

COURT FILE NUMBER CI 15-01-97066
COURT COURT OF QUEEN'S BENCH OF MANITOBA
JUDICIAL CENTRE WINNIPEG
APPLICANTS LINCOLN WOLFE AND 5606269 MANITOBA LTD.
RESPONDENTS DUANNE TAYLOR, 5608067 MANITOBA LTD.,
TAYLOR BROS. FARM LTD., AND EDWIN
POTATO GROWERS LTD.
DOCUMENT FIRST REPORT OF DELOITTE
RESTRUCTURING INC., IN ITS CAPACITY
AS COURT APPOINTED LIQUIDATOR OF
TAYLOR BROS. FARM LTD. AND EDWIN
POTATO GROWERS LTD.

October 31, 2017

ADDRESS FOR SERVICE AND
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EXHIBITS

- Exhibit A – Correspondence between the Liquidator, Lincoln Wolfe and Duanne Taylor
- Exhibit B – October 20, 2017 Letter from MLT Aikins LLP
- Exhibit C – October 27, 2017 Letter from Fast Trippier Law
- Exhibit D – Claims Process Summary
- Exhibit E – Statement of Receipts and Disbursements for the period of April 28, 2017 to October 27, 2017

INTRODUCTION

1. By means of an Order (the “**Liquidation Order**”) of the Honourable Mr. Justice Toews of the Court of Queen’s Bench for Manitoba (the “**Court**”) pronounced on April 28, 2017 (the “**Date of Appointment**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the liquidator (the “**Liquidator**”), without security, to liquidate all of the assets, undertakings, and property (the “**Property**”) of Taylor Bros. Farm Ltd. (“**TBF**”) and Edwin Potato Growers Ltd. (“**EPG**”) (collectively the “**Companies**”).
2. The Liquidation Order was signed and entered with the Court on June 5, 2017, and a copy of the Liquidation Order and other information regarding the liquidation proceedings can be accessed on the Liquidator’s website (the “**Liquidator’s Website**”) at www.insolvencies.deloitte.ca/en-ca/tbf-epg.
3. The Liquidation Order was granted as a result of an application by Lincoln Wolfe (“**Mr. Wolfe**”) and 5606269 Manitoba Ltd. (“**269**”) (collectively the “**Applicants**”) pursuant to sections 207 and 210 of *The Corporations Act*.

TERMS OF REFERENCE

4. In preparing this first report (the “**First Report**”), the Liquidator has relied upon unaudited financial information, the books and records of the Companies and discussions with the shareholders and their respective legal counsel, interested parties, and other stakeholders of the Companies.
5. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Liquidator as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this First Report may not disclose all significant matters about the Companies. Additionally, none of the Liquidator’s procedures were intended to disclose defalcations or other irregularities. If the Liquidator were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Liquidator’s attention. Accordingly, the Liquidator does not express an opinion nor does it provide any other form of assurance on the financial or other information presented

herein. The Liquidator may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.

6. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.
7. Capitalized terms used in this First Report but not defined herein are as defined in the Liquidation Order.

BACKGROUND

8. In early 2008, Mr. Wolfe, one of the Applicants, and Duanne Taylor (“**Mr. Taylor**”), one of the Respondents, began farming together using two corporate entities, namely TBF and EPG.
9. Mr. Wolfe and Mr. Taylor each own 50% of the shares of TBF and EPG. Their respective shareholdings are held by their own personal holding companies, 269 for Mr. Wolfe and 5608067 Manitoba Ltd. (“**067**”) for Mr. Taylor. On January 1, 2008, Mr. Wolfe and Mr. Taylor entered into a Unanimous Shareholders Agreement (the “**USA**”), which was subsequently amended the same day (the “**Amended USA**”). The Amended USA was intended to set forth and define their relationships with each other and with TBF, their respective interests in TBF, the control and management of the business and affairs of TBF, and certain other matters which were set out in the Amended USA.
10. In March of 2015, Mr. Taylor and 067 commenced proceedings under *The Corporations Act* against Mr. Wolfe and 269 as Mr. Taylor and Mr. Wolfe had become unable to agree on the operations of TBF and EPG. Mr. Wolfe (and 269) wanted to exit the business relationship with Mr. Taylor (and 067). In the absence of Mr. Taylor purchasing Mr. Wolfe’s interest in TBF and EPG for an agreed upon price, the only solution identified to end their business relationship was an orderly and efficient liquidation of the assets and the winding up of TBF and EPG. However, Mr. Taylor (and 067) expressed the view that the Companies should continue in operation in some manner. Prior to the dispute proceeding to a hearing in late March 2015, Mr. Wolfe and Mr. Taylor reached agreement on certain issues, and the hearing did not proceed. One aspect of the agreement reached

was that TBF and EPG would cease active business operations, and that the Companies would be liquidated.

11. By December of 2015, Mr. Wolfe (and 269) had concluded that Mr. Taylor (and 067) would not cooperate in moving forward with the liquidation process on a timely basis. As a result, on December 15, 2015, Mr. Wolfe (and 269) filed a motion with the Court requesting the appointment of a liquidator. The motion was heard on January 25, 2016 before the Honourable Justice J. Dewar (the “**January 25, 2016 Hearing**”). The matter before the Court was whether an arbitration clause in the Amended USA limited the jurisdiction of the Court to consider the application by Mr. Wolfe for liquidation and dissolution of the Companies under section 207 of *The Corporations Act* (the “**Section 207 Application**”). Justice Dewar delivered his judgment on February 3, 2016 (the “**February 3, 2016 Judgment**”), which stayed the Section 207 Application against TBF, and adjourned *sine die* the Section 207 Application against EPG. The stay was granted so that the issue of whether a liquidation of TBF should occur could be determined pursuant to the arbitration provisions in the Amended USA.
12. As a result of the February 3, 2016 Judgment, an arbitration proceeding (the “**Arbitration Proceedings**”) began involving Mr. Taylor and Mr. Wolfe and the various corporations in which they owned shares.
13. Mr. Harvey Sexter was appointed to act as arbitrator (the “**Arbitrator**”) in the Arbitration Proceedings. In due course, the Arbitrator issued a number of decisions within the Arbitration Proceedings. An April 20, 2016 decision of the Arbitrator ordered the liquidation of all of the assets of TBF and EPG pursuant to section 207 of *The Corporations Act* (the “**April 20, 2016 Arbitration Decision**”). Mr. Wolfe and Mr. Taylor were given one (1) week from April 20, 2016 to engage, by mutual agreement, a liquidator. In the event that an agreement could not be reached, the Arbitrator was to appoint a liquidator.
14. Between May and December 2016, Mr. Wolfe and Mr. Taylor made a number of appearances before, and had various communications with, the Arbitrator. Although a liquidator was not appointed during this period, Mr. Wolfe and Mr. Taylor agreed to liquidate the majority of the equipment owned by TBF and EPG through a third party

auctioneer. Accordingly, by December of 2016, the primary assets of TBF and EPG that remained were approximately 2,900 acres of land (the “**Land**”) and the physical outbuildings and structures located thereon (collectively the “**Residual Assets**”). Additionally, on August 24, 2016, the Arbitrator issued a summary of awards resulting from the Arbitration Proceedings (the “**Arbitration Award**”), crystallizing certain of the obligations owing to/from TBF, EPG, Mr. Wolfe, Mr. Taylor, and their respective companies.

15. By March of 2017, Mr. Wolfe and Mr. Taylor had been unable to reach an agreement on how to deal with the Residual Assets. Accordingly, Mr. Wolfe (and 269) filed a motion with the Court seeking an order to enforce the April 20, 2016 Arbitration Decision to have a liquidator appointed. The motion was heard on March 15, 2017 before the Honourable Justice J. Toews (the “**March 15, 2017 Hearing**”). Justice Toews reserved his decision at the March 15, 2017 Hearing, and later delivered his judgment on April 28, 2017, which addressed many decisions previously made by the Arbitrator (the “**April 28, 2017 Judgment**”). Additionally, the April 28, 2017 Judgment provided for enforcement of the preliminary award of the Arbitrator to liquidate the remaining assets of TBF and EPG through the appointment of Deloitte as the Liquidator. On June 5, 2017, the Liquidation Order was filed with the Court.
16. On June 6, 2017, Mr. Taylor (and 067) filed a motion to stay the Liquidation Order pending resolution of various matters which Mr. Taylor argued remained subject to the Arbitration Proceedings. However, this motion was dismissed by Justice Toews. Mr. Taylor (and 067) filed a notice of appeal on June 9, 2017.
17. On July 7, 2017, Mr. Taylor (and 067) filed a motion at the Manitoba Court of Appeal for an Order to stay the Liquidation Order (the “**Appeal Court Stay Motion**”).
18. The Appeal Court Stay Motion was heard on August 2, 2017 before the Honourable Justice J. A. Hamilton. By means of a decision pronounced on August 11, 2017, Justice Hamilton dismissed the Appeal Court Stay Motion.
19. On the Date of Appointment, TBF and EPG were no longer carrying on active business operations, and neither of the Companies had a physical head office location. All of the

books and records of the Companies were in the possession of Mr. Taylor.

20. Bank of Montreal (“**BMO**”) is the principal lender to the Companies and holds various first ranking security positions against the Companies and their respective assets. BMO was owed approximately \$5.2 million (the “**BMO Indebtedness**”) by the Companies at the Date of Appointment. R. L. Wolfe Ltd. (“**RLW**”), a company controlled by Mr. Wolfe, holds second ranking security positions against the Companies and their respective assets, having acquired the indebtedness owed by TBF to Bank of Nova Scotia (“**BNS**”), Farm Credit Canada (“**FCC**”), and PHI Financial Services Canada Limited (“**PHI**”) (collectively the “**Purchased Indebtedness**”) during 2015. RLW was owed approximately \$1.8 million (the “**RLW Indebtedness**”) from the Companies at the Date of Appointment.
21. This report constitutes the First Report of the Liquidator and is being filed in support of the Liquidator’s application to this Honourable Court on November 21, 2017 for an Order:
 - (a) Approving the Liquidation Plan and the Proposed Sales Process (as both terms are defined below) and authorizing the Liquidator to implement same;
 - (b) Approving the Proposed Claims Process (as defined below);
 - (c) Sealing the Confidential Report (as defined below) in the Court file;
 - (d) Requiring Mr. Taylor to pay the outstanding water accounts for the Lands leased by Mr. Taylor’s operating company, Fat Cat Farms Ltd. (“**FCF**”), on or before November 30, 2017;
 - (e) Requiring Mr. Taylor to provide all supporting documents for the Companies’ accounts receivable on or before November 30, 2017;
 - (f) Requiring Mr. Taylor to provide all supporting documents for the Companies’ accounts payable on or before November 30, 2017;
 - (g) Approving the reported actions of the Liquidator to date in respect of administering these liquidation proceedings, including the Liquidator’s

statement of receipts and disbursements since the Date of Appointment to October 27, 2017; and

- (h) Requiring Mr. Taylor to pay to the Liquidator its costs of the application on a solicitor-client full indemnity basis.

Powers of the Liquidator

- 22. The Liquidator's powers are detailed in section 2 of the Liquidation Order and include the power to take possession and exercise control over all or any part of the Property of the Companies; the power to manage, operate, and carry on the business of the Companies; and the power to market and sell the Property of the Companies, among others.
- 23. Section 2(o) of the Liquidation Order further empowers the Liquidator to develop a Liquidation Plan, and to seek acceptance by the Applicants and the Respondents of the Liquidation Plan, failing which the Liquidator may seek approval from the Court of the Liquidation Plan.
- 24. The Liquidation Order also empowers the Liquidator to borrow by way of 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 (a) such amounts as the Liquidator borrows to pay municipal property tax arrears and insurance; or (b) \$50,000 (or such greater amount as the Court may by further Order authorize) (the "**Borrowing Facility**").

ACTIVITIES OF THE LIQUIDATOR

- 25. As previously discussed, neither TBF nor EPG had a physical head office location, and all of the books and records of the Companies were in the possession of Mr. Taylor at the Date of Appointment.
- 26. Since the Date of Appointment, the activities of the Liquidator have included the following:
 - (a) Corresponding with Mr. Wolfe and Mr. Taylor (and their respective legal counsel) on multiple occasions with respect to rental of the TBF and EPG Land, insurance coverage, the Residual Assets, access to the Companies'

books and records, environmental matters, site visits, and development of a Liquidation Plan;

- (b) Arranging to maintain existing insurance policies over the Property, and adjusting coverage as deemed appropriate;
- (c) Negotiating and executing both a Farm Lease Agreement and an Access Agreement with RLW for the 2017 crop year (for the period May 1, 2017 to December 31, 2017);
- (d) Attempting to negotiate a Farm Lease Agreement with FCF for the 2017 crop year (for the period May 1, 2017 to December 31, 2017), which remains unexecuted as at the date of this First Report;
- (e) Commissioning a third party appraiser to complete an independent valuation of the Residual Assets;
- (f) Attending a meeting in Portage la Prairie on July 13, 2017 (the “**July 13, 2017 Meeting**”) with Mr. Wolfe and Mr. Taylor (and their respective legal counsel), and the Companies’ accountants, MNP LLP, to obtain the books and records of the Companies, identify any additional undisclosed assets, begin to discuss the development of a Liquidation Plan, and to address various other administrative matters;
- (g) Visiting the Companies’ two primary yard sites where the buildings, sheds, grain bins, and fertilizer tanks are located;
- (h) Reviewing certain of the Companies’ books and records to identify customer accounts and creditors;
- (i) Collecting outstanding accounts receivable owing to the Companies;
- (j) Corresponding with the Rural Municipalities of North Norfolk and Portage la Prairie with respect to property tax and water account arrears and arranging for payment of same;

- (k) Attending various Court hearings with respect to appeals being filed by Mr. Taylor;
- (l) Corresponding with certain lessors and finance companies regarding leased and financed equipment;
- (m) Filing of a statement of claim against Northern Sunshine Farms (Manitoba) Ltd. (“NSF”) for approximately \$1.3 million in respect of outstanding amounts owing to TBF for purchased goods and services rendered;
- (n) Corresponding with interested stakeholders to advise them of the appointment of the Liquidator; and
- (o) Corresponding with parties interested in the Property.

27. On multiple occasions since the Date of Appointment, the Liquidator has sought input and the consensus of both Mr. Wolfe and Mr. Taylor on issues related to the Companies and the liquidation proceedings. The following is a summary of various matters and information that has been discussed and/or requested from Mr. Wolfe and Mr. Taylor that remains outstanding as at the date of this First Report:

- (a) Although a consensus on the rental of the EPG and TBF Land for the 2017 crop year was achieved between FCF and RLW in May 2017, and both FCF and RLW paid the requisite rental fees to the Liquidator, FCF has refused to execute the land lease agreement despite farming the land.
- (b) Prior to the July 13, 2017 Meeting, the Liquidator made multiple attempts to schedule meeting(s) with Mr. Wolfe and Mr. Taylor to obtain the books and records of the Companies. Even though certain of the books and records were provided to the Liquidator at the July 13, 2017 Meeting, the following information remains outstanding:
 - (i) Current accounts receivable listing with all supporting invoices and account statements to enable the Liquidator to continue with collection activities;

- (ii) Current accounts payable and any other liability listings detailing the contact information and mailing addresses for the Companies' creditors;
 - (iii) Details of any legal proceedings for or against the Companies; and
 - (iv) Status of the corporate registrations for EPG and TBF.
- (c) At the July 13, 2017 Meeting, the Liquidator sought the input of Mr. Wolfe and Mr. Taylor with respect to their preferred strategy and timing to market and liquidate the Residual Assets of EPG and TBF. Although Mr. Wolfe and Mr. Taylor suggested a possible sale closing date in October or November 2017, no commentary has been received from either party with respect to a preferred sales strategy.
- (d) At the July 13, 2017 Meeting, both Mr. Wolfe and Mr. Taylor expressed an interest in purchasing a 60,000 litre leased fertilizer tank from the Liquidator. After multiple attempts to follow up with both parties, no offers have been received.
- (e) Subsequent to the July 13, 2017 Meeting, the Liquidator toured the Companies' two (2) yard sites. The yard site located at NE31-10-8W currently leased by FCF (which the Liquidator has also been advised was leased by FCF in the prior two (2) years) appeared to have leakage from a liquid fertilizer tank, certain of the storage containers, and an old oil drum. The Liquidator raised these matters with Mr. Taylor as potential environmental concerns, but has not yet received a satisfactory response from Mr. Taylor as to the nature of the leaks and any necessary remediation activities being undertaken by FCF.
- (f) Subsequent to the July 13, 2017 Meeting, it became known to the Liquidator that certain water accounts remained outstanding on the lands being leased by FCF and RLW. Although the Liquidator has arranged for payment of these accounts to prevent any tax sale of the Land, FCF and RLW have not

paid the Liquidator for these arrears, and ongoing payments are only being made by RLW to the municipality.

- (g) Subsequent to the July 13, 2017 Meeting, the Liquidator made numerous attempts to have Mr. Wolfe and Mr. Taylor agree upon a sales process suggested by the Liquidator (the “**Proposed Sales Process**”) which would include the preparation of a sales and information package, compilation of a detailed prospective party list, and a robust marketing plan for the Companies’ assets. Prior to late October 2017 (as further detailed below), Mr. Taylor and Mr. Wolfe failed to provide their consent to move forward with the Proposed Sales Process.

- (h) Subsequent to the July 13, 2017 Meeting, the Liquidator sent numerous items of correspondence to Mr. Wolfe and Mr. Taylor (through counsel) and received numerous items of reply correspondence (copies of which are attached hereto as Exhibit A), including:
 - (i) e-mail correspondence from the Liquidator to Mr. Wolfe and Mr. Taylor dated August 14, 2017;
 - (ii) e-mail correspondence from the Liquidator to Mr. Wolfe and Mr. Taylor dated August 22, 2017;
 - (iii) e-mail correspondence from counsel to the Liquidator to counsel to Mr. Wolfe and Mr. Taylor dated August 30, 2017;
 - (iv) e-mail correspondence from counsel to Mr. Taylor to counsel to the Liquidator and counsel to Mr. Wolfe dated September 8, 2017;
 - (v) e-mail correspondence from counsel to the Liquidator to counsel to Mr. Wolfe and Mr. Taylor dated September 19, 2017;
 - (vi) e-mail correspondence from counsel to Mr. Taylor to counsel to the Liquidator and counsel to Mr. Wolfe dated September 22, 2017;

- (vii) e-mail correspondence from counsel to the Liquidator to counsel to Mr. Wolfe and Mr. Taylor dated September 25, 2017;
- (viii) e-mail correspondence from counsel to Mr. Taylor to counsel to the Liquidator and counsel to Mr. Wolfe dated October 2, 2017; and
- (ix) e-mail correspondence from counsel to the Liquidator to counsel to Mr. Wolfe and Mr. Taylor dated October 5, 2017.

28. Given the lack of consensus between Mr. Wolfe and Mr. Taylor which is evident from the correspondence described above, and given the Liquidator's mandate to realize on the Property for the benefit of the Companies' stakeholders, on October 20, 2017, the Liquidator, through its legal counsel, sent further correspondence to the respective legal counsel for Mr. Wolfe and Mr. Taylor (the "**October 20, 2017 Letter**"). In an attempt to gain consensus on the Proposed Sales Process and to avoid the expense associated with a Court hearing to approve same, the October 20, 2017 Letter detailed the Proposed Sales Process and imposed a deadline of October 27, 2017 for a written response from both parties. The October 20, 2017 Letter is attached hereto as Exhibit B.
29. As at the date of this First Report, legal counsel representing Mr. Wolfe (and 269) advised that Mr. Wolfe is in agreement with the Liquidator's Proposed Sales Process. Legal counsel to Mr. Taylor has delivered correspondence to the Liquidator (through counsel) dated October 27, 2017 (the "**October 27, 2017 Letter**") purporting to offer co-operation regarding the Proposed Sales Process on certain terms which are not acceptable to the Liquidator. The October 27, 2017 Letter is attached hereto as Exhibit C.
30. As discussed above, the Liquidator has made multiple attempts to work with Mr. Wolfe and Mr. Taylor to advance the liquidation of the Property, to develop a Liquidation Plan, and to wind up the Companies. Despite its best efforts, the Liquidator has not been able to obtain the acceptance of both Mr. Wolfe and Mr. Taylor of any Liquidation Plan as at the date of this First Report. As such, in accordance with section 2(o) of the Liquidation Order, the Liquidator is seeking the Court's approval of its Proposed Sales Process and Liquidation Plan (further detailed below).

ASSETS

31. The following summarizes the Residual Assets of the Companies at the Date of Appointment:

Cash / Cheques on Hand

32. At the July 13, 2017 Meeting, Mr. Taylor provided the Liquidator with eleven (11) uncashed cheques totaling approximately \$33,399 (the “**Uncashed Cheques**”), all payable to TBF. Certain of the Uncashed Cheques were stale dated and the Liquidator undertook to have replacement cheques issued as appropriate. In aggregate, the Liquidator has realized approximately \$30,724 from the Uncashed Cheques.

33. The only two (2) stale dated Uncashed Cheques not reissued were from Wawanesa Insurance totaling \$2,675. Rather than have these cheques reissued, a credit was applied against the insurance premiums owing by the Companies subsequent to the Date of Appointment.

Accounts Receivable

34. Based on the books and records of the Companies, approximately \$0.9 million was owing to the Companies from nine (9) customers. The largest account balance was owing from NSF in the amount of \$0.7 million. On June 12, 2017, the Liquidator filed a statement of claim against NSF seeking a judgment in the amount of \$1.3 million (plus pre-judgment interest), based on a review of additional materials and supporting schedules provided by Mr. Taylor. At the date of this First Report, the litigation is ongoing.

35. To date, as the Liquidator has not been provided with sufficient records to pursue collection of the other eight (8) remaining accounts, the Liquidator has not realized any additional collections.

Land and Buildings

36. As at the Date of Appointment, the Companies owned approximately 2,904 acres of Land in the Municipalities of Portage la Prairie and North Norfolk, in the Province of Manitoba, as detailed in the table below:

Ownership	Legal Description	Title Number	Ownership	Municipality	Acres
TBF	NE 31-10-8W	2328200	TBF	Portage la Prairie	152.92
TBF	NW 31-10-8W / 47052 Road 60N	2328200	TBF	Portage la Prairie	157.64
TBF	SE 31-10-8W	2328200	TBF	Portage la Prairie	66.15
TBF	SW 31-10-8W	2328200	TBF	Portage la Prairie	74.61
TBF	NE 4-11-8W	2571225	TBF	Portage la Prairie	69.91
TBF	NW 4-11-8W	2571228	TBF	Portage la Prairie	160.00
TBF	SE 4-11-8W	2571225	TBF	Portage la Prairie	108.25
TBF	SW 4-11-8W	2571228	TBF	Portage la Prairie	136.24
TBF	NE 8-11-8W	2571229	TBF	Portage la Prairie	80.34
TBF	NW 8-11-8W	2571232	TBF	Portage la Prairie	160.69
TBF	SE 17-11-8W	2571230	TBF	Portage la Prairie	144.78
TBF	SW 17-11-8W	2571230	TBF	Portage la Prairie	161.84
EPG	NE 18-11-8W / 47020 ROAD 63N	2427364	EPG	Portage la Prairie	160.00
EPG	NE 13-10-9W	1549193	EPG	North Norfolk	149.90
TBF	NE 36-10-9W	2328202	TBF	North Norfolk	165.46
TBF	NW 36-10-9W	2328201	TBF	North Norfolk	165.81
EPG	SE 11-11-9W	1488714	EPG	North Norfolk	155.00
EPG	SW 11-11-9W	1488712	EPG	North Norfolk	160.00
EPG	NE 12-11-9W	2801198	EPG	North Norfolk	154.09
EPG	NW 12-11-9W	2801202	EPG	North Norfolk	160.00
EPG	SW 13-11-9W	2801200	EPG	North Norfolk	160.00
Total					2,903.63

37. Provincial assessment records, physical inspection of the properties, and discussions with Mr. Wolfe and Mr. Taylor indicate that there are no significant building improvements on the Land other than on NE31-10-8W and NE18-11-8W which contain agricultural buildings, residential improvements, and grain storage.

38. NE31-10-8W contains:

- (a) a one-story, 1,120 square foot wood frame farm home built in 1966;
- (b) a number of older farm outbuildings; and
- (c) a vacant residence.

39. NE18-11-8W contains:

- (a) a 6,000 square foot wood frame metal clad machine shop built in 1997, with eighteen (18) foot ceilings, full plumbing, and a mezzanine area;
- (b) a 11,480 square foot steel frame potato storage building (approximately 60,000 pounds of available potato storage) built in 1998 with a concrete floor, serviced with electrical power, and insulated with a metal clad exterior;
- (c) a 5,000 square foot metal frame storage shed built in 1989 with a concrete floor and serviced with electrical power;
- (d) two (2) 4,000 bushel hopper bins with aeration;
- (e) six (6) 6,000 bushel hopper bins with aeration;
- (f) one (1) 60,000 gallon fertilizer tank;
- (g) one (1) 30,000 gallon fertilizer tank; and
- (h) a mobile home.

40. The Liquidator has commissioned a current market appraisal of the Residual Assets as at July 31, 2017 (the “**July 31, 2017 Appraisal**”). The Liquidator has not released the July 31, 2017 Appraisal to any party due to the risk of impairing the sale value of the Residual Assets. The complete July 31, 2017 Appraisal is attached as Exhibit A to the confidential report of the Liquidator (the “**Confidential Report**”).

Other Equipment

41. At the July 13, 2017 Meeting, Mr. Wolfe and Mr. Taylor advised that the Companies also had the following additional assets (the “**Residual Equipment**”):

- (a) a 2012 T-800 Kenworth (serial number 1XKDD40X2CJ9558960);
- (b) a 2000 Liter Fuel Transfer Tank (serial number D-68223);
- (c) a Rotary Hoe; and

(d) a 2007 Ford F-150 (serial number 1FTPW14V67FB32308).

42. The Liquidator has located and inspected all of the Residual Equipment. Based on the condition of the Residual Equipment, estimated realizations are expected to be for nominal amounts.

43. To-date, the Liquidator has not realized on any of the Companies' Property.

CREDITORS

44. Upon initial review of the Companies' books and records, the Arbitration Award, and discussions with BMO (and its legal counsel), the secured and unsecured debts of the Companies total approximately \$9.8 million as detailed in the table below:

Secured Debt		Estimated Amount
Bank of Montreal	(1)	\$ 5,182,300
R.L. Wolfe Ltd.	(2)	1,823,842
National Leasing	(3)	11,500
Subtotal		7,017,642
Unsecured Debt		
Duanne Taylor	(4)	860,618
Duanne Taylor	(5)	60,000
5606269 Manitoba Ltd.	(6)	1,245,666
R.L. Wolfe Ltd.	(7)	534,592
Fat Cat Farms Ltd.	(8)	(284,435)
5608067 Manitoba Ltd.	(9)	(160,728)
Other unsecured creditors	(10)	531,102
Subtotal		2,786,814
Total		\$ 9,804,457

Notes:

- (1) Includes advances for 2015 and 2016 property tax arrears and accrued interest to August 31, 2017.
- (2) Balance is current to July 2016 and is subject to the rate of interest (approximately 19.5%) as detailed in the respective loan agreements.
- (3) Residual amount owing on a 60,000 gallon leased fertilizer tank.
- (4) Amount owing to Mr. Taylor for 2008 to 2015 (less statutory deductions) per the Arbitration Award.
- (5) Mr. Taylor is owed the greater of \$60,000 or 18% of TBF's profits (less deductions) for 2016 per the Arbitration Award.
- (6) Represents the balance owing in the shareholder loan account per the Arbitration Award.
- (7) Represents amounts owing for transactions with TBF as at July 2016 per the Arbitration Award. Balance accrues interest at 6%.
- (8) FCF owes TBF an amount that is not less than \$284,435 or greater than \$342,447 as at December 2015 (subject to 6% interest) per the Arbitration Award.
- (9) Represents the balance in the shareholder loan account per the Arbitration Award.
- (10) Amounts owing to other trade creditors of the Companies as at July 2017 per the books and records of the Companies.

45. As the Liquidator has not facilitated any claims process, the outstanding obligations owing by TBF and EPG are subject to revision.

PROPOSED CLAIMS PROCESS

46. In the event that the Liquidation Plan (as more fully detailed below) is approved by the Court, the Liquidator is requesting approval of the Court to conduct a claims process (the “**Claims Process**”) which will call for the claims of creditors and establish a claims bar date by which creditors must file a claim in the liquidation proceedings.
47. As detailed in the July 31, 2017 Appraisal (attached as Exhibit A to the Confidential Report), the Property has been appraised at a value in excess of the secured debts of the Companies. Accordingly, the Liquidator is anticipating that funds will be available for the unsecured creditors, and a Claims Process will therefore be necessary to determine the remaining obligations of the Companies.
48. Attached hereto as Exhibit D is the Claims Process summary (the “**Claims Process Summary**”) that describes the Claims Process in detail. Capitalized terms describing the Claims Process, and as set out below, shall have the meaning ascribed to them in the Claims Process Summary.
49. A summary of the major provisions within the Claims Process include:
 - (a) The call for claims which will include the claims of: (i) all known creditors of the Companies which the books and records of the Companies disclose were owed money as of the Date of Appointment, (ii) any additional creditors who have contacted the Liquidator, and/or (iii) any other creditors which have been identified by the Liquidator to have a potential claim;
 - (b) All known creditors of the Companies will receive a Claims Package that includes a copy of the Order approving the Claims Process, Instruction Letter, a Proof of Claim and such other materials as the Liquidator or the Court considers necessary or appropriate;
 - (c) Notice of the Claims Process will be published in the Winnipeg Free Press, the Brandon Sun, and the Portage Daily Graphic newspapers and will be available for access on the Liquidator’s Website (the “**Claims Process Notice**”).

- (d) The proposed Claims Receipt Date, the date by which Creditors must file a Proof of Claim form with the Receiver, will be at least thirty (30) calendar days after the publication of the Claims Process Notice. Claims which are not received by the Liquidator by the Claims Receipt Date will be barred and extinguished forever;
 - (e) Should the Liquidator disagree with the amount or classification of the claim filed by a creditor, and failing a negotiated resolution to the claim amount or classification, the Liquidator will issue a Notice of Revision or Disallowance of Proof of Claim which notice would serve to revise or reject a creditor's claim as set out in its Proof of Claim. The Notice of Revision or Notice of Disallowance would be final and conclusive upon the creditor, unless disputed by the creditor within 30 days of issuance.
 - (f) A creditor that disputes the Notice of Revision or Notice of Disallowance issued by the Liquidator may file a Dispute Notice, which sets out the basis on which the creditor rejects the Notice of Revision or Notice of Disallowance issued by the Receiver. Claims to which a Dispute Notice have been issued, failing a negotiated resolution, will be addressed under the Claims Dispute Process which will render a final and conclusive decision, unless such decision is appealed for a final determination by this Honourable Court.
50. The Liquidator is recommending the approval of the Claims Process as outlined in the Claims Process Summary. The Claims Process will provide creditors with sufficient opportunity to evaluate the amount and classification of their claim and submit the necessary Proof of Claim, and should any dispute arise, the Claims Process provides for a comprehensive resolution process to fairly address disputed claims.

PROPOSED LIQUIDATION PLAN

51. At the July 13, 2017 Meeting, the Liquidator made inquiries of both Mr. Taylor and Mr. Wolfe (and their respective legal counsel) to determine if the parties had a preferred approach to liquidate the Property. Options that were discussed included the engagement

of a realtor, on-site live auction, and a more robust sales process conducted by the Liquidator. Both Mr. Taylor and Mr. Wolfe advised that they would like to further consider these options, amongst others, prior to committing to any particular course of action.

52. At the July 13, 2017 Meeting, Mr. Wolfe and Mr. Taylor advised that in early January 2017, the Companies were in discussions with an interested party (the “**Interested Party**”) who expressed interest in acquiring the assets of EPG and TBF. Although a transaction was not completed at that time, Mr. Wolfe and Mr. Taylor raised the possibility of reengaging in discussions with the Interested Party. Further details with respect to these discussions are detailed in the Confidential Report.

53. As previously discussed, based on the Liquidator’s unsuccessful attempts to obtain consent from both Mr. Wolfe and Mr. Taylor as to a preferred approach to liquidate the Property, the Liquidator is of the view that consensus on a Liquidation Plan will not be possible. As both Mr. Wolfe and Mr. Taylor have been provided with numerous opportunities to express their preferred realization strategy to the Liquidator, and to-date, no recommendations have been provided, the Liquidator is requesting that the Court approve the Proposed Sales Process which will include the following:

- (a) Development of a sales and information package (the “**SIP**”) and listing of prospective interested parties. Key components of the SIP will be:
 - (i) A request for invitation for offers which will include a description of the Liquidator’s appointment and role, overview of the various parcels of Land, buildings, and equipment being offered for sale, and timing for asset viewings, due diligence, offer deadlines, and expected closing date(s);
 - (ii) Terms and conditions of sale indicating that the assets are being sold on an “as is, where is” basis, required deposits to accompany any offer, description of the process for transferring title, and other terms and conditions as necessary to ensure the integrity of the Proposed Sales Process; and

- (iii) Detailed asset descriptions for the parcels of Land including acreage, location, historical crop rotation, soil composition, property taxes, details of buildings and other structures, and selected asset photographs.
- (b) Marketing and distribution of the SIP, prospective purchaser due diligence, and site visits.
 - (i) The Liquidator will advertise the Proposed Sales Process in a variety of newspapers including (but not limited to) the Western Producer, Winnipeg Free Press, and the Portage Daily Graphic;
 - (ii) Direct contact will be made with prospective parties within the Liquidator's network and parties identified through market intelligence and those brought forward by Mr. Taylor and Mr. Wolfe; and
 - (iii) The Liquidator will solicit interest from various auctioneers, agricultural realtors, institutional investors, and corporate farms.
- (c) Review and selection of offers in consultation with Mr. Wolfe and Mr. Taylor (if they do not participate as bidders in the Proposed Sales Process) and recommendations for approval by the Court and closing.

(collectively referred to as the "**Liquidation Plan**").

54. Both Mr. Wolfe and Mr. Taylor will have the opportunity to participate in the Proposed Sales Process, if they so choose, but neither party will be provided any right of first refusal.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

55. A statement of receipts and disbursements for the period of time from the Date of Appointment to October 27, 2017 is attached hereto as Exhibit E. As at the date of this First Report, the Liquidator is holding approximately \$127,000 in its trust account.

56. In accordance with paragraph 18 of the Liquidation Order, the Liquidator has received

advances from BMO in the amount of \$156,631 to pay certain municipal property tax arrears owing by the Companies. As at the date of this First Report, the Liquidator has not had to borrow any additional funds to pay for insurance, nor has the Liquidator had to draw upon the additional \$50,000 borrowing facility approved by the Court.

57. A statement of estimated realizations has not been prepared by the Liquidator at this time given the status of the Proposed Sales Process, and the approvals being sought from the Court by the Liquidator.

LIQUIDATOR'S RECOMMENDATIONS

58. As a result of the foregoing, the Liquidator respectfully requests from this Honourable Court the following relief:

- (a) Approval of the Liquidation Plan and the Proposed Sales Process and authorizing the Liquidator to implement same;
- (b) Approval of the proposed Claims Process;
- (c) Sealing the Confidential Report in the Court file;
- (d) Requiring Mr. Taylor to pay the outstanding water accounts for the Lands leased by Mr. Taylor's operating company, FCF, on or before November 30, 2017;
- (e) Requiring Mr. Taylor to provide all supporting documents for the Companies' accounts receivable on or before November 30, 2017;
- (f) Requiring Mr. Taylor to provide all supporting documents for the Companies' accounts payable on or before November 30, 2017;
- (g) Approval of the reported actions of the Liquidator to date in respect of administering these liquidation proceedings, including the Liquidator's statement of receipts and disbursements since the Date of Appointment to October 27, 2017; and

- (h) Requiring Mr. Taylor to pay to the Liquidator its costs of the application on a solicitor-client full indemnity basis.

All of which is respectfully submitted at Winnipeg, Manitoba, this 31st day of October 2017.

DELOITTE RESTRUCTURING INC.

In its capacity as Liquidator of
Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.,
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT
Senior Vice-President

Exhibit A – Correspondence between the Liquidator, Lincoln Wolfe, and Duanne Taylor

Exhibit A – Correspondence dated August 14, 2017

From: [Fritz, John X. \(CA - Winnipeg\)](#)
To: [Duanne Taylor](#); [Lincoln Wolfe](#)
Cc: [Ross McFadyen](#); [Faron Trippier](#); [Jeff Lee \(JMLee@mtaikins.com\)](#) (JMLee@mtaikins.com); [Warga, Brent \(CA - Winnipeg\)](#)
Subject: TBF and EPG Liquidation Items
Date: Monday, August 14, 2017 11:10:10 AM
Attachments: [Fat Cat Farms Ltd. Water Bill.pdf](#)
[R.L. Wolfe Ltd. Water Bill.pdf](#)

All,

Please find attached water bills for the period ending July 31, 2017 from the RM of Portage la Prairie (the "RM") as follows:

Location	Lessee	Amount
47052 Road 60N	RLW	\$3,221.25
47020 Road 63N	FCF	\$8,870.30

In addition, payment to the Liquidator for the following water arrears remain outstanding:

Location	Lessee	Amount
47052 Road 60N	RLW	\$11,599.07
47020 Road 63N	FCF	\$37,509.31

Please confirm that the current bills will be paid directly to the RM by your respective companies prior to the August 31, 2017 deadline and advise when payment of the arrears will be remitted to the Liquidator.

In addition, the following items remain outstanding:

1) **Environmental Concerns:** Further to the Liquidator's July 17 and 20, 2017 emails, we have been advised by RLW that FCF has been in control of the yard site at NE31-10-8W for the previous 3 years. Accordingly, Duanne/Faron would you address the following environmental concerns:

a. Fertilizer Tank:

i. Located on the yard site are two tanks which, to the best of our knowledge, contain liquid fertilizer. During our site visit, it appeared that the smaller of the two tanks (the "Smaller Tank") was leaking at a pump connection and there was a quantity of what appeared to be run-off from the tank located in the yard site. Please confirm the nature of the leak, advise as to the contents of the Smaller Tank, and confirm that the leak from the Smaller Tank has been addressed.

b. Liquid Storage Containers:

i. In the Quonset, there appeared to be storage containers containing oil and other liquids. At least one of the containers appeared to be leaking on the concrete floor. Please advise as to the nature of the leak, the contents of the leaking container(s), and confirm that the leak has been addressed.

c. Oil Drum:

i. Near the potato barn, there was an uncovered steel drum which appeared to have leaked in and around its vicinity. Please advise as to the nature of the leak, the contents of the drum, and confirm the leak has been addressed.

As outlined, the foregoing are of concern to the Liquidator in general, given the potential environmental impact, and also particularly with respect to the following sections of the lease agreement between FCF and the Liquidator:

- Paragraph 5.(a)(iv);
- Paragraph 7.(d) and (g);
- Paragraph 19.;
- Paragraph 20; and
- Paragraph 25.

2) Information Requests: Further to the Liquidator's July 17 and 24, 2017 emails, the following items remain outstanding:

a. Duanne Taylor/Faron Trippier:

- i. Supporting documents for the accounts receivable listing provided on July 13, 2017 (invoices, account statements, etc.);
- ii. Mailing addresses for all creditors of TBF and EPG (inclusive of addresses for the accounts payable list provided July 13, 2017);

iii. [REDACTED] and [REDACTED]

iv. An signed copy of the land lease between the Liquidator and FCF without any adjustments.

b. Both Duanne Taylor/Faron Trippier and Lincoln Wolfe/Ross McFadden:

- i. Confirmation as to any interest in purchasing and, if so, an offer for the 60,000 gallon fertilizer tank located at NE31-10-8W; and
- ii. Position with respect to a preferred method and timing of marketing and liquidating the land owned by TBF and EPG. Specifically, further to the Liquidator's July 24, 2017 email:

1. With regard to the January 6, 2017 offer from [REDACTED], with the agreement of both Mr. Wolfe and Mr. Taylor, we propose to approach [REDACTED] to assess their interest and willingness to purchase the TBF and EPG land and buildings thereon. **Please confirm you are in agreement with the Liquidator approaching [REDACTED], and please provide contact details for the most appropriate individual to contact.** The January 6, 2017 offer contained the following contacts:

a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

Once we are able to discuss the opportunity with [REDACTED] (if approved by both Mr. Wolfe and Mr. Taylor), the Liquidator will provide further communications back to all parties.

2. In the event a transaction is not possible with [REDACTED], the Liquidator would like to obtain Mr. Wolfe's and Mr. Taylor's concurrence that a widely exposed sale process should be immediately pursued. This would entail the following:

- a. Preparation of a Sales and Information Package detailing the assets of TBF and EPG:
 - i. Terms and conditions of sale;
 - ii. Land and building descriptions'
 - iii. Other asset descriptions; and
 - iv. Timelines for letters of intent and/or bid submissions.
- b. Compilation of a detailed interested party list (which would also include auctioneers)
- c. Distribution of the Sales and Information Package;
- d. Reviewing and assessing offers and auction proposals; and
- e. Court approval and vesting order (as required).

c. Deloitte Restructuring Inc:

- i. Undertake to obtain the reverse side of Cheque #03464 appended to the June 28, 2017 correspondence from Norman Boudreau; - **In process**

In accordance with the Court of Appeal Decision issued on August 11, 2017, please provide responses to ALL items above forthwith so that the Liquidator can continue with its mandate to liquidate the residual assets and land owned by TBF and EPG.

Regards,

John R. Fritz

Deloitte | Financial Advisory

2300 – 360 Main Street

Winnipeg, MB R3C 3Z3

Phone: (204)942-0051 | Fax: (204)947-2689

www.deloitte.ca

RM OF PORTAGE LA PRAIRIE

35 TUPPER STREET SOUTH
 PORTAGE LA PRAIRIE, MB R1N 1W7
 (204) 857-3821



UTILITY BILL

BILLING DATE
 July 27, 2017

NAME 568100000
 TAYLOR BROS FARM LTD
 BOX 1123
 PORTAGE LA PRAIRIE, MB R1N 3C5
 Canada

Billing Period June 08, 2017 To July 31, 2017

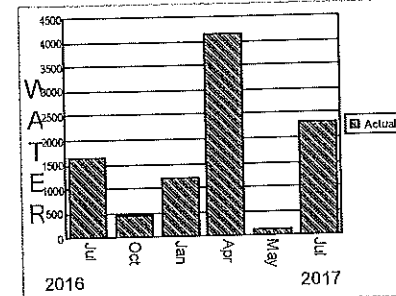
June 06, 2017	PENALTY APPLIED	Previous Balance	23,032.31
June 29, 2017	CASH RECEIPT APPLIED	201704020	287.90
			(23,320.21)
		Balance Forward	0.00

SERVICE ADDRESS
 Route 3 Sequence 0
 47020 ROAD 63 N

BASIC CHARGES		
CARTIER CUSTOMER SERV. CHARGE	11.73	7.04
5/8" WATER BASIC CARTIER RATE	52.11	31.27
Total Basic Charges		38.31

LEGAL DESCRIPTION
 Lot
 Block
 Plan

Meter ID 63018923	WATER CONSUMPTION CHARGES	
Prev Read	6281.500	April 27
Curr Read	8601.190	July 25
Consumption	2,319.700 m	Actual
	5/8" WATER CARTIER RATE	\$17.37
		8,831.99
		0.00
		0.00
		0.00



MOVING - Arrange a final reading - Emerg. - 204-856-6412.
 Keep yourself informed, Download the RM of Portage App
 and follow us on Facebook and Twitter.

8,870.30

AMOUNT NOW DUE

RETAIN THIS PORTION FOR YOUR RECORDS

IMPORTANT MESSAGES

Minimum (basic) water commodity charge is for 3000 gallons or 13.63822 cubic meters for a 5/8" meter.
 The consumption reading either actual or estimate includes the basic 3000 gallons.
 To calculate billing - current read less previous read = consumption in cubic meters
 - cubic meter consumption x 219.97 = /1000 imperial gallons x rate
 - add service charge for the total amount charged for water in a reading period

PLEASE NOTE PENALTY DATE AND SUBMIT PAYMENT ON OR BEFORE THIS DATE.

RM OF PORTAGE LA PRAIRIE

35 TUPPER STREET SOUTH
 PORTAGE LA PRAIRIE, MB R1N 1W7
 (204) 857-3821



BILLING DATE
 July 27, 2017

PAST DUE AMOUNT	CURRENT CHARGES	AFTER PENALTY DATE PAY	LAST DATE BEFORE PENALTY	AMOUNT NOW DUE	AMOUNT PAID
0.00	8,870.30	8,981.18	August 31, 2017	8,870.30	
			Account Number	568100000	

TAYLOR BROS FARM LTD
 BOX 1123
 PORTAGE LA PRAIRIE, MB R1N 3C5
 Canada

RM OF PORTAGE LA PRAIRIE

35 TUPPER STREET SOUTH
 PORTAGE LA PRAIRIE, MB R1N 1W7
 (204) 857-3821



UTILITY BILL

BILLING DATE
 July 27, 2017

NAME 541000001
 TAYLOR BROS FARM LTD
 BOX 1123
 PORTAGE LA PRAIRIE, MB R1N 3C5
 Canada

Billing Period May 01, 2017 To July 31, 2017

June 06, 2017	PENALTY APPLIED	Previous Balance	1,298.82
June 29, 2017	CASH RECEIPT APPLIED	201704020	(1,315.06)
Balance Forward			0.00

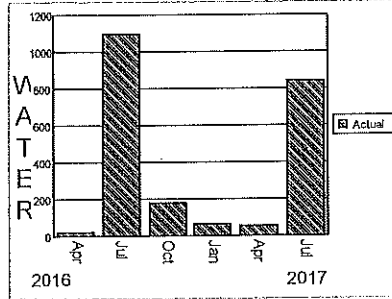
SERVICE ADDRESS
 Route 3 Sequence 1020
 47052 ROAD 60 N

BASIC CHARGES	
CARTIER CUSTOMER SERV. CHARGE	11.73
5/8" WATER BASIC CARTIER RATE	52.11
Total Basic Charges	63.84

LEGAL DESCRIPTION
 Lot
 Block
 Plan

Meter ID 0078879519	WATER CONSUMPTION CHARGES	
Prev Read 9082.000	April 25	Consumption 840.000 m
Curr Read 9922.000	July 25	5/8" WATER CARTIER RATE \$17.37
		Actual
		PST
		G.S.T. 107943094RT0001

0.00
 63.84
 3,157.41
 0.00
 0.00
 0.00



MOVING - Arrange a final reading - Emerg. - 204-856-6412.
 Keep yourself informed, Download the RM of Portage App
 and follow us on Facebook and Twitter.

3,221.25

AMOUNT NOW DUE

RETAIN THIS PORTION FOR YOUR RECORDS

IMPORTANT MESSAGES

Minimum (basic) water commodity charge is for 3000 gallons or 13.63822 cubic meters for a 5/8" meter.
 The consumption reading either actual or estimate includes the basic 3000 gallons.
 To calculate billing - current read less previous read = consumption in cubic meters
 - cubic meter consumption x 219.97 = /1000 imperial gallons x rate
 - add service charge for the total amount charged for water in a reading period

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RM OF PORTAGE LA PRAIRIE

35 TUPPER STREET SOUTH
 PORTAGE LA PRAIRIE, MB R1N 1W7
 (204) 857-3821



BILLING DATE
 July 27, 2017

PAST DUE AMOUNT	CURRENT CHARGES	AFTER PENALTY DATE PAY	LAST DATE BEFORE PENALTY	AMOUNT NOW DUE	AMOUNT PAID
0.00	3,221.25	3,261.52	August 31, 2017	3,221.25	

Account Number
 541000001

TAYLOR BROS FARM LTD
 BOX 1123
 PORTAGE LA PRAIRIE, MB R1N 3C5
 Canada

Exhibit A – Correspondence dated August 22, 2017

From: [Fritz, John X. \(CA - Winnipeg\)](#)
To: [Duanne Taylor](#); [Faron Trippier](#)
Cc: [Ross McFadyen](#); [Jeff Lee \(JMLee@mltaikins.com\)](#) (JMLee@mltaikins.com); [Warga, Brent \(CA - Winnipeg\)](#); [Lincoln Wolfe](#)
Subject: RE: TBF and EPG Liquidation Items
Date: Tuesday, August 22, 2017 9:14:36 AM

Faron/Duanne,

We have not yet received a response to the e-mail below. Please advise on **ALL** matters **as soon as possible** so that the Liquidator can continue with its mandate.

Regards,

John R. Fritz

Deloitte | Financial Advisory

2300 – 360 Main Street

Winnipeg, MB R3C 3Z3

Phone: (204)942-0051 | Fax: (204)947-2689

www.deloitte.ca

From: Fritz, John X. (CA - Winnipeg)
Sent: Monday, August 14, 2017 11:10
To: 'Duanne Taylor' <duannetaylor@googlemail.com>; 'Lincoln Wolfe' <lwolfe685@gmail.com>
Cc: 'Ross McFadyen' <RAM@tdslaw.com>; 'Faron Trippier' <FTrippier@ft-lawyers.com>; 'Jeff Lee (JMLee@mltaikins.com) (JMLee@mltaikins.com)' <JMLee@mltaikins.com>; Warga, Brent (CA - Winnipeg) <bwarga@deloitte.ca>
Subject: TBF and EPG Liquidation Items

All,

Please find attached water bills for the period ending July 31, 2017 from the RM of Portage la Prairie (the “RM”) as follows:

Location	Lessee	Amount
47052 Road 60N	RLW	\$3,221.25
47020 Road 63N	FCF	\$8,870.30

In addition, payment to the Liquidator for the following water arrears remain outstanding:

Location	Lessee	Amount
47052 Road 60N	RLW	\$11,599.07
47020 Road 63N	FCF	\$37,509.31

Please confirm that the current bills will be paid directly to the RM by your respective companies prior to the August 31, 2017 deadline and advise when payment of the arrears will be remitted to the Liquidator.

In addition, the following items remain outstanding:

1) Environmental Concerns: Further to the Liquidator's July 17 and 20, 2017 emails, we have been advised by RLW that FCF has been in control of the yard site at NE31-10-8W for the previous 3 years. Accordingly, Duane/Faron would you address the following environmental concerns:

a. Fertilizer Tank:

i. Located on the yard site are two tanks which, to the best of our knowledge, contain liquid fertilizer. During our site visit, it appeared that the smaller of the two tanks (the "Smaller Tank") was leaking at a pump connection and there was a quantity of what appeared to be run-off from the tank located in the yard site. Please confirm the nature of the leak, advise as to the contents of the Smaller Tank, and confirm that the leak from the Smaller Tank has been addressed.

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i. In the Quonset, there appeared to be storage containers containing oil and other liquids. At least one of the containers appeared to be leaking on the concrete floor. Please advise as to the nature of the leak, the contents of the leaking container(s), and confirm that the leak has been addressed.

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i. Near the potato barn, there was an uncovered steel drum which appeared to have leaked in and around its vicinity. Please advise as to the nature of the leak, the contents of the drum, and confirm the leak has been addressed.

As outlined, the foregoing are of concern to the Liquidator in general, given the potential environmental impact, and also particularly with respect to the following sections of the lease agreement between FCF and the Liquidator:

- Paragraph 5.(a)(iv);
- Paragraph 7.(d) and (g);
- Paragraph 19.;
- Paragraph 20; and
- Paragraph 25.

2) Information Requests: Further to the Liquidator's July 17 and 24, 2017 emails, the following items remain outstanding:

a. Duane Taylor/Faron Trippier:

i. Supporting documents for the accounts receivable listing provided on July 13, 2017 (invoices, account statements, etc.);

ii. Mailing addresses for all creditors of TBF and EPG (inclusive of addresses for the accounts payable list provided July 13, 2017);

iii. [REDACTED]

iv. An signed copy of the land lease between the Liquidator and FCF without any adjustments.

Both Duanne Taylor/Faron Trippier and Lincoln Wolfe/Ross McFadden:

i. Confirmation as to any interest in purchasing and, if so, an offer for the 60,000 gallon fertilizer tank located at NE31-10-8W; and

ii. Position with respect to a preferred method and timing of marketing and liquidating the land owned by TBF and EPG. Specifically, further to the Liquidator's July 24, 2017 email:

1. With regard to the January 6, 2017 offer from [REDACTED], with the agreement of both Mr. Wolfe and Mr. Taylor, we propose to approach [REDACTED] to assess their interest and willingness to purchase the TBF and EPG land and buildings thereon. **Please confirm you are in agreement with the Liquidator approaching [REDACTED], and please provide contact details for the most appropriate individual to contact.** The January 6, 2017 offer contained the following contacts:

a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

Once we are able to discuss the opportunity with [REDACTED] (if approved by both Mr. Wolfe and Mr. Taylor), the Liquidator will provide further communications back to all parties.

2. In the event a transaction is not possible with [REDACTED], the Liquidator would like to obtain Mr. Wolfe's and Mr. Taylor's concurrence that a widely exposed sale process should be immediately pursued. This would entail the following:

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i. Terms and conditions of sale;

ii. Land and building descriptions'

iii. Other asset descriptions; and

iv. Timelines for letters of intent and/or bid submissions.

- b. Compilation of a detailed interested party list (which would also include auctioneers)
- c. Distribution of the Sales and Information Package;
- d. Reviewing and assessing offers and auction proposals; and
- e. Court approval and vesting order (as required).

c. Deloitte Restructuring Inc:

- i. Undertake to obtain the reverse side of Cheque #03464 appended to the June 28, 2017 correspondence from Norman Boudreau; - **In process**

In accordance with the Court of Appeal Decision issued on August 11, 2017, please provide responses to ALL items above forthwith so that the Liquidator can continue with its mandate to liquidate the residual assets and land owned by TBF and EPG.

Regards,

John R. Fritz

Deloitte | Financial Advisory

2300 – 360 Main Street

Winnipeg, MB R3C 3Z3

Phone: (204)942-0051 | Fax: (204)947-2689

www.deloitte.ca

<< File: Fat Cat Farms Ltd. Water Bill.pdf >> << File: R.L. Wolfe Ltd. Water Bill.pdf >>

Exhibit A – Correspondence dated August 30, 2017

From: Jeff Lee
To: ftrippier@ft-lawyers.com
Cc: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#); [Ross McFadyen](#); [Bruce Taylor](#); [Paul Olfert](#)
Subject: Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067 Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
Date: Wednesday, August 30, 2017 6:27:26 PM
Attachments: [image003.png](#)
[Taylor Bros. Farm Ltd. - August 30, 2017 Letter to F. Trippier.pdf](#)
[TBF and EPG Liquidation Items.msg](#)
[TBF and EPG Environmental Concerns.msg](#)
[RE TBF and EPG Environmental Concerns.msg](#)
[RE TBF and EPG Liquidation Items.msg](#)
[TBF - Liquidation Order.pdf](#)

August 30, 2017

To: Mr. Faron Trippier, counsel to Duanne Taylor et al.

Mr. Trippier:

Please see the attached correspondence from counsel to Deloitte Restructuring Inc., court-appointed liquidator of Taylor Bros Farm Ltd. and Edwin Potato Growers Ltd.

Regards,

Jeffrey M. Lee, Q.C.
Member of the Saskatchewan & Alberta Bars
Partner

P: (306) 975-7136 | **C:** (306) 220-7044

F: (306) 975-7145 | **E:** jmlee@mltaikins.com

MLT Aikins LLP

1500 - 410 22nd Street East

Saskatoon, Saskatchewan S7K 5T6

mltaikins.com

BIO VCARD

MLTAIKINS

WESTERN CANADA'S LAW FIRM

Winnipeg | Regina | Saskatoon | Calgary | Edmonton | Vancouver

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Jeff Lee, Q.C.

Partner

P: +1 (306) 975-7136 | **C:** +1 (306) 220-7044

F: +1 (306) 975-7145 | **E:** JMLee@mltaikins.com

MLT Aikins LLP

1500 - 410 22nd Street E.

Saskatoon, Saskatchewan S7K 5T6

mltaikins.com

BIO VCARD

MLT Aikins



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August 30, 2017

Via E-Mail: ftrippier@ft-lawyers.com


Fast Trippier Law
10 Donald Street
Winnipeg, MB R3C 1L5

Attention: Mr. Faron Trippier

Dear Sir:

Re: **Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067
Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

By means of e-mail correspondence dated August 14, 2017 (the "**August 14 Correspondence**") (copy enclosed), Deloitte Restructuring Inc., court-appointed liquidator (the "**Liquidator**") of Taylor Bros. Farm Ltd. ("**TBF**") and Edwin Potato Growers Ltd. ("**EPG**"), requested that Duanne Taylor ("**Mr. Taylor**") and Fat Cat Farms Ltd. ("**FCF**") provide the Liquidator with the following seven items (the "**Seven Items**"), namely:

- 1) confirmation that FCF would, on or before August 31, 2017, make payment to the RM of Portage La Prairie (the "**RM**") of certain amounts of current water bills (due August 31, 2017) and arrears of water bills owing by FCF to the RM, as more particularly described in the August 14 Correspondence;
- 2) further details regarding certain environmental concerns previously raised by the Liquidator in e-mail correspondence to you dated July 17 (copy enclosed) and July 20, 2017 (copy enclosed);
- 3) supporting documents for the accounts receivable listing provided on July 13, 2017;
- 4) mailing addresses for all creditors of TBF and EPG inclusive of those detailed in the accounts payable list provided on July 13, 2017;
- 5) 
- 6) a signed copy of the land lease between the Liquidator and FCF (the "**Lease**"), with the integrity of the Lease intact and free from unilateral edits, amendments and adjustments to the Lease purportedly added by FCF on previous occasions; and

- 7) confirmation that Mr. Taylor is in agreement with the proposed course of action by the Liquidator approaching [REDACTED] with respect to its previous interest in the TBF and EPG land, and should a transaction not be possible with [REDACTED], confirmation that Mr. Taylor is in agreement with the Liquidator pursuing a widely exposed sale process for the TPF and EPG Land.

The Liquidator received no response to the August 14 Correspondence from your office, Mr. Taylor and/or FCF. Accordingly, by means of further e-mail correspondence dated August 22, 2017 (the "**August 22 Correspondence**") (copy enclosed), the Liquidator reiterated its request that it be provided with a response to the August 14 Correspondence from your office and/or Mr. Taylor and FCF.

The Liquidator has received no substantive response to the August 22 Correspondence from your office, Mr. Taylor and/or FCF.

The failure by your office, Mr. Taylor and FCF to provide a response to the August 14 Correspondence and the August 22 Correspondence is a breach of their respective duties and obligations under the April 28, 2017 Order (Appointing Liquidator) of the Honourable Mr. Justice Toews (the "**Liquidation Order**") (copy enclosed), including (without limitation) those duties and obligations described in paragraphs 3, 4 and 5 of the Liquidation Order.

The Liquidator requires your office, Mr. Taylor and FCF, on or before Tuesday, September 5, 2017, to provide the Liquidator with a satisfactory response to each of the Seven Items (including delivery of a signed and unedited copy of the Lease), failing which the Liquidator will have no alternative but to apply to the Court of Queen's Bench For Manitoba for advice and directions regarding the discharge of its duties under the Liquidation Order and/or for an Order approving a liquidation plan without input from or acceptance of Mr. Taylor, pursuant to paragraphs 2(o), 22 and 26 of the Liquidation Order. If such an application becomes necessary, the Liquidator will seek an Order requiring Mr. Taylor and/or FCF to pay its costs of such an application on an appropriate scale. We sincerely hope that does not become necessary.

This is a very serious matter. We trust that Mr. Taylor and FCF will make it a top priority to provide a satisfactory response to the Seven Items to the Liquidator on or before Tuesday, September 5, 2017.

Yours truly,

MLT AIKINS LLP

Per: 

Jeffrey M. Lee, Q.C.

MLT AIKINS

WESTERN CANADA'S LAW FIRM

JML:crb

cc. Deloitte Restructuring Inc. (Attention: Brent Warga/John Fritz)

cc. Thomson Dorfinan Sweatman LLP (Attention: Ross McFadyen)

From: Warga, Brent (CA - Winnipeg)
To: [Duanne Taylor](#); [Lincoln Wolfe](#)
Cc: [Ross McFadyen](#); [Faron Trippier](#); [Jeff Lee](#); [Fritz, John X. \(CA - Winnipeg\)](#)
Subject: TBF and EPG Environmental Concerns
Date: Monday, July 17, 2017 8:21:58 AM
Attachments: [Quonset container\(s\).pdf](#)
[Oil Drum.pdf](#)
[Smaller Tank.pdf](#)
[Run off #2.pdf](#)
[Run off #1.pdf](#)

Duanne/Lincoln,

Following our meeting on Thursday last week, we attended the yard site at quarter section NE31-10-8W currently rented by Fat Cat Farms ("FCF"). During our site visit, we identified a few items that caused the Liquidator some concern from an environmental perspective as follows:

1. Fertilizer Tank:

- Located on the yard site are two tanks which, to the best of our knowledge, contain liquid fertilizer. It appeared that the smaller of the two tanks (the "Smaller Tank") was leaking at a pump connection and there was a quantity of what appeared to be run-off from the tank located in the yard site (photographs attached). Please confirm the nature of the leak, advise as to the contents of the Smaller Tank, and confirm that the leak from the Smaller Tank has been addressed.

2. Liquid Storage Containers:

- In the Quonset, there appeared to be storage containers containing oil and other liquids. At least one of the containers appeared to be leaking on the concrete floor (photograph attached). Please advise as to the nature of the leak, the contents of the leaking container(s), and confirm that the leak has been addressed.

3. Oil Drum:

- Near the potato barn, there was an uncovered steel drum which appeared to have leaked in and around its vicinity (photograph attached). Please advise as to the nature of the leak, the contents of the drum, and confirm the leak has been addressed.

The foregoing are of concern to the Liquidator in general, given the potential environmental impact, and also particularly with respect to the following sections of the lease agreement between FCF and the Liquidator:

- Paragraph 5.(a)(iv);
- Paragraph 7.(d) and (g);
- Paragraph 19.;
- Paragraph 20; and
- Paragraph 25.

Please address the forgoing concerns in short order.

Additionally, please advise if TBF or EPG ever had any environmental site assessments performed, and if so, please provide a copy of the assessment(s).

Regards,

Brent Warga, CPA, CA, CIRP, CFE, LIT, M. Acc.
Partner | Restructuring Services | Financial Advisory
Deloitte
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3 Canada
O: (204)942-0051 | D: (204)944-3611 | F: (204)947-2689

bwarga@deloitte.ca | deloitte.ca



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From: Fritz, John X. (CA - Winnipeg)
To: [Duanne Taylor](#); [Lincoln Wolfe](#)
Cc: [Ross McFadyen](#); [Faron Trippier](#); [Jeff Lee](#); [Warga, Brent \(CA - Winnipeg\)](#)
Subject: RE: TBF and EPG Environmental Concerns
Date: Thursday, July 20, 2017 3:38:38 PM

Duanne/Lincoln,

Further to Brent Warga's email below, would you please provide a response with respect to the forgoing environmental concerns? To date, no response has been received.

Regards,

John R. Fritz
Deloitte | Financial Advisory
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3
Phone: (204)942-0051 | Fax: (204)947-2689
www.deloitte.ca

From: Warga, Brent (CA - Winnipeg)
Sent: Monday, July 17, 2017 08:21
To: Duanne Taylor <duannetaylor@googlemail.com>; Lincoln Wolfe <lwolfe685@gmail.com>
Cc: Ross McFadyen <RAM@tdslaw.com>; Faron Trippier <FTrippier@ft-lawyers.com>; Jeff Lee (JMLee@mltaikins.com) (JMLee@mltaikins.com) <JMLee@mltaikins.com>; Fritz, John X. (CA - Winnipeg) <jofritz@deloitte.ca>
Subject: TBF and EPG Environmental Concerns

Duanne/Lincoln,

Following our meeting on Thursday last week, we attended the yard site at quarter section NE31-10-8W currently rented by Fat Cat Farms ("FCF"). During our site visit, we identified a few items that caused the Liquidator some concern from an environmental perspective as follows:

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2. Liquid Storage Containers:

- In the Quonset, there appeared to be storage containers containing oil and other liquids. At least one of the containers appeared to be leaking on the concrete floor (photograph attached). Please advise as to the nature of the leak, the contents of the leaking container(s), and confirm that the leak has been addressed.

3. Oil Drum:

- Near the potato barn, there was an uncovered steel drum which appeared to have leaked in and around its vicinity (photograph attached). Please advise as to the nature of the leak, the contents of the drum, and confirm the leak has been addressed.

The foregoing are of concern to the Liquidator in general, given the potential environmental impact, and also particularly with respect to the following sections of the lease agreement between FCF and the Liquidator:

- Paragraph 5.(a)(iv);
- Paragraph 7.(d) and (g);
- Paragraph 19.;
- Paragraph 20; and
- Paragraph 25.

Please address the forgoing concerns in short order.

Additionally, please advise if TBF or EPG ever had any environmental site assessments performed, and if so, please provide a copy of the assessment(s).

Regards,

<< File: Quonset container(s).pdf >> << File: Oil Drum.pdf >> << File: Smaller Tank.pdf >> << File: Run off #2.pdf >> << File: Run off #1.pdf >>

Brent Warga, CPA, CA, CIRP, CFE, LIT, M. Acc.

Partner | Restructuring Services | Financial Advisory

Deloitte

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Winnipeg, MB R3C 3Z3 Canada

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From: Fritz, John X. (CA - Winnipeg)
To: [Duanne Taylor](#); [Lincoln Wolfe](#)
Cc: [Ross McFadyen](#); [Faron Trippier](#); [Jeff Lee](#); [Warga, Brent \(CA - Winnipeg\)](#)
Subject: TBF and EPG Liquidation Items
Date: Monday, August 14, 2017 11:10:46 AM
Attachments: [Fat Cat Farms Ltd. Water Bill.pdf](#)
[R.L. Wolfe Ltd. Water Bill.pdf](#)

All,

Please find attached water bills for the period ending July 31, 2017 from the RM of Portage la Prairie (the "RM") as follows:

Location	Lessee	Amount
47052 Road 60N	RLW	\$3,221.25
47020 Road 63N	FCF	\$8,870.30

In addition, payment to the Liquidator for the following water arrears remain outstanding:

Location	Lessee	Amount
47052 Road 60N	RLW	\$11,599.07
47020 Road 63N	FCF	\$37,509.31

Please confirm that the current bills will be paid directly to the RM by your respective companies prior to the August 31, 2017 deadline and advise when payment of the arrears will be remitted to the Liquidator.

In addition, the following items remain outstanding:

1. **Environmental Concerns:** Further to the Liquidator's July 17 and 20, 2017 emails, we have been advised by RLW that FCF has been in control of the yard site at NE31-10-8W for the previous 3 years. Accordingly, **Duanne/Faron** would you address the following environmental concerns:
 - a. Fertilizer Tank:
 - i. Located on the yard site are two tanks which, to the best of our knowledge, contain liquid fertilizer. During our site visit, it appeared that the smaller of the two tanks (the "Smaller Tank") was leaking at a pump connection and there was a quantity of what appeared to be run-off from the tank located in the yard site. Please confirm the nature of the leak, advise as to the contents of the Smaller Tank, and confirm that the leak from the Smaller Tank has been addressed.
 - b. Liquid Storage Containers:
 - ii. In the Quonset, there appeared to be storage containers containing oil and other liquids. At least one of the containers appeared to be leaking on the concrete floor. Please advise as to the nature of the leak, the contents of the leaking container(s), and confirm that the leak has been addressed.

c. Oil Drum:

- iii. Near the potato barn, there was an uncovered steel drum which appeared to have leaked in and around its vicinity. Please advise as to the nature of the leak, the contents of the drum, and confirm the leak has been addressed.

As outlined, the foregoing are of concern to the Liquidator in general, given the potential environmental impact, and also particularly with respect to the following sections of the lease agreement between FCF and the Liquidator:

- Paragraph 5.(a)(iv);
- Paragraph 7.(d) and (g);
- Paragraph 19.;
- Paragraph 20; and
- Paragraph 25.

2. **Information Requests:** Further to the Liquidator's July 17 and 24, 2017 emails, the following items remain outstanding:

d. **Duane Taylor/Faron Trippier:**

- iv. Supporting documents for the accounts receivable listing provided on July 13, 2017 (invoices, account statements, etc.);
- v. Mailing addresses for all creditors of TBF and EPG (inclusive of addresses for the accounts payable list provided July 13, 2017);
- vi. [REDACTED]; and
- vii. An signed copy of the land lease between the Liquidator and FCF without any adjustments.

e. **Both Duane Taylor/Faron Trippier and Lincoln Wolfe/Ross McFadden:**

- viii. Confirmation as to any interest in purchasing and, if so, an offer for the 60,000 gallon fertilizer tank located at NE31-10-8W; and
- ix. Position with respect to a preferred method and timing of marketing and liquidating the land owned by TBF and EPG. Specifically, further to the Liquidator's July 24, 2017 email:
 1. With regard to the January 6, 2017 offer from [REDACTED] with the agreement of both Mr. Wolfe and Mr. Taylor, we propose to approach [REDACTED] to assess their interest and willingness to purchase the TBF and EPG land and buildings thereon. **Please confirm you are in agreement with the Liquidator approaching [REDACTED] and please provide contact details for the most appropriate individual to contact.** The January 6, 2017 offer contained the following contacts:
 - a. [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]Once we are able to discuss the opportunity with [REDACTED] (if approved by both Mr. Wolfe and Mr. Taylor), the Liquidator will provide further communications back to all parties.
 2. In the event a transaction is not possible with [REDACTED] the Liquidator would like to obtain Mr. Wolfe's and Mr. Taylor's concurrence that a widely exposed sale process should be immediately pursued. This would entail the following:
 - d. Preparation of a Sales and Information Package detailing the assets of TBF and EPG:
 - i. Terms and conditions of sale;

- ii. Land and building descriptions'
- iii. Other asset descriptions; and
- iv. Timelines for letters of intent and/or bid submissions.
- e. Compilation of a detailed interested party list (which would also include auctioneers)
- f. Distribution of the Sales and Information Package;
- g. Reviewing and assessing offers and auction proposals; and
- h. Court approval and vesting order (as required).

f. **Deloitte Restructuring Inc:**

- x. Undertake to obtain the reverse side of Cheque #03464 appended to the June 28, 2017 correspondence from Norman Boudreau; - **In process**

In accordance with the Court of Appeal Decision issued on August 11, 2017, please provide responses to ALL items above forthwith so that the Liquidator can continue with its mandate to liquidate the residual assets and land owned by TBF and EPG.

Regards,

John R. Fritz

Deloitte | Financial Advisory
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3
Phone: (204)942-0051 | Fax: (204)947-2689
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From: Fritz, John X. (CA - Winnipeg)
To: [Duanne Taylor](#); [Faron Trippier](#)
Cc: [Ross McFadyen](#); [Jeff Lee](#); [Warga, Brent \(CA - Winnipeg\)](#); [Lincoln Wolfe](#)
Subject: RE: TBF and EPG Liquidation Items
Date: Tuesday, August 22, 2017 9:15:16 AM

Faron/Duanne,

We have not yet received a response to the e-mail below. Please advise on **ALL** matters **as soon as possible** so that the Liquidator can continue with its mandate.

Regards,

John R. Fritz
Deloitte | Financial Advisory
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3
Phone: (204)942-0051 | Fax: (204)947-2689
www.deloitte.ca

From: Fritz, John X. (CA - Winnipeg)
Sent: Monday, August 14, 2017 11:10
To: 'Duanne Taylor' <duannetaylor@googlemail.com>; 'Lincoln Wolfe' <lwolfe685@gmail.com>
Cc: 'Ross McFadyen' <RAM@tdslaw.com>; 'Faron Trippier' <FTrippier@ft-lawyers.com>; 'Jeff Lee (JMLee@mltaikins.com) (JMLee@mltaikins.com)' <JMLee@mltaikins.com>; Warga, Brent (CA - Winnipeg) <bwarga@deloitte.ca>
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 - b. [REDACTED]

c. [REDACTED]

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Regards,

John R. Fritz

Deloitte | Financial Advisory
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3
Phone: (204)942-0051 | Fax: (204)947-2689
www.deloitte.ca

<< File: Fat Cat Farms Ltd. Water Bill.pdf >> << File: R.L. Wolfe Ltd. Water Bill.pdf >>

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THE QUEEN'S BENCH

WINNIPEG CENTRE

BETWEEN:

LINCOLN WOLFE and 5606269 MANITOBA LTD.

Applicants,

- and -

DUANNE TAYLOR, 5608067 MANITOBA LTD., TAYLOR
BROS. FARM LTD. and EDWIN POTATO GROWERS LTD.

Respondents.

APPLICATION UNDER section 207 of *The Corporations Act*, C.C.S.M. c. C225

CERTIFIED COPY
of

ORDER
(APPOINTING LIQUIDATOR)

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
201 Portage Avenue, Suite 2200
Winnipeg MB R3B 3L3

(Matter No. 0121816 RAM)
(Ross A. McFadyen: 204-934-2378)
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(Toll Free: 1-855-483-7529)

THE QUEEN'S BENCH

WINNIPEG CENTRE

THE HONOURABLE
MR. JUSTICE TOEWS

)
)
)

FRIDAY, THE 28th
DAY OF APRIL, 2017

BETWEEN:

LINCOLN WOLFE and 5606269 MANITOBA LTD.

Applicants,

- and -

DUANNE TAYLOR, 5608067 MANITOBA LTD., TAYLOR
BROS. FARM LTD. and EDWIN POTATO GROWERS LTD.

Respondents.

APPLICATION UNDER section 207 of *The Corporations Act*, C.C.S.M. c. C225

CERTIFIED COPY
of
ORDER (APPOINTING LIQUIDATOR)

THIS APPLICATION AND MOTION made by the Applicants for an Order providing for the liquidation and dissolution of the respondent corporations, Taylor Bros. Farm Ltd. ("TBF") and Edwin Potato Growers Ltd. ("EPG"), and appointing Deloitte Restructuring Inc. as liquidator without security, of TBF and EPG, was heard on March 15, 2017 at the Law Courts Buildings, 408 York Avenue in Winnipeg, Manitoba.

ON READING the Affidavits of Lincoln Wolfe affirmed August 6 and September 9, 2015, and the Affidavit of Lincoln Wolfe affirmed December 13, 2016 as filed in

Queen's Bench File No. CI 16-01-04369 (including the Awards of Arbitrator Harvey L. Selter dated April 20, August 24, October 5 and 17, 2016), the Affidavits of Duanne Taylor sworn August 31 and September 27, 2015, and the Affidavits of Duanne Taylor sworn December 8 and 30, 2016 and the Affidavit of Darlene Monette sworn February 24, 2017 as filed in Queen's Bench File No. CI 16-01-04369, the transcript of the cross-examination of Lincoln Wolfe on October 28, 2015, the transcript of the cross-examination of Duanne Taylor on October 28, 2015, and on reading the evidence filed in Queen's Bench File No. CI 15-01-94251 (the "**Previous Proceeding**") , namely the Affidavits of Duanne Taylor sworn March 4, 12 and 20, 2015, the Affidavit of Lincoln Wolfe affirmed March 10, 2015, the Affidavit of Gordon Daman sworn March 21, 2015 and the transcript of the cross-examination of Duanne Taylor on March 24, 2015, and on hearing the submissions of counsel for the Applicants and counsel for the Respondents Duanne Taylor and 5608067 Manitoba Ltd., and on reading the consent of Deloitte Restructuring Inc. to act as liquidator,

APPOINTMENT

1. THIS COURT ORDERS that pursuant to sections 207 and 210 of *The Corporations Act*:

(a) the assets, undertakings and property of TBF and EPG (the "**Property**"), shall be liquidated in accordance with this Order;

(b) Deloitte Restructuring Inc. (the "**Liquidator**") shall be and is hereby appointed liquidator of the Property, without security; and

(c) upon the Liquidator concluding the liquidation of all or substantially all of the Property, the Liquidator shall be at liberty to apply to this Court for an Order dissolving TBF and EPG and discharging the Liquidator.

LIQUIDATOR'S POWERS

2. THIS COURT ORDERS that the Liquidator 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 Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator may in its sole discretion consider it necessary or desirable:

- (a) to take possession of and exercise control over all or any part of the Property, wheresoever located, and any and all proceeds, receipts and disbursements arising out of or from the Property or any dealings with the Property;
- (b) to 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 TBF and EPG as required for the orderly liquidation thereof;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, legal 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 Liquidator's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to TBF and/or EPG and to exercise all remedies of TBF and/or EPG in collecting such monies, including, without limitation, to enforce any security held by TBF and/or EPG;
- (f) to settle, extend or compromise any indebtedness owing to TBF and EPG;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of TBF or EPG, for any purpose pursuant to this Order;
- (h) 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 TBF and EPG, the Property or the Liquidator, 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;

- (i) 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 Liquidator in its discretion may deem appropriate;
- (j) 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;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (m) 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 Liquidator, in the name of) TBF and/or EPG;

- (n) to exercise any shareholder, partnership, joint venture or other rights which TBF or EPG may have;
- (o) to develop a plan for the liquidation of TBF and EPG, the satisfaction of TBF and EPG's liabilities, and the payment of any surplus realized thereby (the "**Liquidation Plan**"), to seek acceptance by the Applicant and the Respondents of the Liquidation Plan, and, failing such acceptance within a reasonable period of time, as determined by the Liquidator, to recommend the Liquidation Plan to this Court and to seek approval thereof from this Court;
- (p) upon the Liquidation Plan being accepted in writing by the Applicants and the Respondents; or, in the alternative, being approved by an Order of this Court, to implement the Liquidation Plan;
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (r) to disclaim, forfeit or otherwise terminate any lease of premises or land entered into by TBF and EPG without further order of this Court;

and in each case where the Liquidator 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) and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

3. THIS COURT ORDERS that (i) TBF and EPG, (ii) all of TBF and EPG's 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 Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

4. THIS COURT ORDERS that all Persons having notice of this Order shall forthwith advise the Liquidator 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 TBF and EPG, 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities

relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 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 Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. 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 such Records to the Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons having notice of this Order shall provide the Liquidator with all such assistance in gaining immediate access to the information contained in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

6. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Liquidator except with the written consent of the Liquidator or with leave of this Court.

NO PROCEEDINGS AGAINST TBF OR EPG OR THE PROPERTY

7. THIS COURT ORDERS that no Proceeding against or in respect of TBF or EPG or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of TBF or EPG or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against TBF or EPG, the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator 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 *Bankruptcy and Insolvency Act*, and further provided that nothing in this paragraph shall (i) empower the Liquidator or TBF or EPG to carry on any business which they are not lawfully entitled to carry on, (ii) exempt the Liquidator or TBF or EPG from compliance with statutory or regulatory 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 LIQUIDATOR

9. 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 TBF and/or EPG, without written consent of the Liquidator or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with TBF and/or EPG 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 either TBF or EPG 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 Liquidator, and that the Liquidator shall be entitled to the continued use of TBF's and EPG'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 Liquidator in accordance with normal payment practices of TBF or EPG (as the case may be) or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

11. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator 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 Liquidator: and the monies standing to the credit of such accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

12. THIS COURT ORDERS that, subject to paragraph 12A hereof, all employees of TBF and EPG shall remain employees of TBF and EPG until such time as the Liquidator, on behalf of TBF and EPG, may terminate the employment of such employees. Nothing contained in this Order shall be deemed to constitute the Liquidator an employer, successor employer or related employer of any one or more of the employees of TBF and EPG within the meaning of any legislation (federal or provincial) or deem the Liquidator liable for any wages, salary or employment-related compensation whatsoever, including any severance pay, termination pay, pay in lieu of notice or vacation pay; and further, the appointment of the Liquidator shall not constitute the sale of TBF and EPG for the purpose of any legislation (federal or provincial), dealing with employees or employment-related obligations.

12A. For greater clarity, the claim of Duanne Taylor in regard to his employment contract (including the quantum of any amount which may be owing to Duanne Taylor in that regard) shall be unaffected by paragraph 12 of this Liquidation Order and shall be matters over which the Arbitrator shall continue to exercise jurisdiction.

LIMITATION ON ENVIRONMENTAL LIABILITIES

13. THIS COURT ORDERS that nothing herein contained shall require the Liquidator 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 Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Site Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba) and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Liquidator shall not, as a result of this Order or anything done in pursuance of the Liquidator'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 the Liquidator actually takes physical possession of the Property.

LIMITATION ON THE LIQUIDATOR'S LIABILITY

14. THIS COURT ORDERS that in addition to the rights and protections afforded the Liquidator under *The Corporations Act* or as an officer of this Court, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any liability arising out of gross negligence or wilful misconduct on its part.

LIQUIDATOR'S ACCOUNTS

15. THIS COURT ORDERS that the Liquidator and legal counsel to the Liquidator 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 Liquidator and legal counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "**Liquidator'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 Liquidator'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. For greater clarity, the amount of the Liquidator's Charge shall not exceed \$50,000.00 (or such greater amount as this Court may be further Order authorize).

16. THIS COURT ORDERS that the Liquidator and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Court.

17. THIS COURT ORDERS that, prior to the passing of its accounts or those of its legal counsel, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements and those of its legal counsel, including legal fees and disbursements, incurred at the standard rates and charges of the Liquidator or its legal counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE LIQUIDATION PROCEEDINGS

18. THIS COURT ORDERS that the Liquidator 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 an amount equal to the sum of: (a) such amounts as the Liquidator borrows to pay municipal property tax arrears and insurance; and \$50,000.00 (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 Liquidator 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 "**Liquidator'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 Liquidator's Charge.

19. THIS COURT ORDERS that neither the Liquidator's Borrowings Charge nor any other security granted by the Liquidator in connection with its borrowings under this Order shall be enforced without leave of this Court.

20. THIS COURT ORDERS that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Liquidator's Certificates**") for any amount borrowed by it pursuant to this Order.

21. THIS COURT ORDERS that the monies from time to time borrowed by the Liquidator pursuant to this Order or any further order of this Court and any and all Liquidator'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 Liquidator's Certificates.

GENERAL

22. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder, as deemed necessary and, upon rendering its final account, may apply for an order dissolving TBF and EPG.

23. 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 Liquidator 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

24. THIS COURT ORDERS that the Liquidator 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 Liquidator 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.

25. THIS COURT ORDERS that if the parties cannot agree on the issue of costs with respect to the Previous Proceeding, and the issue of costs with respect to the Applicants' motion for enforcement of the Awards of Arbitrator Harvey L. Sexter in this proceeding, such costs may be spoken to.

26. 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 Liquidator 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

June 5th, 2017

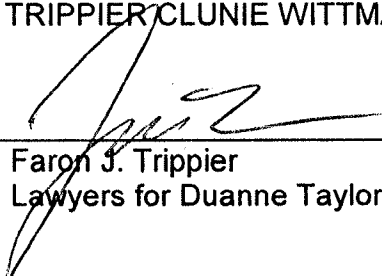
J. Toews

CERTIFIED A TRUE COPY
J. Toews
DEPUTY REGISTRAR

CONSENT AS TO FORM:

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

per: _____


Faron J. Trippier

Lawyers for Duanne Taylor, 5608067 Manitoba Ltd. and Fat Cat Farms Ltd.

CONSENT AS TO FORM AND CONTENT:

PITBLADO LLP

per: _____


Douglas G. Ward

Lawyers for the secured creditor, the Bank of Montreal

CONSENT AS TO FORM AND CONTENT:

BOUDREAU LAW LLP

per: _____

J.R. Norman Boudreau

Lawyers for the secured creditors, Gerald Wiebe and Martha Wiebe

CONSENT AS TO FORM AND CONTENT:

MLT AIKINS LLP

per: _____

Jeffrey M. Lee, Q.C.

Lawyers for the Liquidator, Deloitte Restructuring Inc.

CONSENT AS TO FORM:

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

per: _____

Faron J. Trippier
Lawyers for Duanne Taylor, 5608067 Manitoba Ltd. and Fat Cat Farms Ltd.

CONSENT AS TO FORM AND CONTENT:

PITBLADO LLP

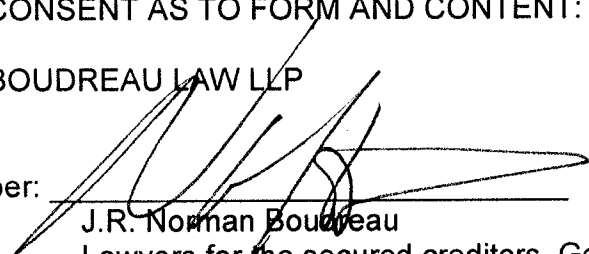
per: _____

Douglas J. Ward
Lawyers for the secured creditor, the Bank of Montreal

CONSENT AS TO FORM AND CONTENT:

BOUDREAU LAW LLP


per: _____


J.R. Norman Boudreau
Lawyers for the secured creditors, Gerald Wiebe and Martha Wiebe

CONSENT AS TO FORM AND CONTENT:

MLT AIKINS LLP

per: _____


Jeffrey M. Lee, Q.C. NIGEL I. THOMPSON
Lawyers for the Liquidator, Deloitte Restructuring Inc.

SCHEDULE "A"

LIQUIDATOR CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the liquidator (the "Liquidator") of the assets, undertakings and properties of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd. (collectively, the "Property") appointed by Order of the Manitoba Court of Queen's Bench (the "Court") dated the 28th day of April, 2017 (the "Order") made in an action having Court File No. CI 15-01-97066, has received as such Liquidator from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Liquidator 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 the Bank of Montreal 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 Liquidator 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 the right of the Liquidator 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 Winnipeg, Manitoba.

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 Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator 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__.

Deloitte Restructuring Inc., solely in its
capacity as Liquidator of the Property, and
not in its personal capacity

Per: _____

Name:

Title:

Exhibit A – Correspondence dated September 8, 2017

From: Jeff Lee
To: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#)
Cc: [Bruce Taylor](#)
Subject: FW: Wolfe et al. v. Taylor et al.
Date: Friday, September 8, 2017 3:45:19 PM
Attachments: [image002.png](#)
[201709081538.pdf](#)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Jeffrey M. Lee, Q.C.
Member of the Saskatchewan & Alberta Bars
Partner

P: (306) 975-7136 | **C:** (306) 220-7044
F: (306) 975-7145 | **E:** jmlee@mltaikins.com

MLT Aikins LLP
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Saskatoon, Saskatchewan S7K 5T6

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[BIO](#) [VCARD](#)

MLT AIKINS

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Jeff Lee, Q.C.
Partner

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F: +1 (306) 975-7145 | **E:** jmlee@mltaikins.com

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From: Ambre Anjoubault [mailto:AAanjoubault@ft-lawyers.com]
Sent: Friday, September 08, 2017 2:33 PM
To: Jeff Lee
Cc: 'ram@tdslaw.com'; Bruce Taylor; Faron Trippier
Subject: Wolfe et al. v. Taylor et al.

Good afternoon,

Please see attached correspondence.

Thank you,

Ambre K. Anjoubault, B.A., J.D.

Fast Trippier Clunie Wittman Santos LLP

Barristers & Solicitors
10 Donald Street
Winnipeg, Manitoba R3C 1L5
ph. (204) 925-5301
fx. (204) 943-7997

aanjoubault@ft-lawyers.com
www.ft-lawyers.com



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September 8, 2017

BY EMAIL

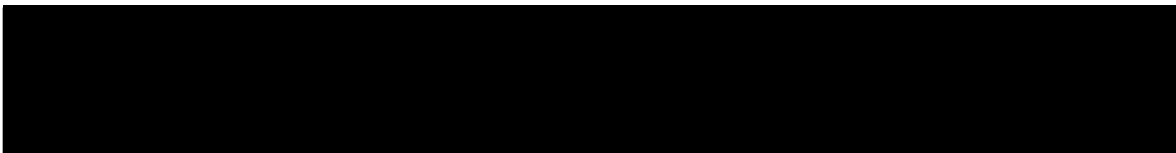
MLT Aikins LLP
1500 – 410 22nd Street East
Saskatoon, Saskatchewan S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

Re: Lincoln Wolfe et al. v. Taylor et al.

Further to the above matter and to your letter dated August 30, 2017:

1. The water bills and arrears owing to the RM of Portage La Prairie pre-date the within liquidation. It is unreasonable to require that Mr. Taylor pay the entirety of the amounts owing especially because these relate to buildings located on the property leased by Fat Cat Farms Ltd. ("FCF") that FCF could not and did not use.
2. With respect to the environmental concerns, we are advised that:
 - a. the Small Tank experienced water leakage on one occasion and that this has since been addressed;
 - b. the leak from the Liquid Storage Containers occurred after the Ritchie Brother auction and was caused by the removal of the containers by third parties for the purposes of the auction; and
 - c. the oil drum has been in its location for approximately 10 years and belonged to Ross Beavis. Mr. Taylor has no knowledge of the nature of the leak, the contents of the drum or whether the leakage has been addressed as he had no access to the property upon which the oil drum was located.
3. Mr. Taylor is currently in the process of making inquires, locating and gathering these supporting documents.
4. Mr. Taylor is currently in the process of making inquires, locating and gathering the mailing addresses for all of TBF and EPG's creditors.
5. 

6. With respect to the land lease, Mr. Taylor is not agreeable to executing an unamended copy of the FCF Lease Agreement (the "Lease"). The proposed amendments address Mr. Taylor's concerns with respect thereof and the Lease ought to be amended accordingly.

In particular:

- i. Mr. Wolfe should not be allowed on Mr. Taylor's portion of the land to access the bins as Mr. Wolfe was given the opportunity to remove the bins from the yard after the auction and had agreed to do so as per the auction agreement well before the date of this letter;
 - ii. Mr. Wolfe is allowed to rent the homes located on his portion of the land when Mr. Taylor is not;
 - iii. Mr. Taylor ought not to be held responsible for the condition of the buildings located on the property leased by Fat Cat Farms Ltd. and in particular the shop, potato shed and Quonset, which condition pre-exists the Lease; and
 - iv. Mr. Taylor is not agreeing to maintain the buildings located on the property leased by Fat Cat Farms Ltd. and in particular the shop potato shed and Quonset, because the status quo with respect to the rent of the land has excluded its use of the buildings thereon.
7. Mr. Taylor is not agreeable to selling the land to [REDACTED] at this time, but is agreeable to the Liquidator discussing and determining with [REDACTED] its interest in the TBF and EPG land. Please confirm that the land will not be sold to [REDACTED] without Mr. Taylor's consent and/or permission.

To that end, it is Mr. Taylor's intention to purchase the TBF and EPG land, personally or through FCF or 5608067 Manitoba Ltd. and is requesting that he be granted the right of first refusal to purchase the land before the Liquidator proceed with pursuing any other sale process.

8. With respect to the fertilizer tank, Mr. Taylor is currently using it to store fertilizer. The fertilizer tank and the water tank are included in the Lease. As such, if the Liquidator intends to sell the fertilizer tank currently on the property leased by FCF, the Liquidator should also sell the tanks on the property leased by R.L. Wolfe Ltd. That said, if the fertilizer tanks are put up for sale, Mr. Taylor intends to purchase them.
9. Lastly, please provide our office with a copy of the land appraisal prepared by Red River Group for Mr. Taylor's review.

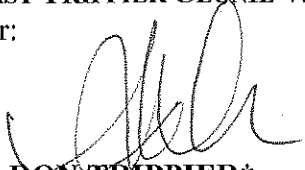


We trust the foregoing is satisfactory. We look forward to hearing from you.

Yours truly,

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

Per:


A handwritten signature in black ink, appearing to read 'Faron Trippier', is written over the printed name.

FARON TRIPPIER*

FT /aa

**Services Provided By Faron Trippier Law Corporation*

cc: *Ross McFadyen (via email)*
Bruce Taylor (via email)

Exhibit A – Correspondence dated September 19, 2017

From: Carmen Balzer
To: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#); [JJ Burnell](#); [Paul Olfert](#); [Bruce Taylor](#)
Subject: Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
Date: Tuesday, September 19, 2017 4:52:38 PM
Attachments: [image003.png](#)
[Sept. 19, 2017 Letter to Mr. F. Trippier.pdf](#)

Jeffrey M. Lee, Q.C.
Member of the Saskatchewan & Alberta Bars
Partner

P: (306) 975-7136 | **C:** (306) 220-7044
F: (306) 975-7145 | **E:** jmlee@mltaikins.com

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[BIO](#) [VCARD](#)

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Carmen Balzer
Legal Assistant

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September 19, 2017

Via E-Mail: ftrippier@ft-lawyers.com

Fast Trippier Law
10 Donald Street
Winnipeg, MB R3C 1L5

Attention: Mr. Faron Trippier

Dear Sir:

**Re: Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067
Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

We acknowledge receipt of your letter of September 8, 2017.

We have instructions from Deloitte Restructuring Inc. (the "**Liquidator**") to bring forward an application before Mr. Justice Toews for an Order amending the Liquidation Order to remove therefrom any requirement for the Liquidator to obtain input from the parties on a liquidation plan and authorizing the Liquidator to move forward to liquidate the assets forthwith.

Ms. J.J. Burnell of our Winnipeg office will be contacting Ms. Sharon Phillips at the Winnipeg Court House on Monday, September 25, 2017 to discuss scheduling a court date before Mr. Justice Toews in October. If you are able to identify October dates that are suitable to your calendar, please do so on or before Friday, September 22, 2017, in order that we may communicate your availability to Ms. Phillips on Monday.

We are copying Ross McFadyen with this letter and requesting that he similarly indicate his availability in October for a half-day hearing before Mr. Justice Toews.

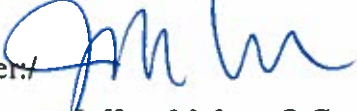
MLT AIKINS

WESTERN CANADA'S LAW FIRM

Thank you for your cooperation.

Yours truly,

MLT AIKINS LLP

Per: 
Jeffrey M. Lee, Q.C.

JML:crb

- cc. Deloitte Restructuring Inc.
Attention: Brent Warga/John Fritz
- cc. Thomson Dorfman Sweatman LLP
Attn: Ross McFadyen
- cc: MLT Aikins - Winnipeg
Attn: J.J. Burnell
- cc: MLT Aikins - Saskatoon
Attn: Mr. Paul Olfert

Exhibit A – Correspondence dated September 22, 2017

From: Jeff Lee
To: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#)
Cc: [Bruce Taylor](#); [JJ Burnell](#)
Subject: Fw: Lincoln Wolfe, et al. v. Duanne Taylor, et al.
Date: Friday, September 22, 2017 4:09:09 PM
Attachments: [Ltr - Sept. 22, 2017.pdf](#)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This e-mail message is confidential, may be privileged and is intended only for the addressee identified above.

Jeff Lee, Q.C.

Partner

P: +1 (306) 975-7136 | **C:** +1 (306) 220-7044

F: +1 (306) 975-7145 | **E:** jmlee@mltaikins.com

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From: PPicton@ft-lawyers.com
Sent: September 22, 2017 10:56 PM
To: JMLee@mltaikins.com
Cc: ram@tdslaw.com; FTrippier@ft-lawyers.com; AAjoubault@ft-lawyers.com

Subject: Lincoln Wolfe, et al. v. Duanne Taylor, et al.

Mr. Lee,

Please see the attached letter from Mr. Trippier.

Pauline Picton
Legal Assistant to Faron Trippier

Fast Trippier Clunie Wittman Santos LLP

Barristers & Solicitors
10 Donald Street
Winnipeg, Manitoba R3C 1L5
P: (204) 942-3311
F: (204) 943-7997

ppicton@ft-lawyers.com
www.ft-lawyers.com

This communication (including all attachments) is confidential and is intended for the use of the named addressee(s) only, and may contain information that is private, confidential, privileged, and exempt from disclosure under law. All rights to privilege are expressly claimed and reserved and are not waived. Any use, dissemination, distribution, copying or disclosure of this message and any attachments, in whole or in part, by anyone other than the intended recipient(s) is strictly prohibited. If you have received this communication in error; please notify the sender immediately, delete this communication from all data storage devices and destroy all hard copies.

September 22, 2017

Via E-mail

MLT Aikins LLP
1500 – 410 22nd Street E.
Saskatoon, SK S7K 5T6

Attention: Jeffery M. Lee, Q.C.

Dear Sir:

Re: Lincoln Wolfe, et al. v. Duanne Taylor, et al.

I have your letter of September 19th regarding this matter. Your motion will be opposed. The position which the liquidator is purporting to take is unreasonable.

The corporations involved, Taylor Bros. and Edwin Potato Growers, are each owned equally by Messrs. Taylor and Wolfe through their respective holding corporations.

In this process, we have requested from the liquidator appraisals, communications with potential purchasers such as [REDACTED], and have attempted to engage the liquidator in a discussion regarding a liquidation process that would allow my client to purchase the assets of the corporation. We have had no response from the liquidator to these requests. We also require a report as to the liquidator's efforts to prepare financial statements.

Lastly, I request all communication between the liquidator, Mr. Wolfe and/or Mr. McFadyen, both before the liquidation order was obtained and subsequent.

I look forward to your response to that request.

If we do not have a reasonable response to this request from your office within seven (7) days from the date of this letter, we will be bringing our own motion to remove Deloitte Restructuring Ltd. as liquidator.

Furthermore, we intend to seek from the Court an order directing that the arbitration process be concluded before any sale of land takes place.

Yours truly,

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

Per:


FARON TRIPPIER*

FT / pp

**Services Provided By Faron Trippier Law Corporation*

cc: Thompson Dorfman Sweatman LLP, Attn: Ross McFadyen (via e-mail)

cc: client (via e-mail)

Exhibit A – Correspondence dated September 25, 2017

From: Paul Olfert
To: ftrippier@ft-lawyers.com
Cc: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#); PPicton@ft-lawyers.com; AAanjoubault@ft-lawyers.com; [Jeff Lee](#)
Subject: Lincoln Wolfe et al. v Duanne Taylor et al.
Date: Monday, September 25, 2017 7:03:00 PM
Attachments: [Letter to F. Trippier - 25 September 2017.pdf](#)

Hello, Mr. Tripper.

Please find attached our firm's correspondence dated as of today's date.

Regards,

Paul Olfert
Lawyer

P: +1 (306) 956-6970 | **E:** polfert@mltaikins.com
F: +1 (306) 975-7145

MLT Aikins LLP
1500 - 410 22nd Street East
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September 25, 2017

Via E-mail to FTripper@ft-lawyers.com

Fast Trippier Clunie Wittman Santos LLP
10 Donald Street
Winnipeg, MB R3C 1L5

Attention: Faron Trippier

Dear Sir:

**Re: Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067
Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

We write in response to your letter of September 22, 2017 in relation to the above-noted matter.

Jeff Lee is out of the country until October 4 and will respond to your letter upon his return to the office on Thursday, October 5, 2017.

Sincerely,

MLT AIKINS LLP

Per:



Paul Olfert

cc: Deloitte Restructuring Inc.
Attention: Brent Warga and John Fritz

Fast Trippier Clunie Wittman Santos LLP
Attention: Pauline Picton and Ambre Anjoubault

Exhibit A – Correspondence dated October 2, 2017

From: Ambre Anjoubault
To: ["jmlee@mltaikins.com"](mailto:jmlee@mltaikins.com)
Cc: [Faron Trippier: "ram@tdslaw.com"](mailto:ram@tdslaw.com); [Warga, Brent \(CA - Winnipeg\); "btaylor@mltaikins.com"](mailto:Warga, Brent (CA - Winnipeg):)
Subject: RE: TBF and EPG - Update
Date: Monday, October 2, 2017 3:59:52 PM
Attachments: [ltr Lee October 2-2017.pdf](#)

Good afternoon, please see attached correspondence.

Thank you,

Ambre K. Anjoubault, B.A., J.D.

10 Donald Street Winnipeg, Mantioba R3C 1L5 ph. (204) 925-5301 fx. (204) 943-7997



Begin forwarded message:

From: "Warga, Brent (CA - Winnipeg)" <bwarga@deloitte.ca>
Date: September 25, 2017 at 3:26:11 PM CDT
To: "ftrippier@ft-lawyers.com" <ftrippier@ft-lawyers.com>, Ross McFadyen <RAM@tdslaw.com>, "lwolfe685@gmail.com" <lwolfe685@gmail.com>, Duanne Taylor <duannetaylor@googlemail.com>
Cc: Jeff Lee <JMLee@mltaikins.com>, Paul Olfert <POlfert@mltaikins.com>, "Bruce Taylor" <GBT@Aikins.com>, "Fritz, John X. (CA - Winnipeg)" <jofritz@deloitte.ca>
Subject: **TBF and EPG - Update**

All,

Further to the consent provided by Lincoln Wolfe and Duanne Taylor for the Liquidator to contact [REDACTED] regarding their continued interest, if any, in acquiring the land owned by TBF and EPG (the "Land") we can advise of the following:

- On September 13, 2017, the Liquidator was able to make its initial contact with [REDACTED], provided them with a copy of the Liquidation Order, and inquired as to their continued interest in the Land. [REDACTED] requested additional time to review the opportunity during the call.
- On September 20, 2017, the Liquidator followed up with [REDACTED] at [REDACTED] which time we were advised that given [REDACTED] [REDACTED], although still interested in the Land, they would not be in a position to re-consider any investment until early 2018 (with any closing not occurring until early spring 2018).
- As [REDACTED] does not have an interest in acquiring the Land in the short term, and was not willing to discuss price at this time, the Liquidator remains of the view that a widely exposed sales process should be

immediately pursued.

The Liquidator has also been in contact with the RM of Portage la Prairie (the “RM”). The RM has advised that the water account for the land leased by Fat Cat Farms (“FCF”) (i.e. 47020 Road 63N) due August 31, 2017 has not been paid (copy attached). Currently, with interest and other charges, the outstanding account totals \$9,174.78 as detailed below:

July 27, 2017 Invoice	\$8,870.30
Late payment penalty	110.88
June 8, 2017 water turn-on	193.60
Total	\$9,174.78

Duane/Faron:

Notwithstanding your position with respect to the water arrears outlined in your letter dated September 8, 2017 addressed to Mr. Lee at MLT Aikins, these charges were incurred during the period which FCF has been leasing this location. **Please confirm that payment in full will be remitted to the RM on or prior to September 28, 2017.**

The Liquidator will respond to the other matters raised in Mr. Trippier’s September 22, 2017 letter by means of correspondence from its legal counsel upon Mr. Lee’s return to the office on October 5, 2017.

Regards,

Brent Warga, CPA, CA, CIRP, CFE, LIT, M. Acc.
Partner | Restructuring Services | Financial Advisory
Deloitte
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3 Canada
O: (204)942-0051 | D: (204)944-3611 | F: (204)947-2689
bwarga@deloitte.ca | deloitte.ca

BY EMAIL

October 2, 2017

MLT Aikins
1500 – 410 22nd Street E.
Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

Re: Wolfe et al v. Taylor et al.

We have now had a chance to discuss Mr. Warga's September 25, 2017 email with our client.

As previously mentioned, the water bills and arrears owing to the RM of Portage La Prairie relate to buildings located on the property leased by Fat Cat Farms Ltd. ("FCF") that FCF could not and did not use. As such, FCF should not be required to pay the portion of the water bill and arrears owing that relate to those buildings. Please advise as to the portion of the water bill and arrears owing that does not relate to those buildings.

In addition, please confirm that the Liquidator will be paying the Manitoba Hydro bill related to the said buildings. This needs to be paid to ensure that the power remains turned on so that the pipes in the building do not freeze and burst, causing damage to the properties. We are told by our client that the power may currently be off.

Finally, prior to the Liquidator pursuing any sale process of the land owned by Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd., please advise as to the proposed asking price for the land and provide our office with a copy of the land appraisal prepared by Red River Group.

Yours truly,

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP
Per:

FARON TRIPPIER*
FT/aa

**Services Provided By Faron Trippier Law Corporation*

cc: *Ross McFadyen (via email)*
Brent Warga (via email)
Bruce Taylor (via email)

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

Exhibit A – Correspondence dated October 5, 2017

From: Carmen Balzer
To: [Warga, Brent \(CA - Winnipeg\)](#); [Fritz, John X. \(CA - Winnipeg\)](#); ram@tdslaw.com; ward@pitblado.com
Cc: [Bruce Taylor](#); [JJ Burnell](#); [Paul Olfert](#)
Subject: Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
Date: Thursday, October 5, 2017 5:34:24 PM
Attachments: [image003.png](#)
[Oct. 5, 2017 Letter to Mr. F. Trippier.pdf](#)

[REDACTED]

[REDACTED]

[REDACTED]

Jeffrey M. Lee, Q.C.
Member of the Saskatchewan & Alberta Bars
Partner

P: (306) 975-7136 | **C:** (306) 220-7044
F: (306) 975-7145 | **E:** jmlee@mltaikins.com
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1500 - 410 22nd Street East
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Carmen Balzer
Legal Assistant

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F: +1 (306) 975-7145

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MLT Aikins



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which we do not require consent.

October 5, 2017

Jeffrey M. Lee, Q.C.
Direct Line: (306) 975-7136
E-mail: JMLee@mltaikins.com

Via E-Mail: ftrippier@ft-lawyers.com

Carmen R. Balzer
Legal Assistant
Direct Line: (306) 956-6956
E-mail: CBalzer@mltaikins.com

Fast Trippier Law
10 Donald Street
Winnipeg, MB R3C 1L5

Attention: Mr. Faron Trippier

Dear Sir:

**Re: Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067
Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

We have for reply your letters dated September 22 and October 2, 2017.

Request For Right of First Refusal

In correspondence dated September 8, 2017, you indicated that your client, Duanne Taylor, requested that he be granted a right of first refusal to purchase the lands before the Liquidator proceeds with any other sale process. Your September 22 letter reiterates your client's interest in a liquidation process that would allow him to purchase the assets of the corporation.

Paragraphs 2(i) and 2(o) of the April 28, 2017 Order (Appointing Liquidator) of the Honourable Mr. Justice Toews (the "**Liquidation Order**") grant to the Liquidator the power and authorization to market the Property, to advertise and solicit offers for the Property, to negotiate terms and conditions of sale of the Property as the Liquidator in its discretion may deem appropriate and to develop a plan for the liquidation of the corporations.

The Liquidator interprets the mandate granted to it by the Liquidation Order regarding marketing and sale of the Property as a mandate to obtain the highest net sale price for the Property which is reasonably possible in the circumstances.

That mandate of the Liquidator is not served by granting a right of first refusal over the Property (in whole or in part) to **any person** (whether that be Mr. Wolfe, Mr. Taylor or some third party). A right of first refusal creates a cloud on title and serves to impair the fair market value of the Property.

For these reasons, the request by your client that he be granted a right of first refusal over the Property is refused.

Your client is of course most welcome to submit competitive bids to purchase the Property (as is Mr. Wolfe and third party purchasers in the market in general).

Request For Copy of Appraisal

Your September 8 letter requests that a copy of a land appraisal prepared by Red River Group be provided by the Liquidator for review by your client.

Given that your client has stated his intention to attempt to purchase the lands in question, providing your client with a copy of such an appraisal is not appropriate. Delivering such an appraisal to your client (in circumstances where he has stated his intention to attempt to purchase the lands) would provide your client with an advantage over other potential bidders. Furthermore, it would have the potential to taint the sale process and to thwart efforts by the Liquidator to fulfill its court-ordered mandate to obtain the highest possible net sale price for the Property.

Neither Mr. Taylor nor any other party that intends to submit a bid to purchase the Property should expect to receive confidential appraisal information from the Liquidator.

Request For Communications With Potential Purchasers Such as [REDACTED]

Your September 22 letter references requests by you that the Liquidator provide information regarding communications with potential purchasers such as [REDACTED].

The Liquidator provided details of its communications with [REDACTED] in Mr. Warga's e-mail correspondence to you dated September 25, 2017.

Request For Report Regarding Liquidator's Efforts To Prepare Financial Statements

This request was made by you for the first time in your September 22 letter. We have forwarded your request to the Liquidator and we anticipate receiving the information required to respond to this request in the next short while.

In the meantime, in regard to the Liquidator's efforts to prepare financial statements, we reiterate the request by the Liquidator that your client provide the Liquidator with:

- a) supporting documents for the accounts receivable listing provided on July 13, 2017; and
- b) mailing addresses for all creditors of TBF and EPG inclusive of those detailed in the accounts payable list provided on July 13, 2017.

The request by the Liquidator of your client for this information has been put forward in e-mail correspondence dated August 14, 2017 and August 22, 2017 and in our letter to you dated August 30, 2017. These three requests made by the Liquidator of your client remain outstanding.

Request For Communications Between The Liquidator, Mr. Wolfe & Mr. McFadyen

Your September 22 letter also contains a new request that the Liquidator provide you with copies of all communications between the Liquidator, Mr. Wolfe and/or Mr. McFadyen, both before and after the granting of the Liquidation Order.

No basis for such a request has been provided.

Were the Liquidator to agree to this request, it would require the expenditure of considerable professional resources. On behalf of Mr. Wolfe, Mr. McFadyen has delivered e-mail correspondence dated September 22, 2017 objecting to the Liquidator complying with this request.

In the circumstances, your request for information of this nature ought properly to be made to the Court supervising the execution of the Liquidation Order.

Water Bills & Manitoba Hydro

Your October 2 letter states the position that the \$9,174.78 in water arrears owing to the RM of Portage La Prairie relate to buildings (the "**Subject Buildings**") which are located on the property leased by Fact Cat Farms Ltd. ("**FCF**") that FCF could not and did not use.

With respect, the Liquidator disagrees. The Subject Buildings were leased by the Liquidator to FCF. The Liquidator will be taking this matter up before the Court at the next available opportunity (as more particularly described below).

Your October 2 letter also requests that we confirm that the Liquidator will be paying the Manitoba Hydro bill related to the Subject Buildings. This letter will confirm that the Liquidator has been paying (and will continue to pay) the Manitoba Hydro bill on the Subject Buildings, but will be seeking reimbursement of such amounts from FCF. The Liquidator will also be taking this matter up before the Court at the next available opportunity (as more particularly described below).

Liquidator's Motion For An Order Authorizing It To Liquidate The Assets Forthwith

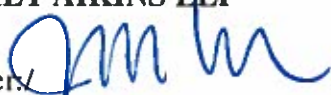
As indicated in our September 19 letter, we have made contact with the Winnipeg Courthouse regarding the availability of Mr. Justice Toews to hear the proposed application by the Liquidator for an Order authorizing it to liquidate the assets forthwith.

Our office was informed that the only half-day that Mr. Justice Toews has available between now and Christmas is the morning of Tuesday, November 21, 2017. We have reserved that hearing date before his Lordship. We anticipate filing and serving materials in support of the Liquidator's application on or before October 31, 2017.

Yours truly,

MLT AIKINS LLP

Per/



Jeffrey M. Lee, Q.C.

JML:crb

- cc. Deloitte Restructuring Inc.
Attention: Brent Warga/John Fritz
- cc. Thomson Dorfman Sweatman LLP
Attn: Ross McFadyen
- cc. Pitblado LLP
Attn: Douglas Ward, Q.C.

Exhibit B – October 20, 2017 Letter from MLT Aikins LLP

MLT AIKINS

WESTERN CANADA'S LAW FIRM

MLT Aikins LLP
1500 - 410 22nd Street East
Saskatoon, Saskatchewan S7K 5T6
T: (306) 975-7100
F: (306) 975-7145

October 20, 2017

Jeffrey M. Lee, Q.C.
Direct Line: (306) 975-7136
E-mail: JMLee@mltaikins.com

Via E-Mail: ftrippier@ft-lawyers.com
and RAM@tdslaw.com

Fast Trippier Law
10 Donald Street
Winnipeg, MB R3C 1L5

Thompson Dorfman Sweatman LLP
201 Portage Avenue, Suite 2200
Winnipeg, MB R3B 3L3

Attention: Mr. Faron Trippier

Attention: Mr. Ross McFadyen

Dear Sirs:

Re: **Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067
Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

By letter dated October 5, 2017 addressed to Mr. Trippier and copied to Mr. McFadyen, we have previously informed each of you of the intention of the Liquidator to bring an application before Mr. Justice Toews on November 21, 2017 for the purpose of obtaining authority to liquidate the assets forthwith.

We are preparing materials in support of that application. Prior to finalizing the materials, we thought that it would be appropriate to provide each of you with an overview of the Liquidator's proposed Liquidation Plan, in order to make one final effort to determine whether or not your respective clients are prepared to accept such Liquidation Plan without the need for the November 21 court application.

The Liquidator's Existing Mandate

In accordance with paragraph 2(o) of the April 28, 2017 Liquidation Order, Deloitte Restructuring Inc. ("Deloitte" or the "Liquidator"), the Liquidator has been authorized to:

...develop a plan for the liquidation of TBF and EPG, the satisfaction of TBF and EPG's liabilities, and the payment of any surplus realized thereby (the "Liquidation Plan"), to seek acceptance by the Applicant and the Respondents of the Liquidation Plan, and, failing such acceptance within a reasonable period of time, as determined by the Liquidator, to recommend the Liquidation Plan to this Court and to seek approval thereof from this Court...

The Liquidator has sought acceptance from Mr. Wolfe and Mr. Taylor of an overview of a Proposed Liquidation Plan on several occasions. However, the Liquidator has been unable to receive acceptance from Mr. Wolfe and Mr. Taylor to move forward with a sales and marketing process (the "Sale Process").

Overview of Proposed Liquidation Plan

The Proposed Liquidation Plan will comprise three phases.

Phase 1: Development of a Sales and Information Package ("SIP") and listing of prospective interested parties (Projected timeframe of approximately 2-weeks)

The Liquidator will develop a comprehensive SIP to distribute to prospective interested purchasers of the assets of TBF and EPG. The key components of the SIP will be:

1. **Invitation for Offers:**
 - a. Description of the nature of the Liquidator's appointment and role;
 - b. Overview of the various parcels of land, buildings, and equipment being offered for sale; and
 - c. Timing for asset viewings, due diligence, offer deadlines, and expected closing date(s).

2. **Terms and Conditions of Sale(s):**
 - a. Assets to be sold on an "as is, where is" basis with no representations or warranties;
 - b. Offers will be received via a sealed bid process with all bids being submitted to the Liquidator and accompanied by a 20% deposit in the form of certified funds;
 - c. Description of the process for transferring title (i.e. obtaining a Court order vesting title in the purchaser(s), etc.); and
 - d. Other terms and conditions as necessary to ensure the integrity of the Sales Process.

3. **Detailed asset descriptions for the parcels of land including:**
 - a. Acreage;
 - b. Land location;
 - c. Historical crop rotation;
 - d. Soil composition;
 - e. Property taxes;
 - f. Details of any buildings and other structures; and
 - g. Selected asset photographs.

**Phase 2: Marketing the SIP, prospective purchaser due diligence and site visits
(Projected timeframe of 4-6 weeks)**

Through public advertising as well as direct contact with prospective parties within the Liquidator's network, parties identified through market intelligence and those brought forward by Mr. Wolfe and Mr. Taylor, etc., the Liquidator will expose the TBF and EPG assets to a variety of prospective purchasers.

1. Advertisement of the Sales Process in a variety of sources including (but not limited to):
 - a. Western Producer – Online and print publication
 - b. Winnipeg Free Press
 - c. Portage Daily Graphic
 - d. Etc.

2. Parties the Liquidator will contact directly, including (but not limited to):
 - a. Agricultural realtors:
 - i. [REDACTED]
 - ii. [REDACTED]
 - iii. [REDACTED]
 - iv. [REDACTED]
 - b. Auctioneers:
 - i. [REDACTED]
 - ii. [REDACTED]
 - iii. [REDACTED]
 - iv. [REDACTED]
 - c. Institutional investors:
 - i. [REDACTED]
 - ii. [REDACTED]
 - d. Corporate farms:
 - i. [REDACTED]
 - ii. [REDACTED]
 - iii. [REDACTED]

**Phase 3: Review and selection of best offers in consultation with Mr. Wolfe and Mr. Taylor (if they do not participate as bidders in the Sales Process), drafting report and recommended offer(s) for approval by the Court, Court approval and closing
(Projected timeframe as noted below)**

MLT AIKINS

WESTERN CANADA'S LAW FIRM

At the conclusion of the Sales Process the Liquidator will provide a report to the Court as to the offer(s) received, those being recommended for approval (after consultation with Mr. Wolfe and Mr. Taylor, as appropriate), and seeking any necessary vesting order(s).

Depending on the nature and source of the bid(s) received, all or a portion of the parcels may be allocated to one of the following purchasers:

1. End user purchaser: Farming operation or institutional investor who intends to operate the land as landlord.
(Timeframe for closing subsequent to Court approval is expected to be approximately 1-week)
2. Remarketer: Any auctioneer and/or realtor proposing to liquidate the land with a sales proposal.
(Timeframe for closing subsequent to Court approval will be dependent on the proposal submission. Certain auctioneers have suggested that recommended exposure of the land may be 4-6 months to maximize value)

Conclusion

If Mr. Wolfe and Mr. Taylor are prepared to provide their acceptance of this proposed Liquidation Plan, please notify us in writing to that effect on or before Friday, October 27, 2017, in order that the expense and inconvenience associated with the November 21, 2017 court application may be avoided.

Yours truly,

MLT AIKINS LLP

Per:


For Jeffrey M. Lee, Q.C.

JML:crb

cc. Deloitte Restructuring Inc.
Attention: Brent Warga/John Fritz

cc. Pitblado LLP
Attn: Douglas Ward, Q.C.

Exhibit C – October 27, 2017 Letter from Fast Trippier Law

BY EMAIL

October 27, 2017

MLT Aikins
1500 – 410 22nd Street East
Saskatoon, Saskatchewan S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

Re: Lincoln Wolfe and 5606269 Manitoba Ltd. v. Duanne Taylor, 5608067 Manitoba Ltd., Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.

Further to the above matter and to your letter dated October 20, 2017, our client is prepared to agree to the proposed Sale Process therein, subject to the following conditions:

- 1) that the Liquidator provide to Mr. Taylor, copies of the post-arbitration financial statements for TBF and EPG and financial disclosure with respect to the efforts made to date as part of the liquidation process, including copies of the land appraisals and asking price;
- 2) that Mr. Taylor be entitled to participate in the Sale Process as a bidder;
- 3) in the event that Mr. Taylor is the successful bidder, that the amount owed to Mr. Taylor be used as credit towards the down payment for the purchase;
- 4) that the Liquidator provide to Mr. Taylor, copies of its correspondence with Mr. Wolfe and Mr. McFadyen; and
- 5) that the Sale Process not proceed until the arbitration process has been completed and all judicial reviews therefrom are completed.

We look forward to hearing from you.

Yours truly,

FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

Per:

FARON TRIPPIER*

FT /aa

**Services Provided By Faron Trippier Law Corporation*

cc: *Ross McFadyen*

Exhibit D – Claims Process Summary

SCHEDULE “A”

CLAIMS PROCESS

DEFINITIONS

1. For the purposes of this Claims Process, the following words and phrases shall have the following respective meanings:
 - a. “*Admission Notice*” means a written notice substantially in the form annexed as Schedule “G” confirming the amount and classification of a Proven Claim;
 - b. “*Claimant*” means any Person who has a Claim (as hereafter defined) or a successor in interest to such Claims, or a trustee, receiver, interim receiver, receiver and manager, liquidator or other person acting on behalf of such persons;
 - c. “*Claim*” means an amount of any kind or nature, whether unliquidated, contingent, or otherwise owing by the Companies;
 - d. “*Claims Officer*” means the individual appointed pursuant to an Order of the Court approving this Claims Process;
 - e. “*Claims Package*” means the document package which shall include a copy of the Order, the Instruction Letter, a Proof of Claim and such other materials as the Liquidator or the Court consider necessary or appropriate;
 - f. “*Claims Process*” means the process detailed herein which has been approved by the Order to determine the claims of creditors of the Companies;
 - g. “*Claims Receipt Date*” means 5:00 pm Central Standard Time on such day as is designated by the Order approving this Claims Process, which is at least 30 calendar days after the publication of the Newspaper Notice;
 - h. “*The Companies*” means Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd., the corporations subject to the Liquidation Order granted by the Honorable Mr. Justice J. Toews on April 28th, 2017;
 - i. “*Court*” means the Court of Queen’s Bench for the Province of Manitoba;
 - j. “*Dispute Notice*” means a written notice substantially in the form annexed as Schedule “F”;
 - k. “*Instruction Letter*” means an instruction letter substantially in the form annexed as Schedule “C”;
 - l. “*Newspaper Notice*” means the notice to be published in newspapers in accordance with paragraph 5 hereof and in the form substantially in the form annexed as Schedule “B”;
 - m. “*Notice of Revision or Disallowance of Proof of Claim*” means the form annexed as Schedule “E”;
 - n. “*Order*” means the order of the Court approving this Claims Process;
 - o. “*Proof of Claim*” means the form substantially in the form annexed as Schedule “D”;
 - p. “*Proven Claims*” means Claims that have been valued by the Liquidator or, if such Claims have been disputed in accordance with the procedures prescribed by the Order, such different valuation, if any.

NOTICE OF CLAIMS

2. The Liquidator shall send the Claims Package by ordinary mail to the last known address as shown in the Companies' books and records of all potential Claimants as disclosed in the Companies' books and records or any other potential claimant who the Liquidator has notice or knowledge of as of the date of the Order.
3. The Liquidator shall send the Claims Package by ordinary mail to each additional person who advises the Liquidator in writing of his, her or its intention to make a Claim, to the address provided by the Claimant.
4. The Liquidator shall post the Order approving the Claims Process on the website being maintained by the Liquidator in these proceedings at www.insolvencies.deloitte.ca/en-ca/tbf-epg.
5. The Liquidator shall place an advertisement in one edition of *The Winnipeg Free Press*, the *Brandon Sun*, and *The Portage Daily Graphic* as soon as practicable in the form annexed as Schedule "B".

CLAIMS APPROVAL PROCESS

6. A Claimant must file with the Liquidator a properly completed Proof of Claim by the Claims Receipt Date in accordance with the procedures set out in this Claims Process. The Proof of Claim must contain a fax number or email address where notices and communication can be served on the Claimant.
7. Unless otherwise ordered by the Court, Claims which are not received by the Liquidator by the Claims Receipt Date will be barred and extinguished forever.
8. The Liquidator shall be authorized and directed to use reasonable discretion as to the adequacy of the manner in which a Proof of Claim is completed and executed and may, where it is satisfied a Claim has been adequately proven, waive strict compliance with the requirements of the Order as to completion and execution of such form.
9. The Liquidator shall value and classify all Claims based on the Proof of Claim submitted by a Claimant and such Claims shall then be deemed to be finally and conclusively determined as disallowed Claims or Proven Claims when:
 - a. The Liquidator has served on the Claimant an Admission Notice;
 - b. A Notice of Revision or Disallowance of Proof of Claim has been served on the Claimant and the Claimant has not served on the Claims Officer a Dispute Notice within 30 calendar days of receipt of the Notice of Revision or Disallowance of Proof of Claim; or
 - c. The Claim has been determined by the Claims Officer.
10. The Liquidator may disallow, in whole or in part, the value or classification of any Claim.
11. Where the Liquidator disallows a Claim in whole or in part, it shall serve on the Claimant a Notice of Revision or Disallowance of Proof of Claim, setting out the reasons for its determination or disallowance, and a Dispute Notice for use by the Claimant if the Claimant objects to the Notice of Revision or Disallowance of Proof of Claim.

CLAIMS DISPUTE PROCESS

12. The Liquidator's revision or disallowance of a Claim is final, binding and conclusive unless, within 30 calendar days after the service of the Notice of Revision or Disallowance of Proof of Claim, or within such further time as the Court on motion may allow, the Claimant provides notice in writing of its intention to dispute the Liquidator's valuation or disallowance by serving a Dispute Notice and supporting documentation on the Liquidator and on the Claims Officer.

13. Within 15 calendar days of receipt of a Dispute Notice, the Claims Officer shall review the reasons for the dispute, reconsider on a summary basis the status, validity or value of the Claim and shall either:
 - a. issue a written determination of the issues raised in the Dispute Notice, or
 - b. schedule a hearing to determine the issues raised in the Dispute Notice, such hearing to be conducted by the Claims Officer at his discretion, as soon as such hearing can be reasonably be conducted.
14. The determination or decision of the Claims Officer in respect of matters raised in a Notice of Dispute is final, binding and conclusive on the Claimant in respect of its Claim unless, within 15 calendar days after the service of the notice of the Claims Officer's decision regarding the Dispute Notice, such Claimant appeals the Claims Officer's determination to the Court of Queen's Bench by way of a Notice of Motion that is served on the Liquidator and the Claims Officer.
15. Notwithstanding any term of this Order, the solicitation by the Liquidator of any Claims against the Companies and the filing by any Claimant of any Claim Form shall not, for that reason only, grant any Claimant or other person any right to any payments to be made by the Liquidator.
16. Any notice or communication to be served or delivered to a Claimant pursuant to this Claims Process can be served or given by personal delivery, ordinary mail, email or facsimile to the address, email address or facsimile number shown in the Claimants Proof of Claim. Where notice is given by personal delivery to the address shown in the Proof of Claim it shall be deemed to be served on the date of delivery. Where notice is given by email or facsimile it shall be deemed to be served on the business day following the day that it is sent. Where notice is given by ordinary mail it shall be deemed to be served on the third business day after mailing where the addressee is located within Manitoba, the fifth business day where the addressee is located outside of Manitoba but within Canada, and the tenth business day where the addressee is located outside of Canada.
17. All notices or other communications, including Dispute Notices to be served or delivered by a Claimant or other person to the Claims Officer, shall be hand delivered or sent by facsimile or email and shall be deemed to be served on the Liquidator if hand delivered on the date of delivery or if sent by email or facsimile on the business day following the day it is sent if delivered or sent to the following address, email address or facsimile number:

David R. M. Jackson
Taylor McCaffrey LLP
9th Floor, 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Email: djackson@tmlawyers.com
Fax: (204)953-7178

18. All notices or other communications including Proofs of Claims to be served or delivered by a Claimant or other person to the Liquidator shall be hand delivered or sent by facsimile or email and shall be deemed to be served on the Liquidator if hand delivered on the date of delivery or if sent by email or facsimile on the business day following the day it is sent if delivered or sent to the following address, email address or facsimile number:

Deloitte Restructuring Inc., as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Phone: (204)944-3586
Fax: (204)947-2689
Attention: John R. Fritz
jofritz@deloitte.ca

SCHEDULE "B"

NOTICE TO CREDITORS

**Claims as against
Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.**

**Notice of last Day (Claims Receipt Date)
for the Filing of Proofs of Claim**

PLEASE TAKE NOTICE that this notice is being published pursuant to an order of the Court of Queen's Bench for the Province of Manitoba dated _____ (the "Order") establishing a procedure for determining the amount of Claims (as defined in the Order) against Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd. (the "Companies"). Anyone who has not received a Claims Package and filed a Proof of Claim and who believes that they have a claim against one or both of the Companies which arose prior to **April 28th, 2017** should send a completed Proof of Claim to the Receiver to be received by **5:00 p.m. (Manitoba Time) on** _____ (the "Claims Receipt Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE LIQUIDATOR BY THE CLAIMS RECEIPT DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Creditors who have not received a Proof of Claim form should contact John R. Fritz, Deloitte Restructuring Inc., the Court-appointed Liquidator of the Companies at Telephone: (204)944-3586, Fax: (204)947-2689, email: jofritz@deloitte.ca to obtain a Proof of Claim Package. Proof of Claim forms can also be accessed at www.insolvencies.deloitte.ca/en-ca/tbf-epg.

SCHEDULE "C"

INSTRUCTION LETTER FOR THE CLAIMS PROCESS

1. CLAIMS PROCEDURE

By Order of the Manitoba Court of Queen's Bench pronounced _____ (the "Order"), the Liquidator has been authorized to conduct a claims process (the "Claims Process"). The Order governs the Claims Process, notwithstanding any of the instructions contained herein. All capitalized terms not defined herein shall have the meaning ascribed thereto in the Order and Schedule A thereto, a copy of which is enclosed with these instructions. It can also be accessed on the Liquidator's website at www.insolvencies.deloitte.ca/en-ca/tbf-epg.

This letter provides instructions for completing the Proof of Claim.

The Claims Process is intended for any person with a Claim of any kind or nature whatsoever against Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd. which arose prior to the appointment of Deloitte Restructuring Inc. Liquidator on April 28th, 2017.

If you have any questions regarding the Claim Process, please contact the Liquidator at the address provided below.

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

Deloitte Restructuring Inc., as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Phone: (204)944-3586
Fax: (204)947-2689
E-mail : jofritz@deloitte.ca
Attention: John R. Fritz

2. GENERAL INSTRUCTIONS FOR CREDITORS SUBMITTING A PROOF OF CLAIM

For Creditors submitting a Proof of Claim:

The Proof of Claim must be received by the Receiver by 5:00 p.m. Manitoba Time on _____ (the "Claims Receipt Date"), unless the Court orders that your Proof of Claim be accepted after that date. Failure to file your Proof of Claim and any required documentation as directed in relation to your Claim by the Claims Receipt Date will mean the Claim will be barred and extinguished forever.

Additional Proof of Claim forms can be obtained from the Liquidator by contacting the Liquidator at the telephone and fax numbers indicated above and providing particulars as to your name, address, facsimile number, and e-mail. Once the Liquidator has this information you will receive, as soon as practicable, additional Proof of Claim forms.

3. INSTRUCTIONS FOR COMPLETING THE PROOF OF CLAIM

A. Particulars of Creditor

- Creditor must state full and complete legal name of company or firm.
- Creditor must include contact details including phone number, fax number and email address (as applicable) as well as the name of the contract person including his or her position with the company.
- Indicate whether the Claim was sold or assigned by ticking the appropriate box.

B. Particulars of Assignee (if any)

- Instructions are the same as above if applicable.

C. Proof of Claim

- If the individual completing the Proof of Claim is the creditor mark the appropriate item.
- If the individual completing the Proof of Claim is not the creditor he or she must state his or her position or title with the creditor and state the full and complete legal name of the creditor.
- Insert value of Claim in Canadian dollars against each Company.

D. Nature of the Claim against Taylor Bros. Farm Ltd.

- Indicate whether the Claim is unsecured or secured.
- If your Claim is secured provide full particulars of the security and supporting documentation.

E. Nature of the Claim against Edwin Potato Growers Ltd.

- Indicate whether the Claim is unsecured or secured.
- If your Claim is secured provide full particulars of the security and supporting documentation.

F. Particulars of Claim

- Claim must include supporting documentation as summarized in the Proof of Claim Form.

G. Filing of Claim

- The Proof of Claim must be received by the Liquidator by the Claims Receipt Date. **Failure to file your Proof of Claim and any required documentation as directed in relation to your Claim by the Claims Receipt Date will mean the Claim will be barred and extinguished forever.**

SCHEDULE "D"

PROOF OF CLAIM

**TAYLOR BROS. FARM LTD. and/or EDWIN POTATO GROWERS LTD.
(the "Companies")**

PLEASE READ CAREFULLY THE ORDER AND SCHEDULE A - CLAIMS PROCEDURE ALONG WITH THE INSTRUCTION LETTER ALL OF WHICH ARE ENCLOSED BEFORE COMPLETING THIS PROOF OF CLAIM.

A. PARTICULARS OF CREDITOR

- a. Full Legal Name of creditor (include trade name, if different):

(the "Creditor") The full legal name should be the name of the Creditor of the Companies, notwithstanding whether an assignment of a Claim has occurred prior to or following April 28th, 2017.

- b. Full Mailing Address of the Creditor: (The mailing address should be the mailing address of the Creditor and not an assignee.)

- c. Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

- d. Has the Claim set out herein been sold, transferred or assigned by the Creditor to another party?

Yes: ____ No: ____

B. PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below.

- a. Full Legal Name of the Assignee:

- b. Full Mailing Address of the Assignee:

c. Other Contact Information of the Assignee:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

C. PROOF OF CLAIM

THE UNDERSIGNED HEREBY CERTIFIED AS FOLLOWS:

a. That I:

___ am a Creditor of the Companies; OR

___ am

(state position or title)

of

(name of Creditor)

b. That I have knowledge of all the circumstances connected with the Claim described and set out below;

c. Taylor Bros. Farm Ltd. was and still is indebted to the Creditor as follows (*include all Claims that you assert against Taylor Bros. Farm Ltd.*):

\$ _____ CAD (insert \$ value of Claim)

d. Edwin Potato Growers Ltd. was and still is indebted to the Creditor as follows (*include all Claims that you assert against Edwin Potato Growers Ltd.*):

\$ _____ CAD (insert \$ value of Claim)

D. NATURE OF CLAIM AGAINST TAYLOR BROS. FARM LTD.

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

1. ___ UNSECURED CLAIM OF \$ _____ CAD

That in respect of this debt, I do not hold any assets of the debtor as security and:

___ Regarding the amount of \$ _____ CAD, I do not claim a right to a priority.

___ Regarding the amount of \$ _____ CAD, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* or would claim such a priority if this Proof of Claim was being filed in accordance with the *Bankruptcy and Insolvency Act*, or otherwise claim a right to a priority over unsecured creditors.

(Set out on an attached sheet details to support any priority claim)

F. PARTICULARS OF THE CLAIM(S)

Other than as already set out herein, the particulars of the undersigned's total Claim against the one or both of the Companies are:

Provide all particulars of the Claim and supporting documentation, including the amount which should be summarized on a separate sheet and/or with copies of an account history or summary and all invoices, particulars of all credits, discounts and so forth claimed, a description of transaction(s) or agreement(s) giving rise to the Claim, and/or the name of any guarantor which has guaranteed the Claim.

G. FILING OF CLAIM

This Proof of Claim form must be received by the Receiver by no later than **5:00 p.m. (Manitoba Time) on the Claims Receipt Date of _____, 2017**, by either personal delivery, email (in PDF format) or facsimile transmission at the following address:

**Deloitte Restructuring Inc., as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3**

**Phone: (204)944-3586
Fax: (204)947-2689
Attention: John R. Fritz
jofritz@deloitte.ca**

Unless otherwise ordered by the Court, Failure to file your Proof of Claim and any required documentation as directed in relation to any Claim by 5:00 p.m. (Manitoba Time) on _____, 2017 will result in your Claim being forever barred and extinguished and you will be prohibited from making or enforcing a Claim against the Companies and shall not be entitled to further notice or distribution, if any, and shall not be entitled to participate as a Creditor in these proceedings.

DATED this ____ day of _____, 2017.

Witness:

Per: _____
Signature

Print

If Creditor is other than an individual, print name and title of authorized signatory

Witness:

Per: _____
Signature

Name

Title

SCHEDULE "E"

NOTICE OF REVISION OR DISALLOWANCE OF PROOF OF CLAIM

**TAYLOR BROS. FARM LTD. and/or EDWIN POTATO GROWERS LTD.
(the "Companies")**

Name of Creditor: _____

Reference #: _____

Terms in capital letters which are not defined within this Notice of Revision or Disallowance of Proof of Claim have the meaning ascribed thereto in the Order dated _____, 2017 and Schedule A – Claims Process to the Order. Pursuant to the Order, Deloitte Restructuring Inc. in its capacity as Liquidator of the Companies, hereby gives you notice that it has reviewed your Proof of Claim and has revised or disallowed your Claim as follows:

Your Claim has been revised for Distribution Purposes; or

Your Claim has been disallowed;

Revision or Disallowance:

Proof of Claim as Submitted	Proof of Claim as Accepted

Reason for the Revision or Disallowance:

IF YOU DO NOT AGREE WITH THIS NOTICE OF REVISION OR DISALLOWANCE OF PROOF OF CLAIM, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. If you intend to dispute this Notice of Revision or Disallowance of Proof of Claim you must **no later than 30 calendar days** after service of this Notice of Revision or Disallowance of Proof of Claim serve on the Liquidator and the Claims Officer a Dispute Notice by personal service, facsimile, or email (in PDF format) to the address, email address or fax number indicated below. The form of Dispute Notice is enclosed.
2. If you do not deliver a Dispute Notice, the value of your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance of Proof of Claim.

Address for Service of Dispute Notices:

Deloitte Restructuring Inc., as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Phone: (204)944-3586
Fax: (204)947-2689
Attention: John R. Fritz
jofritz@deloitte.ca

AND

David R. M. Jackson
Taylor McCaffrey LLP
9th Floor, 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Email: djackson@tmlawyers.com
Fax: (204)953-7178

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIODS, THIS NOTICE OF REVISION OR DISALLOWANCE OF PROOF OF CLAIM WILL BE BINDING UPON YOU FOR DISTRIBUTION PURPOSES.

DATED this _____ day of _____, 2017.

DELOITTE RESTRUCTURING INC.,
in its capacity as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
and not in its personal capacity.

SCHEDULE "F"

DISPUTE NOTICE

**TAYLOR BROS. FARM LTD. and/or EDWIN POTATO GROWERS LTD.
(the "Companies")**

Terms in capital letters which are not defined within this Dispute Notice have meaning ascribed thereto in the Order dated _____, 2017 and Schedule A – Claims Process to the Order. Pursuant to the Order, we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance of Proof of Claim bearing Reference #: _____ and dated _____, 2017 issued by Deloitte Restructuring Inc. in its capacity as Liquidator of the Companies.

Name of Creditor: _____

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Signature of Individual/Authorized Signing Officer: _____

(Please print name) _____

Date: _____

Telephone Number: _____

Facsimile Number: _____

Email Address: _____

Full Mailing Address:

THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY PERSONAL SERVICE, FACSIMILE, OR EMAIL (IN PDF FORMAT) TO THE ADDRESS, EMAIL ADDRESS OR FAX NUMBER INDICATED HEREIN AND TO BE RECEIVED NO LATER THAN 30 CALENDAR DAYS AFTER SERVICE OF THE NOTICE OF REVISION OR DISALLOWANCE OF PROOF OF CLAIM ON YOU.

Address for Service of Dispute Notices:

Deloitte Restructuring Inc., as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Phone: (204)944-3586
Fax: (204)947-2689
Attention: John R. Fritz
jofritz@deloitte.ca

AND

David R. M. Jackson
Taylor McCaffrey LLP
9th Floor, 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Email: djackson@tmlawyers.com
Fax: (204)953-7178

SCHEDULE "G"

NOTICE OF ADMISSION OF A CLAIM AS A PROVEN CLAIM

**TAYLOR BROS. FARM LTD. and/or EDWIN POTATO GROWERS LTD.
(the "Companies")**

Terms in capital letters which are not defined within this Admission Notice have meaning ascribed thereto in the Order dated _____, 2017 and Schedule A – Claims Process to the Order. Pursuant to the Order, Deloitte Restructuring Inc. in its capacity as Liquidator of the Companies hereby give you notice of admission of your Claim dated _____ as a Proven Claim.

Name of Creditor: _____

Nature of Proven Claim:

Amount: \$ _____ CAD

Classification:

1. _____ UNSECURED CLAIM OF \$ _____ CAD

That in respect of this debt, you do not hold any assets of the debtor as security and:

_____ Regarding the amount of \$ _____ CAD, you do not claim a right to a priority.

_____ Regarding the amount of \$ _____ CAD, you claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* or would claim such a priority if this Proof of Claim was being filed in accordance with the *Bankruptcy and Insolvency Act*, or otherwise claim a right to a priority over unsecured creditors, the particulars of which are as follows:

2. _____ SECURED CLAIM OF \$ _____ CAD

That in respect of this debt, you hold assets of the debtor valued at \$ _____ CAD as security, the particulars of which are as follows:

DATED this _____ day of _____, 2017.

DELOITTE RESTRUCTURING INC.,
in its capacity as Liquidator
of Taylor Bros. Farm Ltd. and Edwin Potato Growers Ltd.
and not in its personal capacity.

**Exhibit E – Statement of Receipts and Disbursements for the period of April 28, 2017 to
October 27, 2017**

TAYLOR BROS. FARM LTD. AND EDWIN POTATO GROWERS LTD.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period of April 28, 2017 to October 27, 2017

Receipts

Advance from secured creditor (property taxes)	\$	156,631
Cash on hand		30,724
GST collections		12,683
Interest		69
Rental income (land)		253,650

Total Receipts **453,757**

Disbursements

Appraisal	4,765
GST paid on disbursements	310
GST paid on legal fees	1,960
GST paid on Liquidator fees	3,674
Legal fees	41,442
Liquidator fees	73,489
Municipal property taxes	198,747
PST paid on legal fees	550
Utilities	1,565

Total Disbursements **326,503**

Excess of Receipts over Disbursements **\$ 127,253**
