

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

TRUE COPY

ORDER

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File No. 56074.8/ 1702089

Box No. 3

THE QUEEN'S BENCH
WINNIPEG CENTRE

THE HONOURABLE)
MR. JUSTICE TOEWS) Friday, the 31st day of August, 2018
)

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**DUANNE TAYLOR, 5608067 MANITOBA LTD., TAYLOR
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THIS MOTION, made by Deloitte Restructuring Inc., court-appointed liquidator (the "**Liquidator**") of the assets, undertakings and property of Taylor Bros. Farm Ltd. ("**TBF**") and Edwin Potato Growers Ltd. ("**EPG**"), (together the "**Companies**"), for an Order approving certain actions, the fees and disbursements of the Liquidator, extending the time period in which to comply with certain provisions of *The Corporations Act*, C.C.S.M. c. C225, as amended ("**The Corporations Act**"), approving a distribution schedule and other relief was heard this day, at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the First Report of the Liquidator dated October 31, 2017, the First Confidential Report of the Liquidator dated October 31, 2017, the Second Report of the Liquidator dated March 26, 2018, the Second Confidential Report of the Liquidator dated March 26, 2018, the Supplement to the Second Report of the Liquidator dated March 29, 2018, the Certificate of the Liquidator for the Wolfe Land transaction, the Certificate of Liquidator for the Beaver Creek transaction, the Third Report of the Liquidator dated May 18, 2018, the Fourth Report of the Liquidator dated August 27, 2018 (the "**Fourth Report**"), the Supplement to the Fourth Report of the Liquidator dated August 29, 2018 (the "**Supplement to the Fourth Report**") and on hearing the submissions of counsel for the Liquidator, counsel for the Applicants, Lincoln Wolfe, 5606269 Manitoba Ltd. and R.L. Wolfe Ltd., counsel for the Respondents, Duanne Taylor, 5608067 Manitoba Ltd. and Fat Cat Farms Ltd., counsel for Pitblado LLP and counsel for Gerald and Martha Weibe, no one appearing for any other person, although properly served as appears from the Affidavits of service of Samantha Dunn sworn August 28, 2018 and August 29, 2018.

SERVICE

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

LIQUIDATOR'S REPORTS

2. THIS COURT FURTHER ORDERS that the reported actions of the Liquidator to date in respect of administering these liquidation proceedings and the Liquidator's

Fourth Report, including the statement of Receipts and Disbursements contained in the Fourth Report, and the Liquidator's Supplement to the Fourth Report shall be and are hereby approved.

LIQUIDATOR'S FEES AND DISBURSEMENTS

3. THIS COURT FURTHER ORDERS that the fees and disbursements of the Liquidator for the period of April 28, 2018 to August 22, 2018, and the fees and disbursements of its legal counsel for the period of April 1, 2018 to August 22, 2018, shall be and are hereby approved.

THE CORPORATIONS ACT

4. THIS COURT FURTHER ORDERS that the delivery by the Liquidator of the Liquidator's Statement of Receipts and Disbursements attached to the Fourth Report, shall be and is hereby deemed to constitute satisfactory compliance by the Liquidator with the requirements of section 214(h) of *The Corporations Act* with respect to preparation and delivery of financial statements for TBF.

5. THIS COURT FURTHER ORDERS that paragraph 2 of this Honourable Court's Order dated May 28, 2018 shall be and is hereby amended to extend to November 30, 2018 the time period within which the Liquidator shall be required to apply to Court for approval of its final accounts and for an order permitting it to distribute in money or in kind the remaining property of each of the Companies to their respective shareholders according to their respective rights pursuant to section 216(2) of *The Corporations Act*.

DISTRIBUTIONS

6. THIS COURT FURTHER ORDERS that the distribution schedule attached hereto as Appendix "1" (the "**Approved Distribution Schedule**"), be and hereby is approved and that the Liquidator is authorized to make distributions up to the amounts set out therein, together with any interest owing thereon after the date of this Order, to the creditors of the Companies in accordance with the Approved Distribution Schedule and section 216(2) of *The Corporations Act*.

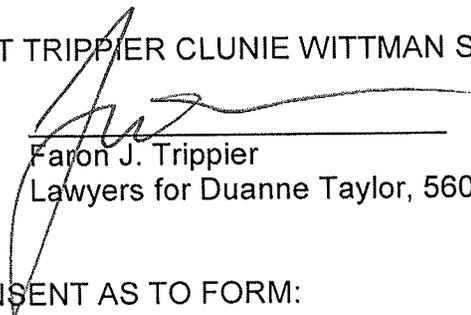
Supt 25
~~August~~ __, 2018



TOEWS, J.

CONSENT AS TO FORM:

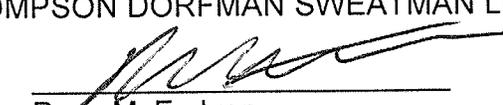
FAST TRIPPIER CLUNIE WITTMAN SANTOS LLP

Per: 

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

CONSENT AS TO FORM:

THOMPSON DORFMAN SWEATMAN LLP

Per: 

Ross McFadyen
Lawyers for Lincoln Wolfe, 5606269 Manitoba Ltd., and R.L. Wolfe Ltd.

CONSENT AS TO FORM:

PITBLADO LLP

Per: 

Thomas Turner
Lawyers for Pitblado LLP

CONSENT AS TO FORM:

BOUDREAU LAW

Per:

A handwritten signature in black ink, appearing to read "J.R. Norman Boudreau", written over a horizontal line.

J.R. Norman Boudreau
Lawyers for Gerald Wiebe and Martha Wiebe

APPENDIX "1"

TAYLOR BROS. FARM LTD. AND EDWIN POTATO GROWERS LTD.
DISTRIBUTION SCHEDULE
IN ACCORDANCE WITH THE AUGUST 31, 2018 COURT HEARING

	Notes	Taylor Bros. Farm Ltd.	Edwin Potato Growers Ltd.	Total
Receipts				
Advance from secured creditor (property taxes)		\$ 76,436	\$ 80,195	\$ 156,631
Asset sale proceeds (land sales)		4,238,475	5,118,980	9,357,455
Cash on hand		30,724	-	30,724
GST collections		7,476	5,360	12,836
Interest		4,687	4,687	9,374
Refunds (insurance, tax, etc.)		34,005	66,679	100,684
Rental income (land)		149,517	107,200	256,717
Total Receipts		4,541,318	5,383,102	9,924,421
% of Total Receipts		45.8%	54.2%	100.0%
Disbursements				
Advertising	1	3,011	5,380	8,392
Appraisal	1	2,180	2,585	4,765
GST paid on disbursements	2	250	633	883
GST paid on legal fees and disbursements	1	4,794	5,683	10,477
GST paid on Liquidator fees and disbursements	1	5,283	6,262	11,546
GST remitted	2	3,311	1,105	4,416
Insurance	1	223	264	487
Legal fees and disbursements	1	96,224	114,060	210,284
Liquidator fees and disbursements	1	105,664	125,250	230,913
Locks	2	-	466	466
Municipal property taxes	2	100,962	97,785	198,747
PST paid on legal fees	1	5,614	6,654	12,268
Utilities	2	-	4,916	4,916
Total Disbursements		327,516	371,043	698,559
Distributions				
		Debt		
Bank of Montreal - Debt Repayment	3	5,518,039	3,838,986	1,679,053
Bank of Montreal - Per Diem Interest Payment (April 5 to May 3, 2018)	4	30,871	21,344	9,528
				5,518,039
				30,871
Excess of Receipts over Disbursements Prior to Holdbacks		\$ 353,473	\$ 3,323,478	\$ 3,676,951
Holdbacks				
Estimated liquidation professional fees		50,000	50,000	100,000
Estimated bankruptcy trustee fees	5	25,000	25,000	50,000
Contingency		25,000	25,000	50,000
Total Holdbacks		100,000	100,000	200,000
Excess of Receipts over Disbursements Subsequent to Holdbacks		\$ 253,473	\$ 3,223,478	\$ 3,476,951
Reallocation of Funds (pursuant to August 31, 2018 Court Hearing)		2,367,471	(2,367,471)	-
Excess of Receipts over Disbursements Subsequent to Holdbacks and Reallocation of Funds		\$ 2,620,944	\$ 856,007	\$ 3,476,951
Distributions to Secured Creditors				
Bank of Montreal	7	Claim		
R. L. Wolfe Ltd.		7,748	3,874	3,874
Assigned BNS Debt (claim as at June 11, 2018)		1,316,067	1,372,385	-
Assigned FCC Debt (claim as at March 20, 2018)		1,001,555	1,091,445	-
Assigned RBC Debt (Claim as at June 11, 2018)		131,004	133,198	-
Gerald and Martha Wiebe	8	813,928	-	820,081
Estimated Receipts over Disbursements Available to Judgment and Unsecured Creditors		\$ 20,042	\$ 32,052	\$ 52,094
Distributions to Judgement Creditor				
Pitblado LLP	9	100,275	20,042	32,052
Net Estimated Receipts over Disbursements		\$ -	\$ -	\$ -

Notes

- Liquidation costs have been allocated to TBF and EPG based on the respective Companies receipts as a percentage (%) of total receipts.
- Liquidation costs incurred by either TBF or EPG directly.
- Allocation of Bank of Montreal debt repayment between TBF and EPG was based on a payout statement summary provided by Bank of Montreal.
- On May 3, 2018, the Liquidator paid Bank of Montreal \$5,518,039 as per the April 5, 2018 Court Order. On May 23, 2018, the Liquidator received letter correspondence from Bank of Montreal claiming per diem interest from April 6 to May 3, 2018. After reviewing the claim, the Liquidator paid same on June 1, 2018.
- A \$25,000 holdback has been estimated for the administration of the each of the TBF and EPG bankruptcy proceedings.
- Distributions are inclusive of per diem interest to August 31, 2018, where applicable.
- On July 19, 2018, the Liquidator received e-mail correspondence from Bank of Montreal claiming amounts owing in accordance with their security for residual unpaid legal fees.
- The claim of Gerald and Martha Wiebe as filed in the EPG Claims Process was revised by the Liquidator and the revisions were accepted by the Wiebes.
- In accordance with the August 31, 2018 Court Hearing, Pitblado LLP to be paid subsequent to secured creditors but in priority to unsecured creditors.