porsche SE as well as former members of the management and supervisory boards of Volkswagen, Porsche SE said in its half-year report.

Porsche SE, which holds 31.4 per cent of Volkswagen, did not identify the plaintiffs and did not detail or quantify possible claims, saying the action had not yet been served.

"The plaintiffs claim to be shareholders of Volkswagen AG and assert with their action alleged claims of Volkswagen AG on behalf of Volkswagen AG," Porsche SE said.

The lawsuit marks the latest chapter in the "dieselgate" saga since Volkswagen admitted in September, 2015, to using illegal software to rig diesel engine emissions tests.

The scandal has cost the car maker more than €32-billion (\$46.9-billion) in fees, fines and legal costs so far.



Porsche SE did not identify the plaintiffs and did not detail or quantify possible claims. ODD ANDERSEN/ AFP/GETTY IMAGES

Volkswagen and Porsche SE are already subject to €4.1-billion worth of shareholder claims in relation to the crisis, but it could take years before they are resolved. REUTERS

## HYDRO ONE REPORTS \$238-MILLION PROFIT AS REVENUE TICKS UP

Hydro One Ltd. reported a second-quarter profit of \$238-million as its revenue edged higher.

The power utility says the profit for the quarter ended June 30 amounted to 40 cents per diluted share.

The result compares with a profit of \$1.1-billion or \$1.84 per diluted share a year ago, when the company recorded a one-time gain of \$867-million owing to an Ontario court ruling on a deferred tax asset appeal that set aside an Ontario Energy Board decision.

Revenue in the quarter was \$1.72-billion, up from \$1.67-billion in the same quarter last year.

On an adjusted basis, Hydro One says it earned 40 cents per diluted share for its latest quarter, compared with an adjusted profit of 39 cents per diluted share a year ago.

Analysts on average had expected an adjusted profit of 37 cents a share, according to financial markets data firm Refinitiv.

THE CANADIAN PRESS

## Angel: Decline in investing attributed partly to lack of government aid

FROM B1

"Because of the decline in the stock market and their portfolios, which declined significantly in March of 2020, there was likely less capital available to be put at risk into the early stage," Mr. Rojas said. "Angels were still writing cheques supporting entrepreneurs. They just weren't doing it at the same dollar amount as they did in a pre-COVID-19."

New logistics also posed a challenge for angel investors, said Mary Long-Irwin, executive director of Northern Ontario Angels, a Thunder Bay-based non-profit that helps entrepreneurs find capital.

"Angel investing is often a very social activity and switching to virtual investment meetings was challenging for some investors," Ms. Long-Irwin said.

In addition to uncertainty, Mr.

Rojas attributed the decline to the lack of government assistance to minimize risk for angel funders, compared with what was available for venture capital organizations.

Last year, Business Development Bank of Canada offered the Venture Capital Catalyst Initiative and the BDC Capital Bridge Financing Program. He said a similar program would greatly benefit angel investors and companies looking for early-stage capital.

"Having a targeted policy mechanism, like the BDC matching funds initiative, or national equity tax credit, would be a signalling mechanism to the investor community that there's opportunity in the early stages," Mr. Rojas said. "There's a lot of capital that's on the sidelines that could be deployed."

But already, there are indica-

tions that interest is returning. Activity since January has already been up, according to Dennis Ensing, CEO of Equation Angels, Canada's second-largest angel network.

Angel investing is often a very social activity and switching to virtual investment meetings was challenging for some investors.

MARY LONG-IRWIN, EXECUTIVE DIRECTOR, NORTHERN ONTARIO ANGELS

While he saw a decrease in the number of members in his investor groups across Ontario, sentiment is taking a turn, he said. "As a result of the stabilization of the

economy, we're definitely seeing a return to much more normal investment activity," Mr. Ensing said.

Now, Ms. Long-Irwin said, angels have become more comfortable meeting with entrepreneurs virtually.

"In Northern Ontario Angels's case, it's not uncommon for investors to have to drive quite a distance to get to investment meetings, so we had already done several virtual meetings. Going virtual for all of our meetings actually allowed investors to connect with more entrepreneurs."

Vihangi Mehta, managing director of Maple Leaf Angels, a community of Toronto-based angel investors, said working virtually has expanded their ability to find new opportunities across the country.

"Our angel investment activity has risen last year in comparison

to previous years as virtual meetings have given our members access to national deal flow and better ability to review material at their convenience," he said in an e-mail.

This year, HeirLume, an online trademark registration startup based in Toronto, raised a \$1.7-million seed round from angel investors, and Canadian passport management platform iPassword raised \$125-million from angel investors. In July, Properly, the Canadian tech-enabled real estate brokerage, announced \$44-million in Series B financing, partly contributed by angel investors, to fuel a national expansion.

"There will be work to do to bring people back over the next two years, but we believe strongly that in five years, we will have returned back to where we were at the beginning of 2020," Mr. Ensing said.

## BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-866-999-9237 EMAIL: ADVERTISING@GLOBEANDMAIL.COM

**LEGALS**

**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 Turus (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 30, 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.mnpdcbt.ca/turus](http://www.mnpdcbt.ca/turus), or by emailing the Receiver at [Fatemah.Khalifa@mnp.ca](mailto:Fatemah.Khalifa@mnp.ca).

DATED at Toronto, Ontario this 11th day of August 2021.

**MNP LTD.**  
 in its capacity as court-appointed receiver and manager of Turus (Canada) Industry Co., Ltd.  
 300-111 Richmond St. West  
 Toronto ON M5H 2G4  
[www.mnpdcbt.ca](http://www.mnpdcbt.ca)

**BUSINESS TO BUSINESS**

**BUSINESS OPPORTUNITIES**

Teml laboNagency, 25 years in business at same location, 1.5 mil revenue. With real estate \$1.6 next to public transportation. W/O real estate \$1,042,000. [Lgalup@ahhand.com](mailto:Lgalup@ahhand.com)

**Sports**

TO SUBSCRIBE 1-866-999-9237 [TGAM.CA/SUBSCRIBE](http://TGAM.CA/SUBSCRIBE)

**DIVIDENDS**

**DIVIDEND NOTICE**

NOTICE IS HEREBY GIVEN that the Board of Directors of Sun Life Financial Inc. has declared dividends in Canadian currency, payable September 29, 2021, to Shareholders of record on August 25, 2021, as follows:

- \$0.296875 per share on Class A Non-Cumulative Preferred Shares, Series 1;
- \$0.30 per share on Class A Non-Cumulative Preferred Shares, Series 2;
- \$0.278125 per share on Class A Non-Cumulative Preferred Shares, Series 3;
- \$0.278125 per share on Class A Non-Cumulative Preferred Shares, Series 4;
- \$0.28125 per share on Class A Non-Cumulative Preferred Shares, Series 5;
- \$0.114063 per share on Class A Non-Cumulative Preferred Shares, Series 8R;
- \$0.095718 per share on Class A Non-Cumulative Floating Rate Preferred Shares, Series 9QR;
- \$0.177625 per share on Class A Non-Cumulative Preferred Shares, Series 10R;
- \$0.143608 per share on Class A Non-Cumulative Floating Rate Preferred Shares, Series 11QR;
- \$0.237875 per share on Class A Non-Cumulative Preferred Shares, Series 12R; and
- \$0.55 per share on Common Shares.

By order of the Board of Directors  
 Troy Krushel  
 Vice-President, Associate General Counsel & Corporate Secretary  
 August 4, 2021  
 Toronto, Ontario, Canada

**NOTICE TO ALL THE HOLDERS OF COMMON SHARES OF RECORD ON AUGUST 26, 2021**

On August 5, 2021, Gildan Activewear Inc. (the "Corporation") announced that its Board of Directors declared a dividend of USD\$0.154 per common share (Canadian dollar equivalent for Canadian registered shareholders) on all outstanding common shares of the Corporation. Such dividend will be paid on September 20, 2021, rateably and proportionately to the holders of record on August 26, 2021.

**To subscribe**

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**DIVIDENDS**

**NOTICE OF DIVIDENDS**

**BCE** On August 4, 2021, the Board of Directors of BCE Inc. declared the following dividends, payable to holders of its shares at the close of business on the record dates indicated:

Dividend No.	Amount	Record Date	Payment Date	
Per Common Share	1.52	\$0.875	September 15, 2021	October 15, 2021
Per Cumulative Redeemable First Preferred Share:				
•Series R	84	\$0.188625	October 29, 2021	December 1, 2021
•Series S	258	Floating	August 31, 2021	September 13, 2021
•Series S	259	Floating	September 30, 2021	October 12, 2021
•Series S	260	Floating	October 29, 2021	November 12, 2021
•Series T	60	\$0.1886875	September 30, 2021	November 1, 2021
•Series Y	244	Floating	August 31, 2021	September 13, 2021
•Series Y	245	Floating	September 30, 2021	October 12, 2021
•Series Y	246	Floating	October 29, 2021	November 12, 2021
•Series Z	76	\$0.244	October 29, 2021	December 1, 2021
•Series AA	79	\$0.22563	October 29, 2021	December 1, 2021
•Series AB	168	Floating	August 31, 2021	September 13, 2021
•Series AB	169	Floating	September 30, 2021	October 12, 2021
•Series AC	170	Floating	October 29, 2021	November 12, 2021
•Series AC	75	\$0.27375	October 29, 2021	December 1, 2021
•Series AD	162	Floating	August 31, 2021	September 13, 2021
•Series AD	163	Floating	September 30, 2021	October 12, 2021
•Series AD	164	Floating	October 29, 2021	November 12, 2021
•Series AE	176	Floating	August 31, 2021	September 13, 2021
•Series AE	177	Floating	September 30, 2021	October 12, 2021
•Series AE	178	Floating	October 29, 2021	November 12, 2021
•Series AF	60	\$0.2415625	September 30, 2021	November 1, 2021
•Series AG	60	\$0.210625	September 30, 2021	November 1, 2021
•Series AH	176	Floating	August 31, 2021	September 13, 2021
•Series AH	177	Floating	September 30, 2021	October 12, 2021
•Series AH	178	Floating	October 29, 2021	November 12, 2021
•Series AI	60	\$0.211875	September 30, 2021	November 1, 2021
•Series AI	121	Floating	August 31, 2021	September 13, 2021
•Series AI	122	Floating	September 30, 2021	October 12, 2021
•Series AJ	123	Floating	October 29, 2021	November 12, 2021
•Series AK	41	\$0.184625	August 31, 2021	September 30, 2021
•Series AL	19	\$0.12533	August 31, 2021	September 30, 2021
•Series AM	28	\$0.1836875	August 31, 2021	September 30, 2021
•Series AN	22	\$0.13857	August 31, 2021	September 30, 2021
•Series AO	28	\$0.26625	August 31, 2021	September 30, 2021
•Series AQ	28	\$0.30075	August 31, 2021	September 30, 2021

Dividends paid by BCE to Canadian residents are eligible dividends for Canadian income tax purposes.  
 Martin Cossette  
 Vice-President, Legal and Corporate Secretary, BCE Inc.

**Computershare**

Notice is hereby given that the following dividends have been declared.

Issuer	Issue Date	Record Date	Payable	Rate
Magna International Inc.	Common	Aug. 20, 2021	Sept. 3, 2021	\$0.43 US
Sleep Country Canada Holdings Inc.	Common	Aug. 20, 2021	Aug. 30, 2021	\$0.195
Waste Connections Inc.	Common	Aug. 18, 2021	Sept. 1, 2021	\$0.205 US

**Dividends**

Notice is hereby given that the following dividends have been declared.

Issuer	Issue Date	Record Date	Payable	Rate
Magna International Inc.	Common	Aug. 20, 2021	Sept. 3, 2021	\$0.43 US
Sleep Country Canada Holdings Inc.	Common	Aug. 20, 2021	Aug. 30, 2021	\$0.195
Waste Connections Inc.	Common	Aug. 18, 2021	Sept. 1, 2021	\$0.205 US

## ENERGY

## CANADIAN SOLAR PLANS CALIFORNIA BATTERY TO HELP GRID

Canadian Solar Inc. is planning to install a 600 megawatt-hour battery next summer in California to help keep the lights on with the state facing ongoing heat waves and wildfires. The solar company's subsidiary, Recurrent Energy LLC, signed a 15-year agreement with PG&E Corp. to provide energy storage starting in the summer of 2022, according to a statement on Tuesday. The deal is in response to the Cali-



fornia Public Utilities Commission's call on utilities to prepare for extreme weather in the summer of 2021 and 2022, said Recurrent. California has struggled to avoid blackouts during a summer of intense heat and blazes. The climate disasters have pushed up demand for air conditioning just as a long-lasting drought has depleted reservoirs needed for hydropower. Bloomberg

## AEROSPACE

## Bombardier sells junk debt amid outlook boosts

S&amp;P, MOODY'S

ESTERAN DUARTE AND GOWRI GURUMURTHY

**Bombardier Inc.** was back in the high-yield market this week, refinancing bonds due over the next two years just as S&P Global Ratings and Moody's Investors Service boosted their outlooks for the troubled Canadian planemaker.

The Montreal-based company sold US\$750 million of 6.5-year bonds at 6 per cent, the wide-end of pricing guidance offered earlier, according to people familiar with the transaction. Shortly after the deal was announced on Monday S&P raised its outlook on the CCC+ rated company to stable from negative, while Moody's boosted the firm's rating one notch to an equivalent Caa1, or seven levels below investment grade.

The "new debt issuance, combined with debt reduction from excess cash, mitigates near-term refinancing risks," S&P analysts led by Madhav Hari said in a statement. The company now has minimal debt maturities through late 2024, the analyst wrote.

Bombardier last week raised its full-year forecast for adjusted earnings before interest, taxes, depreciation and amortizations to more than US\$575 million, from over US\$500 million previously. The company's revenue for the second quarter also topped analysts' projections.

The firm last sold bonds June 8, when it issued US\$1.2 billion of 7.25 per cent bonds due 2026. The notes traded at about 105.25 cents on the dollar Monday, according to Trace data.

Bombardier's proposed US\$750 million offering of bonds may support technicians, we believe, and could help its bonds continue to outperform sector peers as the planemaker eyes the clearing of three years' worth of maturities amid turnaround efforts," Bloomberg Intelligence analyst Matthew Gendtmir wrote in report Monday.

Bombardier shares, which traded at 47 cents in Toronto at the start of year, have risen to more than \$1.70 as of Tuesday.

A representative for Bombardier didn't provide a comment when contacted by Bloomberg.

Bloomberg with Financial Post



Bombardier recently upped its full-year forecast for adjusted earnings before interest, taxes, depreciation and amortizations to more than US\$575 million.

## 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 Turcas (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 30, 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.mnpdelt.ca/turcas](http://www.mnpdelt.ca/turcas), or by emailing the Receiver at [Fatimah.Khalifa@mnp.ca](mailto:Fatimah.Khalifa@mnp.ca). DATED at Toronto, Ontario this 11th day of August 2021.

MNP LTD. in its capacity as court-appointed receiver and manager of Turcas (Canada) Industry Co. Ltd. 300-111 Richmond St. West Toronto ON M5H 2G4 [www.mnpdelt.ca](http://www.mnpdelt.ca)



Canadian Pacific maintains that its plan would provide Kansas City Southern a clearer shot at regulatory approval from the Surface Transportation Board.

## Southern's shares jumped 7.4 per cent with new proposal

SOUTHERN Continued from FPI

Kansas City Southern, in a statement after the newest bid, said its board will evaluate the proposal "in accordance with the terms of KCS' merger agreement with CN, and will respond in due course." Canadian National said in a statement that it "continues to have a better bid, be a better partner and offer the best solution for KCS and its stakeholders."

Kansas City Southern's shares jumped 7.4 per cent to close at US\$289.59 in New York, while Canadian Pacific's U.S. shares fell 0.7 per cent to US\$72.20. Canadian National dropped 0.7 per cent at US\$107.28. Canadian Pacific's new proposed transaction has an enterprise value of about US\$31 billion including the assumption of US\$3.8 billion in debt, Canadian Pacific said in its state-

ment. Common shareholders of Kansas City Southern will receive 2.884 common shares of Canadian Pacific and US\$90 in cash for each share they hold of the U.S. railroad. Creel reiterated that he wouldn't get into a bidding war with his larger, deeper-pocketed rival.

Canadian Pacific has long held that its plan would provide Kansas City Southern a clearer shot at regulatory approval from the Surface Transportation Board, which already approved that carrier's voting trust petition under more lax merger rules.

The board has said that the deal would provide Canadian Pacific and Kansas City Southern — the two smallest of the seven large U.S. and Canadian railroads — would "result in the fewest overlapping routes."

The U.S. regulator decided to judge the Canadian National agreement under stricter merger guidelines

that also take into account "public interest." To ease the approval, Canadian National offered to sell tracks that overlap with Kansas City Southern, mainly between New Orleans and Baton Rouge.

The STB said Tuesday it will issue a decision on the Canadian National proposal's voting trust by Aug. 31. If the ruling doesn't come before the Aug. 19 vote, that means Kansas City Southern shareholders will be making a decision without a clear picture of where the regulator stands on the Canadian National deal.

"I was quite surprised to see CP come back to the table" with a new offer, said David Baskin, president of Baskin Wealth Management, which owns CN shares as part of the CUS\$2 billion (US\$1.6 billion) it manages. Canadian Pacific is much smaller than Canadian National and the latter's bid already offers "top buck" to

Kansas City Southern shareholders, he said.

The new bid will give Kansas City Southern shareholders an alternative to the CN agreement. Creel said on the conference call, CP collected a US\$700 million fee from Kansas City Southern after the U.S. railroad broke their March merger agreement to take CN's offer in May. If shareholders approve the CN deal on Aug. 19, it will lock Kansas City Southern into that agreement until February even if the STB strikes down the voting trust, Creel said.

"It's important that the shareholders speak up," Creel said. "They need to vote no on the CN deal."

The purchase of Kansas City Southern would give Canadian National a large Mexico railroad, which holds promise of quicker growth, and add almost parallel tracks to its existing U.S. operations that run north to south.

Bloomberg

## Canadian courts not bound by Dutch judicial decision

SHELL Continued from FPI

Shell's failure to do so, they maintained, violated the claimants' human rights, more particularly the right to life.

In its May 26 ruling, the court relied on a provision in the Dutch Civil Code making it unlawful to act in conflict with "unwritten law." As the court saw it, the United Nations Guiding Principles on Business and Human Rights and international human rights jurisprudence had established that corporations have a duty to mitigate human rights abuses, including the right to be protected against climate change. That, the court concluded, also required companies to ensure that their supply chain and end-users, including consumers, limited CO2 emissions as much as possible.

The decision is a blow to traditional thought, which holds that corporations' duty of care only goes as far as meeting minimum standards set by government. But the Shell ruling makes corporations responsible not only for consequences caused by their actual emissions, but also imposes a proactive (and prospective) duty to reduce them.

"The unique thing about the Shell ruling is that it is not merely preventative, but remedial in the sense that it imposes a specific target on the company and its subsidiaries," Jageman said. "So the thinking about what's reasonably required of corporations is definitely changing."

This being said, it's not even clear that the Dutch judgment, if upheld on ap-

peal, will be enforceable against Shell Canada. The question bears asking because Shell Canada has stated that the ruling will "not change the actions we are taking."

"Canadian courts are reluctant to enforce judgments that amount to mandatory injunctions, which is the case in RDS, and it's going to be even harder to enforce those that are seeking policy change," says Karen Galpern, a partner at Hansell LLP and a member of the Hansell McLaughlin Advisory Group.

Although the Supreme Court of Canada recently ruled in a case upholding the constitutionality of federal emission standards that climate change was an "existential threat," Canadian courts are in no way bound by the Hague court's decision. Even if they were, the decision is clearly distinguishable as a Canadian legislative act, not the Dutch Civil Code provision on which it rests.

"Making the same argument successfully in a Canadian court would definitely be an uphill battle," Jageman said.

Especially so because Canadian courts have long been loath to trench on policy decisions, historically reserved for governments.

"The Shell decision is a departure from the doctrine of judicial restraint that is ever-present in Canadian courts," said Melanie Gillis, a lawyer in McInnes Cooper's Halifax office.

"That said, the case could act as yet another catalyst that transitions the common law to a renewable energy economy."

In other words, precedent

is one thing, persuasive effect is another.

"RDS shows that relevant, thoughtful courts in countries whose laws we respect are prepared to take judicial notice of climate change and its impacts," said Carol Hansell of Hansell LLP and the founder of Toronto-based Hansell McLaughlin Advisory Group, a corporate governance consultancy. "It's a decision that's worth paying attention to, and that people are talking about."

Michael Gerrard, the founder and faculty director of the Sabin Center for Climate Change Law at Columbia University, believes the Dutch ruling will inspire similar cases elsewhere.

"The decision is getting a lot of attention and has raised many eyebrows around the world, especially when coupled with other important developments," he said. Those "important developments" include: Engine No. 1, a tiny hedge fund, unseated three members of Exxon Mobil Corp's board in May by way of trying to force the company's leadership to deal with its alleged failure to adjust business strategy to match global efforts to combat climate change. About the same time, Chevron Corp. shareholders voted 62 per cent in favour of an activist proposal for forcing the group to cut its carbon emissions. Also in May, the International Energy Agency called for an immediate halt in fossil fuel supply projects, while the U.S. Securities and Exchange Commission has embarked on a much anticipated re-evaluation of climate change disclosure rules.

In Canada, the pressure's been mounting too.

A widely-cited opinion from pension expert Randy Bauslaugh in McCarthy Tétrault LLP's Toronto office, solicited by the Canada Climate Law Initiative (CCLI), an inter-disciplinary research group based at York

University's Osgoode Hall Law School and the Peter A. Allard School of Law at the University of British Columbia, concludes that Canadian

penalty standards legislation and jurisprudence impose a responsibility on pension fiduciaries to manage climate-related risk when investing their funds' assets.

"People who manage investments need to take account of the financial implications of climate change, which affects every kind of economic activity across the country," Bauslaugh said. "Those who don't are being pretty foolish and opening themselves to a lot of criticism and liability."

Professor Cynthia Williams at York University's Osgoode Hall Law School believes Bauslaugh's paper puts climate-related risk into the mainstream.

"Bauslaugh's analysis says climate change is like any potential material risk in the sense that it needs to be incorporated in strategy, oversight and possibly disclosure," she said.

Still, the core question raised in the Shell case remains: does corporate assessment of climate risk need to take into account an overriding duty of care beyond minimum government standards?

Whatever the courts decide, there's no questioning the judgment's broader impact.

"My gut feeling is that the case will give a broad boost to corporate ESG initiatives," says Michael Killeavy, the Toronto-based commercial director at Power Advisory LLC, an energy industry consultancy. "There are large corporations who have been dormant to date on this front but are now starting to think about it."

Financial Post

Julius Melnitzer is a Toronto-based legal affairs writer. He can be reached at [julius@legalwriter.net](mailto:julius@legalwriter.net)

Appendix “F”  
to the Eighth Report of the Receiver

Court File No. CV-20-00636006-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

THURSDAY, THE 8TH

MASTER JOLLEY

)

DAY OF APRIL, 2021

)



BETWEEN:

(Court Seal)

DALIAN NATURAL WOOD INDUSTRY CO., LTD.

Plaintiff

and

TURUSS (CANADA) INDUSTRY CO., LTD.

Defendant

**ORDER**

THIS MOTION, made by Cambridge LLP, lawyers for the plaintiff was heard this day by video conference at the court house, 3e3 University Avenue, 6th Floor, Toronto, Ontario, M5G 1R7.

ON READING the Notice of Motion and Affidavit of Nanda Singh sworn on March 29, 2021, on reviewing and returning the unredacted motion record of the moving party, and on hearing the submissions of the lawyer for Cambridge LLP, no one appearing for the Plaintiff, Dalian Natural Wood Industry Co., Ltd. although properly served,

1. THIS COURT ORDERS that, upon compliance with Rule 15.05, Cambridge LLP, Ruzbeh Hosseini, and Leon Li, be removed as lawyers of record for the Plaintiff, Dalian Natural Wood Industry Co., Ltd.

-2-

2. THIS COURT ORDERS that a copy of this Order shall be sent by regular mail to the Plaintiff at the following last known address and email:

Dalian Natural Wood Industry Co., Ltd.  
No. 2 Zhen Gang Road, Dalian Tax Free  
Zone, Liaoning Province, China Phone:  
18742537599.

[naturalwood001@126.com](mailto:naturalwood001@126.com)

3. THIS COURT ORDERS that pursuant to **Rule 15.04(6)**, within 30 days from the date of service of this Order, the Plaintiff corporation, Dalian Natural Wood Industry Co., Ltd., shall:

- (a) appoint a new lawyer of record by serving a notice under subrule 15.03(2);  
or
- (b) obtain and serve an Order under subrule 15.01(2) granting it leave to be represented by a person other than a lawyer.

4. THIS COURT ORDERS that if the Plaintiff corporation, Dalian Natural Wood Industry Co., Ltd., fails to comply with paragraph 3 above,

- (a) the court may dismiss its proceeding or strike out its defence; and
- (b) in an appeal,
  - (i) a judge of the appellate court may, on motion, dismiss the corporation's appeal, or

-3-

- (ii) the court hearing the appeal may deny it the right to be heard



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Jolley  
Date: 2021.04.08 10:13:57  
-04'00'

\_\_\_\_\_  
*Signature of master*

DALIAN NATURAL WOOD INDUSTRY CO., LTD.  
Plaintiff

-and-

TURUSS (CANADA) INDUSTRY CO., LTD.  
Defendant

Court File No. CV-20-00636006-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT  
TORONTO**

**ORDER**

**CAMBRIDGE LLP**  
333 Adelaide Street West  
4th Floor  
Toronto, Ontario  
M5V 1R5

**Ruzbeh Hosseini (LSO# 57692N)**  
rhosseini@cambridgellp.com  
Tel: 647.430.5375

**Leon Li (LSO# 72630Q)**  
lili@cambridgellp.com  
Tel: 416.888.2380

**Tel: 416.477.7007  
Fax: 289.812.7385**

Lawyers for the Plaintiff  
Dalian Natural Wood Industry Co., Ltd.

Email for party served: Dalian Natural Wood  
Industry Co. Ltd.: Naturalwood001@126.com

Appendix “G”  
to the Eighth Report of the Receiver

**Loberto, Daniel**

---

**From:** Loberto, Daniel  
**Sent:** Wednesday, September 29, 2021 9:54 AM  
**To:** naturalwood001@126.com  
**Cc:** Kennedy, Robert; Jerry Henechowicz  
**Subject:** RE: Turuss (Canada) Industry Co. Ltd. - Claims Procedure  
**Attachments:** Claims Procedure Order of Justice Koehnen - August 3 2021.PDF

Good morning,

We follow-up again regarding the Claims Procedure Order dated August 3, 2021 (the “**Claims Procedure Order**”), which approved a Claims Procedure in relation to claims against Turuss (Canada) Industry Co., Ltd. The claims bar deadline is this **Thursday, September 30, 2021 at 5 p.m.** It is imperative that we receive a response back from you regarding any claim Dalian Natural Wood Industry Co., Ltd. may have against Turuss before the claims bar deadline.

Regards,

 **Daniel A. Loberto**  
Associate

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**From:** Loberto, Daniel  
**Sent:** Monday, September 27, 2021 10:53 AM  
**To:** naturalwood001@126.com  
**Cc:** Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>; Jerry Henechowicz <[Jerry.Henechowicz@mnp.ca](mailto:Jerry.Henechowicz@mnp.ca)>  
**Subject:** RE: Turuss (Canada) Industry Co. Ltd. - Claims Procedure

Good morning,

We follow-up again regarding the Claims Procedure Order dated August 3, 2021 (the “**Claims Procedure Order**”), which approved a Claims Procedure in relation to claims against Turuss (Canada) Industry Co., Ltd. The claims bar deadline is this **Thursday, September 30, 2021 at 5 p.m.** We would like to schedule a call with you to discuss your claim. Please let us know your availability.

Regards,

 **Daniel A. Loberto**  
Associate

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---

**From:** Loberto, Daniel

**Sent:** Wednesday, September 22, 2021 4:30 PM

**To:** 'naturalwood001@126.com' <[naturalwood001@126.com](mailto:naturalwood001@126.com)>

**Cc:** Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>; 'Jerry Henechowicz' <[Jerry.Henechowicz@mnp.ca](mailto:Jerry.Henechowicz@mnp.ca)>

**Subject:** RE: Turuss (Canada) Industry Co. Ltd. - Claims Procedure

Good afternoon:

We follow-up again regarding the attached Claims Procedure Order dated August 3, 2021 (the "**Claims Procedure Order**"), which approved a Claims Procedure in relation to claims against Turuss (Canada) Industry Co., Ltd ("**Turuss**").

As you are aware, if you intend to file a claim against Turuss, you are to file a proof of claim. The claims bar date in the Claims Procedure Order, which is **5:00p.m. on September 30, 2021**, is coming up shortly.

We would like to schedule a call with you to discuss your claim. Please let us know your availability.

Regards,

 **Daniel A. Loberto**  
Associate

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daniel.loberto@dentons.com  
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Macchiavello Arocena > Jiménez de Aréchaga, Viana & Brause > Lee International > Kensington Swan > Bingham Greenebaum > Cohen & Grigsby > Sayarh & Menjra > For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

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---

**From:** Loberto, Daniel  
**Sent:** Tuesday, September 14, 2021 4:17 PM  
**To:** [naturalwood001@126.com](mailto:naturalwood001@126.com)  
**Cc:** Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>  
**Subject:** RE: Turuss (Canada) Industry Co. Ltd. - Claims Procedure

Good afternoon,

We are following up with you in connection to the attached Claims Procedure Order dated August 3, 2021 (the “**Claims Procedure Order**”), which approved a Claims Procedure in relation to claims against Turuss (Canada) Industry Co., Ltd (“**Turuss**”).

The Claims Procedure Order includes a claims package for your review and consideration. If you intend to file a claim against Turuss, you are to file a proof of claim. Please note that the Claims Procedure Order establishes a claims bar date of before **5:00p.m. on September 30, 2021.**

We would like to schedule a call with you to discuss any potential claim of Dalian Natural Wood Industry Co., Ltd. against Turuss. Please let us know your availability.

Kind regards,



**Daniel A. Loberto**  
 Associate

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

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**From:** Loberto, Daniel  
**Sent:** Friday, August 13, 2021 5:14 PM  
**To:** [naturalwood001@126.com](mailto:naturalwood001@126.com)

Cc: Kennedy, Robert <[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)>

Subject: Turuss (Canada) Industry Co. Ltd. - Claims Procedure

Good afternoon,

We refer to the attached Claims Procedure Order dated August 3, 2021 (the “**Claims Procedure Order**”), which approved a Claims Procedure in relation to claims against Turuss (Canada) Industry Co., Ltd (“**Turuss**”). The Claims Procedure Order includes claims package for your review and consideration. If you intend to file a claim against Turuss, you are to file a proof of claim. Please note that the Claims Procedure Order establishes a claims bar date of before **5:00p.m. on September 30, 2021.**

Kind regards,



Daniel A. Loberto

Associate

What's Next? The answer is Talent. With more than 20,000 people, 12,000 lawyers and 200 locations, Dentons has the talent for what you need, where you need it.

D +1 416 863 4760

[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

[Bio](#) | [Website](#)

Dentons Canada LLP

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

[Sirote > Adepetun Caxton-Martins Agbor & Segun > Davis Brown > East African Law Chambers > Eric Silwamba, Jalasi and Linyama > Durham Jones & Pinegar > LEAD Advogados > Rattagan Macchiavello Arocena > Jiménez de Aréchaga, Viana & Brause > Lee International > Kensington Swan > Bingham Greenebaum > Cohen & Grigsby > Sayarh & Menjra > For more information on the firms that have come together to form Dentons, go to \[dentons.com/legacyfirms\]\(https://www.dentons.com/legacyfirms\)](#)

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Appendix “H”  
to the Eighth Report of the Receiver

**TURUSS (CANADA) INDUSTRY CO., LTD.**  
**SUMMARY OF UNSECURED CREDITOR CLAIMS FILED AND PROVEN**  
**AS AT OCTOBER 21, 2021**

UNSECURED CREDITOR	NOTE	AMOUNT FILED	ADJUSTMENT	PROVEN
1. Canada Revenue Agency, customs and excise tax		\$ 60,885.08		\$ 60,885.08
2. Eastern Overhead Doors Ltd.		20,340.00		20,340.00
3. Emix Limited	1.	159,394.61	-	11,850.16
4. Global Payments Inc.		33,987.67		33,987.67
5. Hatten Home Hardware		599.15		599.15
6. Hydro One Networks	2.	348,472.83	-	45,841.01
7. James Hingston		15,453.84		15,453.84
8. Liyuan Qi	3.	313,223.00		
9. Primex Energy Inc.		55,180.24		55,180.24
10. Weiler's Cleaning & Restoration Ltd.		913.71		913.71
11. Workplace Safety and Insurance Board		1,294.88		1,294.88
		<b>\$ 1,009,745.01</b>	<b>-\$ 57,691.17</b>	<b>\$ 638,830.84</b>

NOTES

1. Agreed adjustment for application of security deposit.
2. Claim included amounts due for services provided post receivership that were paid after the claim was filed.
3. The quantum of the proveable claim, if any, is being reviewed and negotiated with the claimant and its counsel.

Appendix “I”  
to the Eighth Report of the Receiver

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

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

B E T W E E N:

**PILLAR CAPITAL CORP.**

Applicant

- and -

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

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*  
*ACT*, R.S.O. 1990, c. C-43, AS AMENDED

**AFFIDAVIT OF JERRY HENECHOWICZ**

(Sworn October 21, 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 two Statements of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period July

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

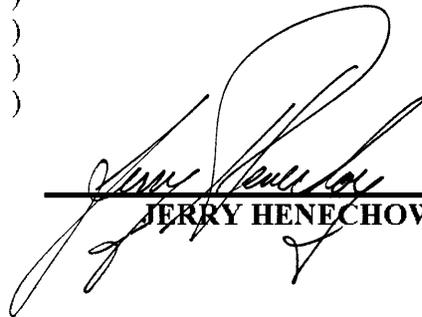
4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$403.81.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the fees and disbursements of the Receiver and its accounts.
6. Due to the circumstances 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 Toronto in the Province of )  
 Ontario on October 21, 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 21<sup>st</sup> day of October, 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 JULY 5 TO SEPTEMBER 30, 2021**

<b>MNP INVOICE</b>	<b>DATE</b>	<b>HOURS</b>	<b>FEES</b>	<b>DISBURSEMENTS</b>	<b>HST</b>	<b>TOTAL</b>
9961637	10-Aug-2021	39.80	\$ 17,982.00	\$ -	\$ 2,337.66	\$ 20,319.66
10039325	19-Oct-2021	66.30	24,862.00		3,232.06	28,094.06
		<b>106.10</b>	<b>\$ 42,844.00</b>	<b>\$ -</b>	<b>\$ 5,569.72</b>	<b>\$ 48,413.72</b>

Average Hourly Rate **\$ 403.81**

Attached is Exhibit "B"

Referred to in the

**AFFIDAVIT OF JERRY HENECHOWICZ**

Sworn before me video conference

This 21<sup>st</sup> day of October, 2021

—  —

Commissioner for taking Affidavits, etc

# Invoice



**Invoice Number :** 9961637

**Client Number :** 0835555

**Invoice Date :** Aug 10 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 ended July 28, 2021 as set out on the attached time an billing summary. 17,982.00

Harmonized Sales Tax : 2,337.66

**Total (CAD) :** 20,319.66

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 ENDED JULY 28, 2021**

DATE	PROFESSIONAL	HOURS	DESCRIPTION
05-Jul-2021	Jerry Henechowicz	1.80	Attending to payment of operating expenses, distributions to secureds, calls with purchaser and Bruce Power on transition issues, review of claim related to alleged inventory in storage on site
05-Jul-2021	Matthew Lem	.10	Wire authorization
05-Jul-2021	Fatemah Khalfan	.40	Received statements from McDougal Energy; reviewed; email sent to J. Henechowicz
05-Jul-2021	Fatemah Khalfan	.40	Prepared 2 wire requisitions; sent 2 wire authorizations from my end to M. Lem
05-Jul-2021	Chahna Nathwani	.50	Post entries into Ascend
06-Jul-2021	Jerry Henechowicz	1.40	Call with Dentons related to closing matters, wire to 2nd secured, other post-closing issues, update call with Richmond Advisors, call from Purchaser
06-Jul-2021	Matthew Lem	.10	Wire authorization
06-Jul-2021	Chahna Nathwani	.50	Cheque preparation, entry into Ascend, cheque process, cheque printing, mail preparation
06-Jul-2021	Fatemah Khalfan	.40	Received statements from McDougal Energy; reviewed
06-Jul-2021	Chahna Nathwani	2.00	Generating Excel Worksheet for GST paid-collected and rental income
06-Jul-2021	Chahna Nathwani	.50	Call in with Jerry regards to Post Receivership GST
07-Jul-2021	Jerry Henechowicz	.70	Various follow up issues related to closing
08-Jul-2021	Jerry Henechowicz	.70	Multiple issues related to cut-off, dealing with payments to secureds, follow up on Bruce Power liabilities
08-Jul-2021	Chahna Nathwani	.50	Post entries into Ascend and Quicken as per Jerry's email
09-Jul-2021	Jerry Henechowicz	.20	Payment of various expenses and fees
09-Jul-2021	Chahna Nathwani	.70	Cheque Requisitions
09-Jul-2021	Fatemah Khalfan	.20	Phone call with McDougall energy about outstanding Invoices
12-Jul-2021	Jerry Henechowicz	.80	On-going transition and follow up
12-Jul-2021	Chahna Nathwani	.60	Cheque requisitions entries into ascend, sending for E-signature and processing

MNP LTD.

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

FOR THE PERIOD ENDED JULY 28, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
12-Jul-2021	Fatemah Khalfan	.40	Printed cheques; arranged for courier; arranged for regular mailing; sent email to R. Bernakevitch with copy of cheques that were being left for her to process
13-Jul-2021	Jerry Henechowicz	.80	Follow up on wires to secureds, emails with Bruce Power on outstanding alteration charges, review of payments of July rents
13-Jul-2021	Matthew Lem	.10	wire authorization
13-Jul-2021	Fatemah Khalfan	.10	Phone call with J. Henechowicz about reconciling bank statement with GL
13-Jul-2021	Fatemah Khalfan	.50	Submitted wire transfer (Hsieh) for authorization; forwarded to M. Lem for his authorization; saved to client folder
13-Jul-2021	Chahna Nathwani	2.00	Download and prepare worksheet for past 3 months bank statements and comparing with Ascend- As per Jerry's instruction- due to missing entries
14-Jul-2021	Fatemah Khalfan	.20	Email sent to McDougall Energy about cheque being mailed out
14-Jul-2021	Fatemah Khalfan	.40	Cheque requisition prepared and sent to J. Henechowicz; prepared for e-signature
14-Jul-2021	Chahna Nathwani	.50	Call in with Fatemah regards to Turuss bank statements, sending hr June and July updates regards to Ascend Entries
15-Jul-2021	Jerry Henechowicz	.50	Update call with Dentons on next report and timing of deliveries
15-Jul-2021	Fatemah Khalfan	.40	Banking postings done to Ascend
15-Jul-2021	Fatemah Khalfan	.60	Processed cheque requisition and submitted to J. Henechowicz for e-signature; received back; printed cheque and cover letter, and arranged for registered mail
15-Jul-2021	Chahna Nathwani	2.50	3 month banking review and preparation of Worksheet for Jerry
16-Jul-2021	Jerry Henechowicz	1.10	Drafting of seventh report, on-going issues related to transition of ownership
19-Jul-2021	Jerry Henechowicz	.50	Update calls with purchaser and Bruce Power on payment of July 2021 rent
20-Jul-2021	Jerry Henechowicz	2.70	Attending to payments of expense and completion bonus, drafting of seventh report, review of draft notice of motion and claims process procedures
20-Jul-2021	Matthew Lem	.10	wire authorizations

MNP LTD.

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

FOR THE PERIOD ENDED JULY 28, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
20-Jul-2021	Fatemah Khalfan	.70	Two wire transfers authorized; posted to Ascend
21-Jul-2021	Jerry Henechowicz	2.10	Drafting of 7th report and related operational issues
21-Jul-2021	Matthew Lem	2.10	Review and adjust draft claim procedure order
21-Jul-2021	Fatemah Khalfan	1.50	Received email from J. Henechowicz about adjustments to be made to banking entries; made adjustments to banking entries for reconciliation purposes
22-Jul-2021	Jerry Henechowicz	2.10	Drafting of 7th report
22-Jul-2021	Fatemah Khalfan	.60	Phone call with M. Lem to discuss adjustments to banking entries
23-Jul-2021	Jerry Henechowicz	1.60	Redrafts of 7th report, update calls/emails with Dentons, review of orders and related issues
23-Jul-2021	Chahna Nathwani	.20	Posting reports on Sitecore, save in client's folder
23-Jul-2021	Fatemah Khalfan	.40	Posting to webpage
26-Jul-2021	Jerry Henechowicz	1.30	Finalization and completion of 7th Report to Court
26-Jul-2021	Matthew Lem	.40	Review comments from Dentons on draft order; discussion with J. Henechowicz re same.
27-Jul-2021	Jerry Henechowicz	.30	Final review and amendment of report
28-Jul-2021	Jerry Henechowicz	.60	Follow up on filings, update to website, executing copy of Receiver's certificate, sending of post closing invoices to Purchaser for payment
		<b>39.80</b>	

BILLING SUMMARY			
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Chahna Nathwani	10.50	215.00	2,257.50
Fatemah Khalfan	7.20	215.00	1,548.00
Jerry Henechowicz	19.20	650.00	12,480.00
Matthew Lem	2.90	585.00	1,696.50
<b>Total</b>	<b>39.80</b>		<b>17,982.00</b>

# Invoice



**Invoice Number :** 10039325

**Client Number :** 0835555

**Invoice Date :** Oct 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 August 3 to September 30, 2021 as set out on the attached time and billing summary. 24,862.00

Harmonized Sales Tax : 3,232.06

**Total (CAD) :** 28,094.06

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 AUGUST 3 TO SEPTEMBER 30, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
03-Aug-2021	Matthew Lem	1.60	Review of motion material in preparation for hearing; attendance at Court hearing; review of correspondence from R. Kennedy re Hsieh outstanding liability; review file re same, prepare interest calculation and respond to R, Kennedy.
03-Aug-2021	Fatemah Khalfan	.30	Proof of claim received via email
04-Aug-2021	Jerry Henechowicz	.90	follow up on status of distributions and adverts re claims process, call with Westmount on reliance on BCA
04-Aug-2021	Matthew Lem	1.10	Review of correspondence from Dentons; update discussions with J. Henechowicz; discussion with F. Khalfan re positing of orders and notices for
04-Aug-2021	Fatemah Khalfan	.50	Two Orders posted to the webpage
04-Aug-2021	Fatemah Khalfan	1.60	Claims Procedure Court Order received from Court; phone discussion with M. Lem about next steps; prepared draft Claims procedure package, draft
05-Aug-2021	Jerry Henechowicz	.80	updating claims register
05-Aug-2021	Fatemah Khalfan	.40	Reviewed Invoices received from McDougall Energy
05-Aug-2021	Fatemah Khalfan	.50	Emails exchanged with Globe and Mail re newspaper ad; update sent to M. Lem and J. Henechowicz
05-Aug-2021	Fatemah Khalfan	.50	Emails exchanged with National Post re newspaper ad; update sent to M. Lem and J. Henechowicz
05-Aug-2021	Fatemah Khalfan	1.00	Reviewed Ascend and Public folder and compiled creditor mailing list
06-Aug-2021	Jerry Henechowicz	.50	Review of claims procedure ad and claims process
06-Aug-2021	Fatemah Khalfan	.50	Emails exchanged with National Post and the Globe and Mail about ads to be placed for next week
06-Aug-2021	Fatemah Khalfan	.60	Received two POCs; reviewed and entered to Ascend
09-Aug-2021	Jerry Henechowicz	1.30	Review of claims documents and approval of same
09-Aug-2021	Matthew Lem	1.90	Update discussion with J. Henechowicz; assemble and forward to J. Henechowicz email re interest calculation for Hsieh; review of correspondence re: newspaper notice; discussion with F. Khalfan re same; preparation of cover letter; review of documents for claims procedure; discussion with F. Khalfan re same; discussion with J. Henechowicz re payout statistics for Pillar and Hsieh;
09-Aug-2021	Fatemah Khalfan	.60	Prepared cheque requisition for J. Henechowicz; processed for e-signature, printed and mailed out; posted a couple of transactions to Ascend
09-Aug-2021	Fatemah Khalfan	1.00	Finalized newspaper advertisements with National Post and Globe & Mail
09-Aug-2021	Fatemah Khalfan	1.00	Phone discussion with M. Lem about Claims Procedure package; reviewed and edited documents; sent to M. Lem and J. Henechowicz for review
10-Aug-2021	Jerry Henechowicz	1.40	issues related to claims process, calculation of residual payments to Pillar and Hsieh, emails on point

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO., LTD.****FOR THE PERIOD AUGUST 3 TO SEPTEMBER 30, 2021**

10-Aug-2021	Matthew Lem	.10	Review and finalize claim document package; review of correspondence from F. Khalfan
10-Aug-2021	Fatemah Khalfan	.30	Phone call with creditor
10-Aug-2021	Fatemah Khalfan	.30	Amended deposit posting to Ascend
10-Aug-2021	Fatemah Khalfan	.40	Prepared cheque requisition
10-Aug-2021	Fatemah Khalfan	1.50	Claims package assembled and mailed out; new section created on webpage; postings done to web page; preparation of Affidavit of Mailing
11-Aug-2021	Jerry Henechowicz	1.30	Approval of wire payments re distributions to creditors, follow up on claims package, call with Bruce Power and Westmount on outstanding transition items., follow up email on insurance refund status
11-Aug-2021	Matthew Lem	.20	Wire authorizations; review advertisements and review claims procedure order;
11-Aug-2021	Fatemah Khalfan	.30	Emails exchanged with National Post about advertisement and payment on Invoice
11-Aug-2021	Fatemah Khalfan	.30	Emails exchanged with T. Burningham about Globe and Mail Invoice received with regards to advertisement
11-Aug-2021	Fatemah Khalfan	.40	Revised Affidavit of mailing Claims package
11-Aug-2021	Fatemah Khalfan	.40	Emails exchanged with GLF and J. Henechowicz about GFL Invoice outstanding
11-Aug-2021	Fatemah Khalfan	.70	Two wire transfers processed and authorized - Pillar Capital and Hsieh; requisitions prepared and sent to M. Lem and J. Henechowicz
12-Aug-2021	Jerry Henechowicz	.40	Emails and calls with Richmond and Bruce Power re alterations invoice follow up
12-Aug-2021	Fatemah Khalfan	.40	Emails exchanged with GFL about outstanding Invoice
12-Aug-2021	Fatemah Khalfan	.40	Posted term deposit to Ascend
12-Aug-2021	Fatemah Khalfan	.70	Two cheque requisitions prepared for J. Henechowicz; posted to Ascend, printed cheques, mailed out
13-Aug-2021	Jerry Henechowicz	.60	emails and calls related to outstanding rents due from Bruce Power and claims process
13-Aug-2021	Fatemah Khalfan	.20	Emails exchanged with J. Henechowicz about Term deposit posting in Ascend
13-Aug-2021	Fatemah Khalfan	.40	Two cheques printed and mailed out
17-Aug-2021	Fatemah Khalfan	.40	Replied to a couple of creditor emails over receipt of their POCs
18-Aug-2021	Jerry Henechowicz	1.60	Emails and calls with Hydro One regarding outstanding accounts, review and arranging wires re Dentons outstanding accounts, call with Richmond Advisors for rebilling to Bruce Power
18-Aug-2021	Fatemah Khalfan	.20	Email to creditor confirming receipt of their POC; email sent to J. Henechowicz

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO., LTD.****FOR THE PERIOD AUGUST 3 TO SEPTEMBER 30, 2021**

18-Aug-2021	Fatemah Khalfan	.80	Confirmed non-payment of two Invoices from Dentons; prepared wire requisition and sent to J. Henechowicz; initiated wire transfer and sent authorization to M. Lem;
19-Aug-2021	Jerry Henechowicz	1.10	Follow up on claims process and related claims, emails related to receipt of insurance refund
19-Aug-2021	Chahna Nathwani	.50	Cheque requisitions prepared for Jerry's review
20-Aug-2021	Jerry Henechowicz	.60	Arranging for payment of pre-closing expenses
20-Aug-2021	Matthew Lem	.10	wire authorization
20-Aug-2021	Fatemah Khalfan	.30	Email sent to Hydro requesting some past Invoices; received and forwarded to J. Henechowicz
20-Aug-2021	Fatemah Khalfan	.30	Cheque requisition prepared and sent to J. Henechowicz
20-Aug-2021	Fatemah Khalfan	.50	Wire requisition authorized and sent to M. Lem; saved and posted to Ascend
23-Aug-2021	Jerry Henechowicz	1.30	Payment of Hydro and other expenses, calculation of post receivership HST filings
23-Aug-2021	Chahna Nathwani	.40	Cheque requisition for review, Payment posting and cheque processing
23-Aug-2021	Fatemah Khalfan	.30	Cheque printed and mailed out; email sent to vendor to expect cheque
23-Aug-2021	Fatemah Khalfan	.70	Cheque requisition prepared; sent to J. Henechowicz; printed and mailed out
24-Aug-2021	Jerry Henechowicz	.50	Claims process follow up with Dentons, review of claims and potential additional claimants
24-Aug-2021	Fatemah Khalfan	.30	Claims register printed and sent to J. Henechowicz
25-Aug-2021	Patricia Ball	.20	Bank Rec - Email to Jerry
25-Aug-2021	Fatemah Khalfan	.40	Phone call with CRA about outstanding HST returns
25-Aug-2021	Fatemah Khalfan	1.10	Claims package mailed and emailed x 6; responded to emails received back; emails exchanged with J. Henechowicz
26-Aug-2021	Fatemah Khalfan	.30	Emails exchanged with J. Henechowicz on a proof of claim received
26-Aug-2021	Fatemah Khalfan	.30	Emails exchanged with a creditor on proof of claim received (Dalian Natural Wood)
26-Aug-2021	Fatemah Khalfan	.40	Proof of claim received via email (Hatten Building Centre); reviewed; sent email to J. Henechowicz
26-Aug-2021	Fatemah Khalfan	.40	Received GIC statements; reviewed, saved and forwarded to J. Henechowicz
26-Aug-2021	Fatemah Khalfan	.50	Phone call with CRA about filing HST returns for RT001 and RT002 accounts; email update to J. Henechowicz
27-Aug-2021	Fatemah Khalfan	.40	Reviewed POC (Hatten Building centre); Email sent to creditor about their POC and what is needed to complete it

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO., LTD.****FOR THE PERIOD AUGUST 3 TO SEPTEMBER 30, 2021**

27-Aug-2021	Fatemah Khalfan	.70	Cheque requisition prepared; sent to J. Henechowicz; printed and mailed out
30-Aug-2021	Jerry Henechowicz	.90	Responding to enquiries on claims from Dentons, reviewing claims filed by Hingston and Stern Overhead Doors
30-Aug-2021	Fatemah Khalfan	.20	Email forwarded to J. Henechowicz on Dalian Natural Wood
30-Aug-2021	Fatemah Khalfan	.20	POC received from James Hingston
30-Aug-2021	Fatemah Khalfan	.30	Phone call with CRA on outstanding returns
31-Aug-2021	Jerry Henechowicz	.50	Review of Poc C, transferring funds received from Bruce Power
31-Aug-2021	Chahna Nathwani	.30	Receipts updating in Ascend Transfers to Estate/Retainer entries
31-Aug-2021	Fatemah Khalfan	.30	Proof of claim received; reviewed
31-Aug-2021	Fatemah Khalfan	.30	POC received from Eastern Overhead
31-Aug-2021	Fatemah Khalfan	.50	Submitted Rep ID request online to CRA
01-Sep-2021	Jerry Henechowicz	.20	Email from Dentons related to claims process and response,
01-Sep-2021	Fatemah Khalfan	.50	Reviewed and entered 4 proofs of claim to Ascend; saved to client file
02-Sep-2021	Jerry Henechowicz	.20	Preparing and sending of claims register to Dentons
03-Sep-2021	Jerry Henechowicz	.30	Follow up on claims process, email to utility suppliers re post closing amounts
03-Sep-2021	Chahna Nathwani	.20	Call in with McDougal's for issuing refund cheque
03-Sep-2021	Fatemah Khalfan	.20	Claims package sent to Bell Canada Insolvency
03-Sep-2021	Fatemah Khalfan	.30	Statement received from McDougall energy; reviewed; credit received; saved to client folder
05-Sep-2021	Fatemah Khalfan	.30	Claims package faxed to WSIB
07-Sep-2021	Fatemah Khalfan	.20	Package - courier tracing
08-Sep-2021	Fatemah Khalfan	.30	Proof of claim received; reviewed and entered to Ascend; saved to client folder
08-Sep-2021	Fatemah Khalfan	.40	Cheque requisition prepared for National Post ad; sent to J. Henechowicz
08-Sep-2021	Fatemah Khalfan	.70	Phone call with CRA business line about getting online access to Turuss so that o/s returns can be filed
09-Sep-2021	Jerry Henechowicz	.50	Review of HST filings

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO., LTD.****FOR THE PERIOD AUGUST 3 TO SEPTEMBER 30, 2021**

09-Sep-2021	Fatemah Khalfan	.70	Filed outstanding HST returns
10-Sep-2021	Jerry Henechowicz	.30	Follow up on Insurance refund, review of status of claim process
10-Sep-2021	Chahna Nathwani	.10	Follow-up call with Kevin McDougall Energy Inc for refund cheque.
10-Sep-2021	Fatemah Khalfan	.50	Parcel tracing for cheque sent to us by Mitchell & Abbott Group
13-Sep-2021	Jerry Henechowicz	.20	Responding to enquiry from Westmount
13-Sep-2021	Chahna Nathwani	.90	Receipt requisition prepared for Jerry, posting into Ascend, preparation of deposit slip, Cheque deposited to TD
13-Sep-2021	Fatemah Khalfan	.70	Emails exchanged with Sean Kennedy at the Mitchell and Abbott Group about cheque and re-sending it; courier arranged
14-Sep-2021	Jerry Henechowicz	.20	Follow up insurance refunds
14-Sep-2021	Fatemah Khalfan	1.20	Cheque received; update sent to J. Henechowicz and issuer; prepared receipt voucher for J. Henechowicz; attended at bank for deposit
15-Sep-2021	Jerry Henechowicz	.40	Turuss - HST filings
15-Sep-2021	Fatemah Khalfan	.60	HST RT0002 returns filed for July and August 2021
16-Sep-2021	Fatemah Khalfan	.30	Claims package sent to WSIB; email with fax confirmation sent to J. Henechowicz
17-Sep-2021	Chahna Nathwani	.70	Receipt requisition, process deposit slip and deposited cheque to TD
17-Sep-2021	Fatemah Khalfan	.30	Phone call with WSIB about filing a proof of claim
21-Sep-2021	Jerry Henechowicz	.30	Claims follow up
21-Sep-2021	Fatemah Khalfan	.30	Emails exchanged with CRA agent about last annual tax return filed
21-Sep-2021	Fatemah Khalfan	.40	Received voice message from J. Purdon at WSIB; called her back; she had questions about their POC, what we needed, etc.
22-Sep-2021	Jerry Henechowicz	.20	Arranging claims review with Dentons and forwarding claims register
23-Sep-2021	Jerry Henechowicz	1.10	Call with Dentons on claims process and follow up, review of banking
24-Sep-2021	Jerry Henechowicz	1.10	Claims process update and review of banking, arranging for return of records at Chesley
24-Sep-2021	Fatemah Khalfan	.30	Banking post done to Ascend
27-Sep-2021	Jerry Henechowicz	.30	Follow up on HST filings
27-Sep-2021	Patricia Ball	.50	banking adjustments

**MNP LTD****COURT APPOINTED RECEIVER AND MANAGER OF TURUSS (CANADA) INDUSTRY CO., LTD.****FOR THE PERIOD AUGUST 3 TO SEPTEMBER 30, 2021**

27-Sep-2021	Fatemah Khalfan	.40	Reviewed 3 requisitions sent by J. Henechowicz; banking post to Ascend
27-Sep-2021	Fatemah Khalfan	.40	Emails exchanged between myself, J. Henechowicz and I to J. Hingston re number of boxes and pick up availability
28-Sep-2021	Jerry Henechowicz	.80	Banking update
28-Sep-2021	Fatemah Khalfan	.50	Emails exchanged with J. Hingston re pickup of boxes; arranged courier with G. Sabatini
28-Sep-2021	Fatemah Khalfan	.50	Phone call with P. Pinto at CRA re questions he had about the recent HST filings done
29-Sep-2021	Jerry Henechowicz	.30	Review of bank rec issues with Patricia Ball
29-Sep-2021	Patricia Ball	.50	discuss bank recs with Jerry
29-Sep-2021	Fatemah Khalfan	.30	Final emails, and phone call, exchanged with J. Hingston about boxes for pickup
29-Sep-2021	Fatemah Khalfan	.30	Finalized pickup of boxes with J. Hingston
30-Sep-2021	Jerry Henechowicz	.50	Review of claims received
30-Sep-2021	Fatemah Khalfan	.50	Received POC x 2; emails sent to J. Henechowicz

**66.30**

<b>BILLING SUMMARY</b>			
<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>AMOUNT</b>
Chahna Nathwani	3.10	210.00	651.00
Fatemah Khalfan	36.40	210.00	7,644.00
Jerry Henechowicz	20.60	650.00	13,390.00
Matthew Lem	5.00	585.00	2,925.00
Patricia Ball	1.20	210.00	252.00
<b>Total</b>	<b>66.30</b>		<b>24,862.00</b>

Appendix “J”  
to the Eighth 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 October 25, 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 June 10, 2021 to September 30, 2021 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoices, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit “B”** is a schedule summarizing the Invoice, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit “C”** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.

9. 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 Toronto in the Province of Ontario on October 25, 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 25th DAY OF OCTOBER,  
2021.



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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 # 3612736**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

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

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

Professional Fees	\$	58,097.00
Less: Discount		<u>(2,097.00)</u>
Net Professional Fees	\$	56,000.00
Disbursements		1,466.82
HST (13.0%) on \$57,146.82		<u>7,429.09</u>
<b>Total Amount Due</b>	<b>\$</b>	<b><u>64,895.91</u> CAD</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>
10-Jun-21	Lorie Neilson	Preparing two Ontario Personal Property Security Act registration Discharge drafts. Sending drafts for approval of filing.
14-Jun-21	Lorie Neilson	Ordering and obtaining two Ontario Certificates of Status, two Ontario Profile reports and document lists.
04-Jul-21	Patricia La Forgia	Draft change of ownership letters to the Tax Department. Compose email to Robert Kennedy relating to the execution of the change of ownership letter and status of draft PPSA discharges for registration.
05-Jul-21	Rennie Ali	Ordering corporate searches and reviewing same. Correspondence with Daniel Loberto regarding same.
05-Jul-21	Daniel Loberto	Circulate conference call dial-in. Review correspondence from Amanda Campbell. Draft response to second mortgagee.
05-Jul-21	Robert Kennedy	Work on post-closing matters. Conference call with Jerry Henechowicz re: administration matters. Review notices. Consider claims process matters. Conference with Daniel Loberto.
06-Jul-21	Daniel Loberto	[REDACTED]
06-Jul-21	Paget Houston	[REDACTED]
06-Jul-21	Robert Kennedy	Review correspondence from Ford Thomson. Conference with Daniel Loberto. Consider claims process matters. Review executed estoppel certificate.
07-Jul-21	Daniel Loberto	Draft claims process, order and notice of motion.
08-Jul-21	Daniel Loberto	Draft claims process, order and notice of motion.
09-Jul-21	Daniel Loberto	Correspond with Yao Zhang regarding outstanding amount owed to Hsieh.
09-Jul-21	Robert Kennedy	Review correspondence re: Hsieh distribution. Various correspondence to and from Tom Gertner. Conference with Daniel Loberto.
12-Jul-21	Daniel Loberto	Correspond with Yao Zhang regarding outstanding amount owed to Hsieh. Correspond with Robert Kennedy re: claims procedure order, notice of motion, and clean up changes to transaction documents. Review post-closing deliverables.
12-Jul-21	Patricia La Forgia	Review emails from Daniel Loberto relating to change of

Date	Timekeeper	Description of Work
		ownership letter and authorization to register the two PPSA discharges. Attend to the execution of the two PPSA discharges and compose email to Lori Neilson provide authorization to register the two PPSA discharges.
12-Jul-21	Robert Kennedy	Review various correspondence from Jerry Henechowicz. Review various correspondence re: Hsieh distribution. Review documentation re: property claim.
13-Jul-21	Daniel Loberto	[REDACTED]
13-Jul-21	Patricia La Forgia	Emails from and to Lorie Neilson relating to the registration of the 2 PPSA discharges and review the confirmation of filings.
13-Jul-21	Lorie Neilson	Submitting 2 Ontario Personal Property Security act registration discharge drafts. Obtaining and sending Confirmations of filings.
13-Jul-21	Robert Kennedy	Review various correspondence re: PPSA discharges. Review memorandum re: interest claims.
14-Jul-21	Daniel Loberto	Conference call with Yao Zhang re: three months interest. Correspond with Jerry Henechowicz regarding the same. [REDACTED]
14-Jul-21	Robert Kennedy	Review PPSA discharges. Review Hsieh payout statement. Attend conference call re: Hsieh payout statement. Conference with Daniel Loberto.
15-Jul-21	Daniel Loberto	Conference call re: claims procedure. [REDACTED] Correspond with Dickinson Wright re: closing.
15-Jul-21	Robert Kennedy	Consider post-closing matters. Attend conference call re: administration matters. Review draft motion materials.
16-Jul-21	Daniel Loberto	[REDACTED]
16-Jul-21	Robert Kennedy	Work on claims procedure materials. Conference with Daniel Loberto.
19-Jul-21	Robert Kennedy	Review correspondence from Jerry Henechowicz. Work

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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		on motion materials.
20-Jul-21	Daniel Loberto	Review and revise claims process order and notice of motion.
21-Jul-21	Daniel Loberto	Review and revise claims process order and notice of motion.
21-Jul-21	Robert Kennedy	Work on draft motion materials. Conference with Daniel Loberto. Voicemail to and from Leanne Williams. Various correspondence to and from Jerry Henechowicz. Consider motion matters.
22-Jul-21	Daniel Loberto	Review and revise seventh report of the Receiver.
23-Jul-21	Daniel Loberto	Review and revise seventh report of the Receiver.
23-Jul-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto.
25-Jul-21	Robert Kennedy	Work on motion materials.
26-Jul-21	Daniel Loberto	Review and revise materials re: claims procedure, distributions, and administrative approvals. Interoffice discussion with Robert Kennedy.
26-Jul-21	Patricia La Forgia	Check Teraview and obtain copies of PINS comprising the Property and confirm the Applications (2) have been certified and the prior mortgages have been deleted from title and compose email to Daniel Loberto confirming the information and provide copies of the PINS noting the deletions.
26-Jul-21	Robert Kennedy	Work on motion materials. Conference with Daniel Loberto. Review various correspondence re: motion matters.
27-Jul-21	Daniel Loberto	Review and revise materials re: claims procedure, distributions, and administrative approvals. Interoffice discussion with Robert Kennedy.
27-Jul-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Review motion record. Conference with Ken Kraft.
27-Jul-21	Kenneth Kraft	Discuss issues with Rob Kennedy.
29-Jul-21	Daniel Loberto	Correspond with Pillar Capital Corp. and Hsieh regarding residual amounts.
30-Jul-21	Robert Kennedy	Review motion record and preparation for Court. Review various correspondence re: distributions. Consider distribution matters. Review various correspondence re: motion. Voicemail from and to Leanne Williams.
03-Aug-21	Robert Kennedy	Preparation for motion. Review and revise Orders. Conversation with Leanne Williams. Review correspondence from Justice Koehnen. Review payables list. Correspondence to and from Justice Koehnen.

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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		Review Hsieh payout statement. Correspondence to Matt Lem and Jerry Henechowicz. Preparation for re-attendance in Court. Attend motion. Review and revise claims procedure order.
03-Aug-21	Kenneth Kraft	Discuss claims procedure issues with Rob Kennedy
04-Aug-21	Robert Kennedy	Review endorsement. Review Orders. Correspondence to Matt Lem and Jerry Henechowicz re: claims process activities and distributions. Review correspondence from Matt Lem. Review Hsieh loan documentations.
06-Aug-21	Robert Kennedy	Voicemail received from Jerry Henechowicz. Conversation with Jerry Henechowicz re: claims process matters. Review claims process order.
10-Aug-21	Daniel Loberto	Correspond with Jerry Henechowicz regarding distributions.
12-Aug-21	Robert Kennedy	Review correspondence from Jerry Henechowicz. Review correspondence from Leanne Williams. Review property claim details. [REDACTED] Correspondence to Leanne Williams.
13-Aug-21	Daniel Loberto	Review the correspondence folder to confirm creditor information. Correspond with Robert Kennedy.
13-Aug-21	Robert Kennedy	Correspondence from and to Jerry Henechowicz. Conference with Daniel Loberto re: claims process matters. Correspondence to Steve Dizep re: distributions. Review correspondence from Steve Dizep. Work on claims procedure matters.
16-Aug-21	Robert Kennedy	Review various correspondence re: claims procedure. Review correspondence from Steve Dizep.
17-Aug-21	Daniel Loberto	Correspond with MNP re: claims received.
17-Aug-21	Robert Kennedy	Review various correspondence re: claims procedure matters.
23-Aug-21	Daniel Loberto	Review correspondence. [REDACTED] [REDACTED]
23-Aug-21	Robert Kennedy	Review claims procedure. Correspondence to Jerry Henechowicz. Conference with Daniel Loberto re: claims procedure matters.
24-Aug-21	Daniel Loberto	Correspond with Jerry Henechowicz regarding claims procedure. Interoffice discussion with Robert Kennedy regarding the same. Review claims register.
24-Aug-21	Robert Kennedy	Review correspondence from Jerry Henechowicz. Conference with Daniel Loberto re: claims register. Review claims documentation.
26-Aug-21	Daniel Loberto	Correspond with Robert Kennedy.
28-Aug-21	Robert Kennedy	Work on claims procedure matters. Correspondence to Jerry Henechowicz. Review claims. Conference with Daniel Loberto.

Date	Timekeeper	Description of Work
30-Aug-21	Annette Fournier	Conduct searches regarding Dalian Natural Wood and emails with internal team regarding same.
30-Aug-21	Daniel Loberto	Correspond with Robert Kennedy. [REDACTED] Review Dalian statement of claim. Correspond with Court re: Dalian case.
30-Aug-21	Robert Kennedy	Work on claims procedure matters. Conference with Daniel Loberto. Correspondence to Jerry Henechowicz. Review claims materials.

Timekeeper	Hours	Rate	Fees
Annette Fournier	0.3	350.00	105.00
Daniel Loberto	42.0	480.00	20,160.00
Kenneth Kraft	0.5	990.00	495.00
Lorie Neilson	1.7	310.00	527.00
Paget Houston	1.0	260.00	260.00
Patricia La Forgia	1.8	400.00	720.00
Rennie Ali	0.4	230.00	92.00
Robert Kennedy	42.8	835.00	35,738.00
<b>Total</b>	<b>90.5</b>		<b>\$58,097.00</b>

<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 58,097.00</b>
Less: Discount	<u>(2,097.00)</u>
<b>NET PROFESSIONAL FEES</b>	<b>\$ 56,000.00</b>

**TAXABLE DISBURSEMENTS**

Computerized Title Search	\$ 492.05
Courier & Delivery	199.29
Postage	20.58
Registration Fees	35.10
Search Fees	206.00
Searches	<u>193.80</u>

**TOTAL TAXABLE DISBURSEMENTS** **\$ 1,146.82**

**NON-TAXABLE DISBURSEMENTS**

Filing Fee*	<u>\$ 320.00</u>
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**TOTAL NON-TAXABLE DISBURSEMENTS** **\$ 320.00**

**TOTAL DISBURSEMENTS** **1,466.82**

**TOTAL FEES AND DISBURSEMENTS** **\$ 57,466.82**

**TAXES**

HST (13.0%) on Professional Fees of \$56,000.00	\$ 7,280.00
HST (13.0%) on Taxable Disbursements of \$1,146.82	<u>149.09</u>

**TOTAL TAXES** **7,429.09**

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

INVOICE 3612739  
Page 7 of 7  
Matter # 541179-000007

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**TOTAL AMOUNT DUE**

**\$ 64,895.91 CAD**

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

T 416 863 4511  
 F 416 863 4592

dentons.com

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

**INVOICE # 3618920**

GST/HST # R121996078  
 QST # 1086862448 TQ 0001

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

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

Professional Fees	\$ 12,807.50
HST (13.0%) on \$12,807.50	1,664.98
<b>Total Amount Due</b>	<b>\$ 14,472.48 CAD</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-Sep-21	Daniel Loberto	Correspond with Robert Kennedy re: Dalian statement of claim.
01-Sep-21	Robert Kennedy	Work on claims process matters. Conference with Daniel Loberto.
02-Sep-21	Daniel Loberto	Review Jerry Henechowicz correspondence and claims register.
08-Sep-21	Daniel Loberto	Review Jerry Henechowicz correspondence.
08-Sep-21	Robert Kennedy	Review various correspondence re: claims process matters.
14-Sep-21	Daniel Loberto	Review Jerry Henechowicz correspondence, and previous file correspondence. Correspond with Dalian Natural Wood.
22-Sep-21	Daniel Loberto	Correspond with Dalian Natural Wood. Review creditor's lists and summarize findings for Robert Kennedy.
22-Sep-21	Robert Kennedy	Conference with Daniel Loberto re: claims procedure matters. Work on claims procedure. Review correspondence from Jerry Henechowicz. Review register.
23-Sep-21	Daniel Loberto	Prepare for and attend conference call re: claims procedure. Review corporate profile. [REDACTED] Correspond with federal government regarding corporate documents and review the same.
23-Sep-21	Robert Kennedy	Review claims register. Attend conference call re: claims process matters and strategy. Conference with Daniel Loberto. Review claims procedure order. Consider distribution order matters.
24-Sep-21	Daniel Loberto	Review Emix claim. Correspond with Emix counsel.
24-Sep-21	Robert Kennedy	Review and work on claims. Work on claims procedure matters. Conference with Daniel Loberto. Consider distribution motion matters.
27-Sep-21	Daniel Loberto	Correspond with Dalian counsel. Draft materials for distribution motion.
27-Sep-21	Robert Kennedy	Work on claims procedure matters. Consider distribution matters.
28-Sep-21	Daniel Loberto	[REDACTED] draft distribution motion materials.
28-Sep-21	Robert Kennedy	Work on claims procedure matters. Consider

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
29-Sep-21	Daniel Loberto	distribution motion strategy. Interoffice discussion with Robert Kennedy. Revise motion materials. Correspond with creditors as part of claims procedure and follow-up on information concerning the same. Review claims procedure Order for Robert Kennedy and summarize findings. Correspond with Court and receive court date for distribution motion.
29-Sep-21	Robert Kennedy	Work on claims procedure matters. Review claims register. Review claims procedure Order. Consider distribution motion matters. Conference with Daniel Loberto. Conversation with Leanne Williams.
30-Sep-21	Daniel Loberto	Correspond with Robert Kennedy re: various findings and drafts. Review Jerry Henechowicz correspondence.
30-Sep-21	Robert Kennedy	Review correspondence from Daniel Loberto. Work on claims process matters. Review correspondence from Leanne Williams.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Daniel Loberto	11.2	480.00	5,376.00
Robert Kennedy	8.9	835.00	7,431.50
<b>Total</b>	<b>20.1</b>		<b>\$12,807.50</b>

**TOTAL PROFESSIONAL FEES** \$ **12,807.50**

**TAXES**

HST (13.0%) on Professional Fees of \$12,807.50 \$ 1,664.98

**TOTAL TAXES** **1,664.98**

**TOTAL AMOUNT DUE** \$ **14,472.48** CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 25th DAY OF OCTOBER,  
2021.



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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 June 10, 2021 to September 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>
August 31, 2021	3612736	58,097.00	-2,097.00	1,466.82	7,429.09	90.5	481.88	64,895.91
September 30, 2021	3618920	12,807.50	0.00	0.00	1,664.98	20.1	657.50	14,472.48
<b>TOTALS:</b>		\$70,904.50	(\$2,097.00)	\$1,466.82	\$9,094.07	110.6	\$ 569.69	\$79,368.39

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 25th DAY OF OCTOBER,  
2021.

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

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A Commissioner for Taking Affidavits, etc.

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

For the period June 10, 2021 to September 30, 2021

	<b><u>Standard Rate</u></b>	<b><u>Year of Call</u></b>
Kenneth Kraft	\$990	1991
Robert Kennedy	\$835	2002
Daniel Loberto	\$460	2020
Paget Houston	\$260	Summer Law Student
Patricia La Forgia	\$400	Law Clerk
Annette Fournier	\$350	Law Clerk
Rennie Ali	\$230	Law Clerk
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 “K”  
to the Eighth Report of the Receiver

**IN THE MATTER OF THE RECEIVERSHIP OF  
TURUSS (CANADA) INDUSTRY CO., LTD.  
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD ENDED OCTOBER 21, 2021**

	<b>NOTE</b>
<b>RECEIPTS</b>	
Sale of real property proceeds	1. \$ 9,036,590.06
Rental income and expense reimbursements	1,232,546.40
Equipment auction proceeds	230,000.00
Advance from secured creditors	597,500.00
HST collected	131,823.43
Cash in bank	8,293.82
Interest earned	39.45
	<u>11,236,793.16</u>
<b>DISBURSEMENTS</b>	
Distributions to Pillar Capital	2,461,590.99
Legal fees and disbursements	738,126.49
Distributions to Hsieh	664,082.50
Repayment of Receiver Certificates	600,000.00
Municipal realty taxes	436,170.39
Utilities	416,099.69
Receiver and Manager fees and disbursements	349,842.40
HST paid	236,870.51
Repairs and maintenance	210,565.40
Salaries and benefits	112,739.39
Interest on Receiver Certificates	83,040.51
Insurance	2. 76,665.52
Security system upgrades	39,303.14
Hazardous waste removal	33,857.25
Property manager fees	30,675.00
License fees	8,742.50
Appraisal fees	6,750.00
Advertising re: sale process	5,062.62
Advertising re: claims process	4,746.60
Telephone	998.37
Travel	830.67
Bank charges	3. 674.20
Photocopies and printing	181.10
Filing Fees	71.54
	<u>6,517,686.78</u>
<b>EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS</b>	<b><u>\$ 4,719,106.38</u></b>

**NOTES**

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

2. Net of a refund of \$53,989.64.

3. Excludes bank charges and interest earned after September 30, 2021

**PILLAR CAPITAL CORP.**  
Applicant

- and -

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

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

PROCEEDING COMMENCED AT TORONTO

**EIGHTH REPORT OF THE RECEIVER**

**DENTONS CANADA LLP**  
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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	)	FRIDAY, THE 29 <sup>th</sup> DAY
	)	
JUSTICE PENNY	)	OF OCTOBER, 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 Motion Record dated October 25, 2021 (the “**Motion Record**”), the Notice of Motion dated October 25, 2021 (“**Notice of Motion**”), and Eighth Report of the Receiver dated October 25, 2021 (the “**Eighth Report**”) so that this Motion is properly returnable on October 29, 2021, and dispensing with further service thereof;

- (b) approving and authorizing a distribution by the Receiver to the creditors of Turuss with proven claims as set out in the Eighth Report (the “**Proven Creditors**”), from the sale proceeds resulting 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) (the “**Sale Proceeds**”);
- (c) approving the Eighth Report, and the activities of the Receiver as set out therein;
- (d) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP, as set out in the Eighth Report, the fee Affidavit of Jerry Henechowitz sworn October 21, 2021 (the “**Henechowitz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn October 25, 2021 (the “**Kennedy Affidavit**”, and collectively the Henechowitz Affidavit, the “**Fee Affidavits**”);
- (e) approving the interim statement of receipts and disbursements dated October 21, 2021 (the “**R&D**”); and
- (f) 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, the Eighth Report, 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 October 25, 2021, filed:

### **SERVICE**

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

### **DISTRIBUTION**

2. **THIS COURT ORDERS** that the Receiver is authorized and directed to make distributions from the Sale Proceeds each in an amount sufficient to pay each of the Proven Creditors in full and final satisfaction of all amounts owing by Turuss to the Proven Creditors.

**RECEIVER'S ACTIVITIES**

3. **THIS COURT ORDERS** that the Eighth Report and the activities described therein are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements as outlined in the Fee Affidavits are hereby approved.

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

---

PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**DISTRIBUTION 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 October 29, 2021)

**DENTONS CANADA LLP**

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