

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) FRIDAY, THE 12TH
)
JUSTICE HOOPER) DAY OF JULY, 2024

B E T W E E N:



THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

and

1414614 ONTARIO INC.

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

ORDER

THIS MOTION made by Grant Thornton Limited in its capacity as Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of 1414614 Ontario Inc. (the “**Debtor**”) the owner of a property, known municipally as 100, 140 & 150 Trainyards Drive, 515 & 525 Industrial Avenue and 500 & 550 Terminal Avenue (the “**Property**”), for an order, *inter alia*,

- (i) authorizing and directing the Receiver to make the Distribution (as defined herein) in accordance with the First Report of the Receiver dated July 3, 2024 and the Supplemental Report of the Receiver dated July 8, 2024 (the “**Reports**”);
- (ii) approving the Reports and the activities of the Receiver as set out in therein;

- (iii) approving the fees and disbursements of the Receiver and its counsel;
- (iv) discharging Grant Thornton Limited as Receiver of the undertaking, property and assets of the Debtor; and
- (v) releasing Grant Thornton Limited from any and all liability, as set out in paragraph 14 of this Order,

was heard this day at 161 Elgin St., Ottawa, Ontario.

ON READING the Reports, the affidavits of the Receiver and its counsel as to fees (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver, counsel for the Applicant The Manufacturers Life Insurance Company (the "**Applicant**"), counsel for the Debtor, and those other parties present, no one else appearing although duly served as appears from the affidavits of service of Anastasia Markaroff, made July 3 and 10, 2024, and on being advised that this Order is sought on consent of the Debtor and Applicant:

SERVICE

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

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Reports, are hereby approved.

3. **THIS COURT ORDERS** that the R&D Statement in the form attached to the Reports is hereby approved.

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

5. **THIS COURT ORDERS** that the estimated fees of the Receiver and its counsel for the completion of up to the amount of \$50,000 (exclusive of disbursements and taxes) to finalize the administration of receivership and transition control back to the Debtor, are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

DISTRIBUTION

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make the distribution to the Applicant of \$40,035,499.46 (the "**Distribution**"), as set out in the Reports.

7. **THIS COURT ORDERS** that following the Distribution, the Receiver be and is hereby authorized and directed to make further distributions to the Applicant, if necessary (the "**Further Distributions**"), up to the amount of the Debtor's secured indebtedness owing to the Applicant, without the need for any further order from this Court.

8. **THIS COURT ORDERS** that, upon making the Distribution and if applicable, the Further Distributions, to the Applicant, the Receiver be and hereby is authorized and directed to discharge all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system registered by the Applicant and all encumbrances from title to the Property listed on **Schedule "A"**.

GENERAL

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

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

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

DISCHARGE OF RECEIVER

10. **THIS COURT ORDERS** that, upon making the Distribution and if applicable, the Further Distributions, to the Applicant, and upon the Receiver filing a certificate in the form attached hereto as **Schedule "B"** that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver (the "**Receiver's Discharge Certificate**"), the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all

proceeds thereof, which property includes, without limitation, the freehold interest in the Property, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Grant Thornton Limited in its capacity as Receiver.

11. **THIS COURT ORDERS** that, for greater certainty, upon filing of the Receiver's Discharge Certificate, the Debtor:

- (a) retains possession and control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) continues to manage, operate, and carry on its business in the ordinary course of business; and
- (c) retains all its undertaking, property, and assets.

12. **THIS COURT ORDERS** that the stay of proceedings against or in respect of the Debtor imposed by the Order of the Honourable Justice Nadeau dated June 4, 2024, shall be lifted on the earlier of: (a) the date of the filing of the Receiver's Discharge Certificate; or (b) August 1, 2024.

13. **THIS COURT ORDERS** that contracts, leases, agreements, and other arrangements, whether written or oral, and any and all amendments or supplements thereto (each, an "Agreement") that the Debtor is a party to will remain in full force and effect following the discharge of the Receiver.

14. **THIS COURT ORDERS AND DECLARES** that Grant Thornton Limited is hereby released and discharged from any and all liability that Grant Thornton Limited or its agent, Raymond Chabot Inc., now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Grant Thornton Limited or its agent while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Grant Thornton Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Ottawa time on the date of this Order, and this Order is enforceable without the need for entry and filing.

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

Justice Jaye Hooper

Issuance on July 12, 2024

SCHEDULE "A" – Encumbrances to be Discharged from Title to the Property

1. Charge bearing Instrument No. OC2077433;
2. General Assignment of Rents bearing Instrument No. OC2077434;
3. Specific Assignment of Lessor's Interest in Lease bearing Instrument No. OC2077442;
4. Specific Assignment of Lessor's Interest in Lease bearing Instrument No. OC2077443; and
5. Transfer of Charge bearing Instrument No. OC2676448.

SCHEDULE “B” - Draft Receiver’s Discharge Certificate

Court File No. CV-24-00095165-0000

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

and

1414614 ONTARIO INC.

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

RECEIVER’S DISCHARGE CERTIFICATE

(A) Pursuant to an Order of the Ontario Superior Court of Justice (the “**Court**”) dated June 4, 2024 (the “**Receivership Order**”), Grant Thornton Limited was appointed as the receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 1414614 Ontario Inc. (the “**Debtor**”) acquired for, or used in relation to businesses carried on by the Debtor, including all proceeds thereof, which property includes, without limitation, the freehold interest in real property municipally known as 100, 140 & 150 Trainyards Drive, 515 & 525 Industrial Avenue and 500 & 550 Terminal Avenue (the “**Property**”) pursuant to the application made by The Manufacturers Life Insurance Company.

(B) Pursuant to an Order of the Court dated _____ (the “**Discharge Order**”), Grant Thornton Limited was discharged as the Receiver of all of the assets, undertakings and property of the Debtor to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver provided, however, that notwithstanding its discharge: (a) the Receiver will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) the Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Grant Thornton Limited, in its capacity as the Receiver.

(C) Unless otherwise indicated herein, capitalized terms shall have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES the following:

- (a) all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver; and
- (b) this Certificate was filed by the Receiver with the Court as of the <*> day of <*>, <*>.

GRANT THORNTON LIMITED

solely in its capacity as the Court-appointed
Receiver of the Debtor, and not in its personal or
corporate capacity

Per: _____
Name:

Title:

THE MANUFACTURERS LIFE
INSURANCE COMPANY
Applicant

and 1414614 ONTARIO INC.
Respondent

Court File No. CV-24-00095165-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding Commenced at
Ottawa

ORDER

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