

Court File No.: CV-20-00636080-00CL

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

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Applicant

- and -

**EVERGREEN CONSUMER BRANDS INC.**

Respondents

**SECOND REPORT OF THE RECEIVER**  
**DELOITTE RESTRUCTURING INC.**

**DATED APRIL 24, 2020**

**TABLE OF CONTENTS**

INTRODUCTION.....3  
TERMS OF REFERENCE.....5  
ACTIVITIES OF THE RECEIVER .....6  
CLOSING OF THE APA.....8  
PROPOSED DISTRIBUTION TO NBC.....9  
STATEMENT OF RECEIPTS AND DISBURSEMENTS .....12  
RECEIVER AND LEGAL FEES .....12  
RECEIVER’S REQUEST TO THE COURT .....13

**APPENDICES**

APPENDIX “A”: Appointment Order dated February 13, 2020  
APPENDIX “B”: Approval and Vesting Order dated March 10, 2020  
APPENDIX “C”: First Report of the Receiver dated March 2, 2020 and the Supplement to the First Report of the Receiver dated March 9, 2020  
APPENDIX “D”: Letter agreement dated March 13, 2020 amending and supplementing the APA  
APPENDIX “E”: Security Opinion Letter from Goldman Sloan Nash & Haber LLP dated February 11, 2020 as amended on March 23, 2020  
APPENDIX “F”: Receiver’s Statement of Receipts and Disbursements for the period from February 13 to April 20, 2020  
APPENDIX “G”: Fee Affidavit of Hartley Bricks sworn April 23, 2020  
APPENDIX “H” Fee Affidavit of Mario Forte sworn March 23, 2020

## INTRODUCTION

1. By Order of Madame Justice Gilmore of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 13, 2020 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Evergreen Consumer Brands Inc. (“**ECB**” or the “**Company**”) acquired for, or used in relation to the business carried on by the Company (the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Company is a private Ontario corporation which manufactured and distributed branded personal care products, including hair products, body wash and lotions targeting the value and mass retail channels in Canada, the United States and Europe.
3. On March 10, 2020, Justice McEwen issued an Approval and Vesting Order (the “**Approval and Vesting Order**”) that, among other things, approved the transaction (the “**Transaction**”) detailed in the Asset Purchase Agreement between the Receiver and LEC Custom Products Inc. (the “**Purchaser**”) dated March 2, 2020 (the “**APA**”), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Property detailed in and listed in Section 2.1 of the APA (the “**Purchased Assets**”) and vesting the Company’s right, title and interest, if any, in and to the Purchased Assets in and to the Purchaser upon closing of the Transaction. A copy of the Approval and Vesting Order is attached hereto as **Appendix “B”**. In support of the making of the Approval and Vesting Order, the Receiver filed with the Court its First Report of the Receiver dated March 3, 2020 (the “**First Report**”) and Supplement to the First Report (the “**Supplemental Report**”), copies of which (without appendices) are attached hereto as **Appendix “C”**.

4. The purpose of this second report of the Receiver (the “**Second Report**”) is to:
  - a) update the Court on the closing of the Transaction;
  - b) seek the Court’s approval of the activities of the Receiver as described: i) in its First Report including, without limitation, the steps taken by the Receiver relating to taking possession of the Property, the collection of accounts receivable, the sale of inventory, negotiation and closing of the Transaction, dealing with various equipment lessors, landlords and storage facilities; and ii) as described in this Second Report.
  - c) seek the Court’s approval to make a first distribution to National Bank of Canada (“**NBC**”), the Applicant and first secured creditor in these proceedings, from available proceeds from the closing of the Transaction and other receivership realizations, net of amounts required to settle Post-Closing Obligations (as defined in this Second Report);
  - d) seek the Court’s approval of the Receiver’s Statement of Receipts and Disbursements for the period February 13 to April 20, 2020; and
  - e) seek the Court’s approval of the Receiver’s fees incurred up to April 6, 2020 and the fees of its counsel Goldman Sloan Nash & Haber LLP (“**GSNH**”) up to March 13, 2020.

## TERMS OF REFERENCE

5. In preparing this Second Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, ECB's books and records, discussions with management of ECB, discussions with NBC and its legal counsel, and information from third-party sources (collectively, the “**Information**”). Except as described in this Second Report:

(a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Proposed Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

(b) Deloitte has prepared this Second Report in its capacity as Court-appointed Receiver to support the Court’s approval of the relief being sought. Parties using this Second Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

6. Capitalized terms not otherwise defined in the Second Report are as defined in the Appointment Order, the First Report or the APA.

7. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars. US dollar amounts have been converted to Canadian dollars at a foreign exchange rate of 1.4086.

#### **ACTIVITIES OF THE RECEIVER**

8. Since the date of the First Report, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
  - (a) held various meetings and telephone discussions with the Purchaser to coordinate the Closing of the Transaction;
  - (b) prepared documents required to facilitate the closing of the Transaction, including updated ABL Revolver Borrowing Base schedules;
  - (c) corresponded with various parties holding Purchased Assets to facilitate the release of those assets to the Purchaser;
  - (d) prepared the Supplemental Report to the First Report;
  - (e) upon the Closing of the Transaction, terminated the employees of ECB on behalf of ECB;
  - (f) facilitated the turnover of rented premises to the Purchaser;
  - (g) held numerous discussions and prepared various correspondence with the Purchaser concerning accounts receivable, inventory and post-closing adjustments;

- (h) responded to various creditor inquiries;
- (i) terminated services provided by third-party vendors not required by the Purchaser;
- (j) coordinated the return of equipment belonging to third-parties;
- (k) arranged to borrow \$250,000 from NBC by the issuance of a Receiver Certificate in order to fund operations during the receivership period prior to the receipt of sale proceeds from the Closing of the Transaction and repaid these borrowings once the Receiver had sufficient funds to do so;
- (l) reviewed, approved and paid various operating disbursements;
- (m) prepared and sent documentation concerning the filing of Wage Earner Protection Program claims to those former employees who were terminated prior to the date of the Appointment Order and for those employees who did not accept the Purchaser's offer of employment. Of the Company's 32 employees, the Receiver has received 21 proofs of claim and Service Canada has confirmed payment of 11 claims;
- (n) corresponded with Canada Revenue Agency to arrange for an audit of the Company's payroll account;
- (o) posted the motion materials and the Approval and Vesting Order on the Receiver's website; and
- (p) provided status updates on the progress of the receivership to NBC.

## **CLOSING OF THE APA**

9. Upon the issuance of the Approval and Vesting Order on March 10, 2020, the Receiver worked diligently with the Purchaser to close the transaction by the Outside Date as set out in the APA, which was March 13, 2020. The parties agreed to close on March 13, 2020.
10. On March 11, 2020, the Purchaser issued offer letters to all non-management employees. Those employees were given until March 12, 2020 to accept or reject the offer of employment. By March 12, 2020, all but four non-management employees accepted the Purchaser's offer. In addition, the Purchaser made an offer of employment to one management employee, who also accepted their offer.
11. Pursuant to paragraph 3.2(a) of the APA, the ultimate purchase price under the APA was to be calculated as the ABL Revolver Borrowing Base at the Time of Closing plus \$5.5 million (to a maximum of \$9.0 million). On March 12, 2020, the Receiver delivered to the Purchaser a certificate that set out its calculation of the ABL Revolver Borrowing Base as of the Time of Closing to be \$2,367,524 (the "**ABL Certificate**"). As a result, the Purchase Price for the Purchased Assets became \$7,867,524.
12. The Purchase Price, less the \$900,000 deposit previously provided by the Purchaser, was received by Receiver late in the afternoon on March 13, 2020. As a result, the Receiver's Certificate could not be filed with the Court until March 16, 2020.
13. At Closing, in order to address certain discrete issues involving inventory and Real Property Leases, the parties executed a letter agreement dated March 13, 2020 to amend and supplement the APA (the "**APA Amendment Letter**"), a copy of which is attached hereto as **Appendix "D"**. The APA Amendment Letter set out a mechanism for dealing with



certain “Disputed Inventory” held by third parties as identified in the ABL Certificate, the potential purchase price impact of which was determined to be \$273,974 (the “**ABL Disputed Amount**”), which amount was to be reserved and held by the Receiver until 5:00 pm on March 27, 2020 (the “**Dispute End Time**”). The APA Amendment Letter also set out a mechanism for payment of rent for Real Property Leases and for the continued access by the Purchaser to Leased Premises during the Post-Closing Access Period.

14. The Purchaser has raised a number of issues concerning the accounts receivable, the Disputed Inventory and the amount of the ABL Disputed Amount that should be released back to the Purchaser. As of the date of this Second Report, the parties are still in discussions concerning a global settlement for all post-closing matters, including reimbursement to the Receiver of monthly operating costs paid by the Receiver on behalf of the Purchaser. The Receiver will report to the Court on the ultimate result of those discussions in its next report.

#### **PROPOSED DISTRIBUTION TO NBC**

15. As set out in paragraph 9 of the First Report, in June 2018, ECB financed their purchase of the Salon Selectives and Daily Defence brands through a US\$11.5 million Term Facility and \$10.0 million Revolver Facility provided for in a Credit Agreement dated June 1, 2018. As at the date of the Appointment Order, the total indebtedness owing to NBC was approximately \$18.5 million. As security for the obligations to NBC, ECB granted to NBC security over all of its real and personal property pursuant to a General Security Agreement dated June 1, 2018, a copy of which is attached as Exhibit “C” to the Affidavit of Sonia De

Lorenzi sworn February 10, 2020 in support of the receivership application (the “**De Lorenzi Affidavit**”).

16. A summary schedule of the secured creditor registrations filed pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) having a file currency date of January 29, 2020 (the “**PPSA Report**”) is attached as Schedule “A” to the Security Opinion (as hereinafter defined). In the Receiver’s view, these represent the creditors who could possibly have an interest in the proceeds of the Debtor’s assets.
17. The registrations in the PPSA Report, and the Receiver’s disposition of the claims represented by those registrations are as follows:
  - a) Canpaco Inc. has four (4) PMSI registrations for different pieces of equipment, all of which were released to Canpaco by the Receiver after their security was reviewed by counsel;
  - b) Yale Industrial Trucks Inc. (“**Yale**”) had one (1) PMSI registration for a forklift, which asset was released to Yale by the Company prior to the date of the Appointment Order;
  - c) Royal Bank of Canada had one (1) PMSI registration for two storage tanks subject to a lease agreement. The Receiver understands that the Purchaser has elected to assume that lease and the parties are currently in discussions regarding same;
  - d) NBC, which registered a financing statement against the Company on May 18, 2018 indicating a collateral classification of Inventory, Equipment, Accounts, Other and Motor Vehicle; and

- e) FWCU Capital Corp. (“**FWCU**”), which registered a financing statement against the Company on November 18, 2016, which was renewed and amended on May 30, 2018, indicating Inventory, Equipment, Accounts, Other and Motor Vehicle and a collateral description of all of the present and after-acquired personal property of each of the Debtors.
18. As set out in the De Lorenzi Affidavit, NBC and FWCU entered into a Subordination and Standstill Agreement dated September 9, 2019, a copy of which is attached as Exhibit “F” to the De Lorenzi Affidavit, under which FWCU subordinated the security it holds on the assets of ECB to the security held by NBC.
19. The Receiver has obtained an opinion on the NBC’s security from GSNH in a letter dated February 11, 2020, as amended on March 23, 2020 (the “**Security Opinion**”). Subject to the assumptions, qualifications, limitations and comments set out in the Security Opinion, GSNH is of the opinion that the Credit Agreement constitutes a valid and binding obligation of the Company and is enforceable in accordance with its terms have made therein. A copy of the Security Opinion is attached hereto as **Appendix “E”**.
20. Based on the foregoing, it is the Receiver’s view that none of the creditors referred in paragraph 16 above has an entitlement to receive proceeds in priority to NBC.
21. The Receiver has determined that there are no further assets to realize on and that further disbursements will be required to settle post-closing adjustments, unpaid operating expenses and professional fees of the receivership (“**Post-Closing Obligations**”). The Receiver has determined that a reserve of **\$977,000** is appropriate to settle all Post-Closing

Obligations, and accordingly, it has determined that an appropriate amount to distribute to NBC at this time on account of its first ranking charge is \$6,200,000.

22. Consequently, the Receiver is seeking an order authorizing it to make a first distribution to NBC of \$6,200,000, and to any make future distributions to NBC as it sees appropriate taking into account any remaining Post-Closing Obligations.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

23. Attached hereto as **Appendix “F”** is the Receiver’s Statement of Receipts and Disbursements for the period from February 13 to April 20, 2020 (the **“R&D”**). The closing cash balance at April 20, 2020 is \$7,176,959, which consists of \$6,758,517 and US\$297,062. The R&D does not reflect payment of the Receiver’s second invoice for the period up to April 6, 2020 in the amount of \$146,714 which has been included in Post-Closing Obligations. The Receiver is seeking the Court’s approval of the R&D.

#### **RECEIVER AND LEGAL FEES**

24. The Receiver, and its legal counsel, GSNH, have maintained detailed records of their professional time and costs in this matter. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before the Court and were granted a Receiver’s Charge (as such term is defined in the Appointment Order) over the Property.
25. The total fees of the Receiver up to April 6, 2020 amount to \$334,800 together with expenses and disbursements in the sum of \$2,642 and harmonized sales tax (**“HST”**) in the amount of \$43,867, totaling \$381,310 (the **“Receiver’s Fees”**). The time spent by the

Receiver is more particularly described in the Affidavit of Hartley Bricks sworn April 23, 2020 (the “**Bricks Affidavit**”) in support hereof and attached hereto as **Appendix “G”**.

26. The total fees of GSNH during the period from January 30 to March 13, 2020 amount to \$95,241 together with expenses and disbursements in the sum of \$1,819 and HST in the amount of \$12,569 totaling \$109,629 (the “**GSNH Fees**”). The time spent by GSNH is more particularly described in the Affidavit of Mario Forte sworn March 23, 2020 (the “**Forte Affidavit**”) in support hereof and attached hereto as **Appendix “H”**.
27. The Receiver is of the view that the fees and disbursements set out in the Bricks Affidavit and the Forte Affidavit are reasonable in the circumstances.

#### **RECEIVER’S REQUEST TO THE COURT**

28. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant an Order:
  - a) approving the activities of the Receiver as described in the First Report and this Second Report;
  - b) approving the R&D;
  - c) approving the Receiver making a first distribution in the amount of \$6,200,000 to NBC, and making future distributions as it deems appropriate; and
  - d) approving the Receiver’s Fees and GSNH’s Fees.

All of which is respectfully submitted at Toronto, Ontario this 24th day of April, 2020.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-appointed  
Receiver and Manager of  
Evergreen Consumer Brands Inc. and not in  
its personal or corporate capacity

A handwritten signature in black ink, appearing to read "P. Casey", with a small flourish at the end.

Per:

Paul M. Casey, CPA, CA, FCIRP, LIT  
*Senior Vice-President*

# APPENDIX “A”

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

THE HONOURABLE ) THURSDAY, THE 13<sup>TH</sup>  
JUSTICE Justice C.A. Gilmore )  
DAY OF FEBRUARY, 2020

**IN THE MATTER OF** section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and section 101 of the *Courts of Justice Act*, RSO 1990, c C43, as amended

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Applicant

- and -

**EVERGREEN CONSUMER BRANDS INC.**

Respondent

**ORDER  
(appointing Receiver)**

**THIS APPLICATION** made by National Bank of Canada for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Evergreen Consumer Brands Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.



**ON READING** the affidavit of Sonia de Lorenzi sworn February 10, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and such other parties written on the counsel slip, no other parties appearing, and the affidavit of service of Gloria Kalkounis, filed, and on reading the consent of Deloitte to act as the Receiver,

**SERVICE**

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

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

**RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent security

personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such

proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

Without limiting the foregoing, the Receiver is authorized to continue the sale and investment solicitation process (the “SISP”) commenced by the Debtor, subject to such amendments to the SISP deemed appropriate by the Receiver. The Receiver is authorized in its discretion to retain or continue the retainer by the Debtor of Alvarez & Marsal Canada Securities ULC (the “Sales Agent”) in connection with the SISP on terms substantially similar to the terms agreed to between the Debtor and the Sales Agent;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* (“PPSA”), shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in each such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, bank account information and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the

Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this



Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects

identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER’S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall

derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests (other than the security interests held by Royal Bank of Canada, Canpaco Inc. and Yale Industrial Trucks Inc. upon the Property), all trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. The relative priority of the Receiver’s Charge and the security interests held by Royal Bank of Canada, Canpaco Inc. and Yale Industrial Trucks Inc. upon the Property shall be determined on a subsequent motion on notice to each such party.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and

charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

**FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests (other than the security interests held by Royal Bank of Canada, Canpaco Inc. and Yale Industrial Trucks Inc. upon the Property), all trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. The relative priority of the Receiver’s Borrowings Charge and the security interests held by Royal Bank of Canada, Canpaco Inc. and Yale Industrial Trucks Inc. upon the Property shall be determined on a subsequent motion on notice to each such party.

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

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

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

### **SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [www.insolvencies.deloitte.ca/en-ca/EvergreenConsumerBrands](http://www.insolvencies.deloitte.ca/en-ca/EvergreenConsumerBrands).

26. **THIS COURT ORDERS** that the Debtor, the Receiver and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their

advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or email transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery, facsimile or email transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or the European Union to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this

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

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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



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

FEB 13 2020

PER / PAR: 

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Evergreen Consumer Brands Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, 2020 (the "**Order**") made in an action having Court file number CV-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the



Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2020.

DELOITTE RESTRUCTURING INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

IN THE MATTER OF section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and section 101 of the *Courts of Justice Act*, RSO 1990, c C43, as amended

NATIONAL BANK OF CANADA

Applicant

and

EVERGREEN CONSUMER BRANDS INC.

Respondent

Court File No.: CV-20-00636080-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

**ORDER**  
**(APPOINTING RECEIVER )**

**Thornton Grout Finnigan LLP**  
100 Wellington Street West  
Suite 3200  
Toronto-Dominion Centre  
Toronto ON M5K 1K7

**Grant B. Moffat (LSUC# 32380L)**  
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Email: [asoutter@tgf.ca](mailto:asoutter@tgf.ca)

Lawyers for the Applicant, National Bank of Canada

# APPENDIX “B”

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) TUESDAY, THE 10<sup>TH</sup>  
JUSTICE McEWEN ) DAY OF MARCH, 2020

BETWEEN:



NATIONAL BANK OF CANADA

Applicant

- and -

EVERGREEN CONSUMER BRANDS INC.

Respondent

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APPROVAL AND VESTING ORDER

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**THIS MOTION**, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Evergreen Consumer Brands Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and LEC Custom Products, Inc. (the "**Purchaser**") dated as of the 2<sup>nd</sup> day of March, 2020 and appended to the Report of the Receiver dated March 3, 2020 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

-2-  
JM and supplemental report filed and served on  
March 9, 2020 JM

ON READING the Report and on hearing the submissions of counsel for the Receiver, the Purchaser and the Debtor, as well as such other counsel as may be indicated on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Katie Parent sworn March 3, 2020 filed:

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.
  
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
  
3. **THIS COURT ORDERS** that, notwithstanding the provisions of Section 171(3) of the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Receiver be and is hereby authorized and directed to complete, execute and file articles of amendment for and on behalf of the Debtor and any officer and director of the Debtor (such articles of amendment to be deemed to have been signed by a director or an officer of the Debtor and executed in accordance with the OBCA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of the Debtor to a corporate name that does not include the word “Evergreen” or “Evergreen Consumer Brands” (and such amendment shall be deemed to have been duly authorized by Section 168 and 170 of the OBCA (as applicable) without shareholder or director resolution approving such amendment being required) and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon a certificate of amendment upon being in receipt from the Receiver of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Receiver be and is hereby also authorized and directed to complete, execute and file for and on behalf of the Debtor and any officer and director of the Debtor if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (statutory or otherwise), easements, rights of first refusal or first offer, title retention agreements or arrangements, conditional sales, restrictive covenants, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Gilmore dated February 13, 2020; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURTS ORDERS AND DIRECTS** that any person with an Encumbrance that is registered against the Purchased Assets comprising Intellectual Property (as defined in the Sale Agreement) shall take such steps and execute such documents as may be reasonably requested by the Receiver or the Purchaser to discharge the registration of such Encumbrance against such Purchased Assets.

6. **THIS COURT ORDERS** that (i) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (ii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (each of the foregoing being a "**Person**") shall forthwith advise the Receiver of the existence of any asset, undertaking and/or property of the Debtor acquired for, or used in relation to a business carried on by the Debtor ("**Property**"), that is or remains in such Person's possession or control, and shall deliver all such Property, to the extent that it constitutes Purchased Assets, to the Purchaser forthwith upon the Receiver's request.

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

8. **THIS COURT ORDERS** that, until the filing of the Receiver's Certificate with the Court or further order of the Court, whichever occurs first, the unredacted version of the Report and the Report's Appendices "B" (Confidential Information Memorandum dated December 2019), "C" (comparison of offers), and "D" (unredacted version of the Sale Agreement) shall be sealed and kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court File, in a sealed envelope on which is affixed a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

9. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of the Transferred Employees (as defined in the Sale Agreement). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

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

- (a) the pendency of these proceedings;

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

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

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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

MAR 10 2020

PER / PAR: 



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

Court File No. CV-20-00636080-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Applicant

- and -

**EVERGREEN CONSUMER BRANDS INC.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Gilmore of the Ontario Superior Court of Justice (the "**Court**") dated February 13, 2020, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Evergreen Consumer Brands Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated March 10, 2020 (the "**Order**"), the Court approved the agreement of purchase and sale made as of March 2, 2020 (the "**Sale Agreement**") between the Receiver and LEC Custom Products, Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in article 8

of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser, as applicable; and (iii) the Transaction (as defined in the Order) has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in article 8 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser, as applicable;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Deloitte Restructuring Inc., in its capacity as court-appointed receiver and manager of the undertaking, property and assets of Evergreen Consumer Brands Inc., and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

IN THE MATTER OF SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY  
ACT AND SECTION 101 OF THE COURTS OF JUSTICE ACT BETWEEN  
NATIONAL BANK OF CANADA, APPLICANT, AND EVERGREEN CONSUMER  
BRANDS INC., RESPONDENT

Court File No. CV-20-006636080-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced in TORONTO

Approval and  
Vesting Order.

GOLDMAN SLOAN NASH & HABER LLP  
480 University Avenue, Suite 1600  
Toronto (ON) M5G 1V2

Mario Forte (LSUC #27293F)  
Tel: 416-597-6477  
Email: [forte@gsnh.com](mailto:forte@gsnh.com)

Joël Turgeon (Student-at-Law)

Lawyers for Deloitte Restructuring Inc. in its  
capacity as receiver and manager of the assets,  
undertakings and properties of Evergreen Consumer  
Brands Inc.

# APPENDIX “C”

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

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Applicant

**- and -**

**EVERGREEN CONSUMER BRANDS INC.**

Respondents

**FIRST REPORT OF THE RECEIVER  
DELOITTE RESTRUCTURING INC.**

**DATED MARCH 3, 2020**

**TABLE OF CONTENTS**

INTRODUCTION.....3  
TERMS OF REFERENCE.....5  
BACKGROUND AND MAJOR STAKEHOLDERS .....6  
TAKING POSSESSION AND SAFEGUARDING ASSETS.....8  
SALE AND INVESTMENT SOLICITATION PROCESS.....10  
THE PURCHASER AND THE APA .....13  
RECEIVER’S REQUEST TO THE COURT .....17

**APPENDICES**

APPENDIX “A”: Appointment Order dated February 13, 2020  
CONFIDENTIAL APPENDIX “B”: Confidential Information Memorandum, December 2019  
CONFIDENTIAL APPENDIX “C”: Comparison of Offers  
CONFIDENTIAL APPENDIX “D”: Asset Purchase Agreement between Deloitte  
Restructuring Inc. and LEC Custom Products dated  
March 2, 2020

## INTRODUCTION

1. By Order of Madame Justice Gilmore of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 13, 2020 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Evergreen Consumer Brands Inc. (“**ECB**” or the “**Company**”) acquired for, or used in relation to the business carried on by the Company (the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Company is a private Ontario corporation which manufactures and distributes branded personal care products, including hair products, body wash and lotions targeting the value and mass retail channels in Canada, the United States and Europe. The Company’s head office, main warehouse and production facility is located at 100 Delta Park Blvd, Suite #1, Brampton, Ontario (“**Head Office**”). Additionally, the Company rents, leases or engages warehousemen in 13 other locations in Ontario and the U.S. ECB manufacturers approximately 50% of the products it sells, with the other 50% manufactured by third party fillers. The Company’s principal assets consist of inventory, accounts receivable, machinery and equipment and trademarks.
3. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:

- (a) without the approval of the Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (b) with the approval of the Court in respect of any transaction exceeding \$500,000.
- 4. Additionally, the Appointment Order authorized the Receiver to: i) continue the sale and investment solicitation process (the “**SISP**”) commenced by the Company, subject to such amendments to the SISP as deemed appropriate by the Receiver; and ii) in its discretion, retain or continue the retainer by the Company of Alvarez & Marsal Canada Securities ULC (the “**Sales Agent**”) in connection with the SISP on terms substantially similar to the terms agreed to between the Company and the Sales Agent.
- 5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
  - a) update the Court on the Receiver’s actions to take possession and secure the Property and the status of the SISP;
  - b) seek the Court’s approval of the activities of the Receiver as described in this First Report including, without limitation, the steps taken by the Receiver relating to the collection of accounts receivable, the sale of inventory, dealing with various equipment lessors, landlords and storage facilities;
  - c) seek a Court order (the “**Approval and Vesting Order**”) approving the transaction (the “**Transaction**”) detailed in the Asset Purchase Agreement between the Receiver and LEC Custom Products Inc. (the “**Purchaser**”) dated March 2, 2020 (the “**APA**”), together with any further amendments thereto deemed necessary by



the Receiver in its sole opinion, for the sale of the Property detailed in and listed in Section 2.1 of the APA (the “**Purchased Assets**”) and vesting the Company’s right, title and interest, if any, in and to the Purchased Assets in and to the Purchaser upon closing of the Transaction; and

- d) sealing an unredacted version of the First Report, and (i), the Confidential Information Memorandum dated December 2019, attached as **Confidential Appendix “B”**; (ii) the Comparison of Offers, attached as **Confidential Appendix “C”**; and (iii) the unredacted version of the APA, attached as **Confidential Appendix “D”**; filed with this Court from the public record until the closing of the Transaction or further order of this Court.

#### **TERMS OF REFERENCE**

- 6. In preparing this First Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, ECB's books and records, discussions with management of ECB, including its Chief Information Officer (the “**CIO**”), discussions with NBC and its legal counsel, and information from third-party sources (collectively, the “**Information**”). Except as described in this First Report:

- (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Proposed Receiver

expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

- (b) Deloitte has prepared this First Report in its capacity as Court-appointed Receiver to support the Court's approval of the relief being sought. Parties using this First Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

7. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian dollars.
8. Prior to its appointment as Receiver, Deloitte was engaged by NBC as its consultant pursuant to an engagement letter dated February 25, 2019. The scope of services under that engagement included a review and assessment of the Company's financial position, financial forecasts, cash flow forecasts, business plans, revolver borrowing base calculation and other matters. Under a forbearance agreement between NBC and the Company dated May 27, 2019, as amended (the "**Forbearance Agreement**"), Deloitte's engagement was expanded to include monitoring of the business, including the SISF commenced by the Sales Agent as discussed further below.

## **BACKGROUND AND MAJOR STAKEHOLDERS**

9. In June 2018, ECB completed the purchase of the Salon Selectives ("**SS**") and Daily Defense ("**DD**") brands from CLT International ("**CLT**") for \$20.0 million. The purchase was financed by a US\$11.5 million Term Facility and \$10.0 million Revolver Facility through a Credit Agreement entered into with NBC dated June 1, 2018 (the "**Credit**

**Agreement**”). As at February 10, 2020, ECB was indebted to NBC under the Revolver Facility in the amount of \$4,384,276, under the Term Facility in the amount of US\$10,168,269 and under a MasterCard Facility with NBC in the amount of \$158,330, and there was an overdraft under ECB’s Canadian dollar current account with NBC of approximately \$441,000. Total indebtedness to NBC as of the date of the Appointment Order is approximately \$18,500,000 (US\$1 = \$1.32).

10. The Company also owns the trademarks to Silkience, Spa Haus, Lavoris, Tame and others.
11. Approximately 83% of sales are to U.S. based customers, 8% Canadian and 8% European. The Company’s largest customers are Dollar Tree, Dollar General, Big Lots and Dollarama.
12. The causes of the Company’s financial difficulties appear to have included the following:
  - (a) a failure to properly transition the purchase of the SS and DD brands resulting in sales well below forecast;
  - (b) a systems implementation issue in the summer and fall of 2018 that resulted in poor and incomplete financial information;
  - (c) Company’s focus on sales and growth without consideration of working capital constraints;
  - (d) large compensation payments made to the shareholders and insufficient cash injections from such shareholders to fund critical operating needs; and
  - (e) the inability to service the increased indebtedness incurred to finance the CLT transaction resulting in chronic undercapitalization.
13. In the period immediately prior to the receivership, ECB employed approximately 39 employees in total among its various locations, plus three managers on a contract basis.

The Company also regularly contracted with third party temporary staffing agencies to provide production workers. As of the date of the Appointment Order, there were significant arrears owing to temporary staffing agencies and no temporary workers were engaged due to lack of inventory for production.

14. The total indebtedness of ECB to its major secured and trade creditors as of February 13, 2020 is approximately \$45,900,000. The Company is also a lessee on two leases for various production and material handling equipment. The following table sets out the nature of the relationship between ECB and its major creditors as detailed in the Company's financial statements:

<b>Stakeholder</b>	<b>Relationship</b>	<b>Estimated Amount owing</b>
National Bank of Canada	Senior secured lender	\$18,466,731
First West Credit Union Capital Corp.	Subordinated debt	\$13,000,000
Trade Creditors	Owed to various trade vendors located in Canada and the USA	\$14,405,014

#### **TAKING POSSESSION AND SAFEGUARDING ASSETS**

15. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
- (a) attended the Head Office and took possession of the Property located there;
  - (b) met with Bruce Friedman and Steve Immel (by phone), the Co-Presidents of ECB, and other senior management to advise them of the Appointment Order and the Receiver's mandate;

- (c) met with the employees on site to advise them of the receivership and the Receiver's mandate, and that they will be continued to be employed by the Company until further notice. Employees were also advised of the availability Wage Earner Protection Program and that they will be in a position to file claims pursuant to the program;
- (d) established the Receiver's website and issued the Notice and Statement of Receiver pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* ("BIA");
- (e) ensured that the Company's bank accounts with NBC were frozen and that only deposits were to be accepted;
- (f) retained Goldman Sloan Nash & Haber LLP ("GSNH") as its independent legal counsel;
- (g) determined which employees had access to the Head Office and assessed the security of the building;
- (h) restricted access from non-authorized external users to computer systems and servers;
- (i) arranged for back-up of computer hard drives;
- (j) provided notice of the Receiver's appointment to HUB International, the Company's insurance broker, who arranged for continued insurance coverage through the Company's insurer. Additionally, the Receiver was added as named insured and loss payee on the Company's policies.

- (k) notified all persons who were known by the Company to be in possession of any Property of the Appointment Order and the requirements thereunder to grant immediate and continued access to the Property to the Receiver and to deliver any Property to the Receiver;
- (l) advised the Company's collection staff to continue to their collection efforts in the normal course;
- (m) assessed the orders on hand and determined that it was not economical to fulfil any such orders;
- (n) corresponded with representatives of the certain leased premises;
- (o) notified Canada Revenue Agency ("CRA") of the Receivership appointment;
- (p) contacted the Sales Agent and advised them that the Receiver would continue their retainer by the Company in respect of the SISP;
- (q) reviewed the status and evaluated the efficacy, fairness and reasonableness of the SISP, and ultimately took a leading role in the negotiations that led to the Transaction, as described in more detail below; and
- (r) provided status updates on the progress of the receivership to NBC.

#### **SALE AND INVESTMENT SOLICITATION PROCESS**

16. The Company initially retained the Sales Agent to assist it to find replacement financing sufficient to fully repay NBC (the "**Refinancing Process**"). The Refinancing Process commenced in November 2019 and resulted in five (5) refinancing offers, which were all either asset-based lenders or purchase order financing entities. None of the refinancing

offers received were sufficient to fully repay NBC.

17. On December 16, 2019, the Company and NBC executed an amended Forbearance Agreement that, among other things, permitted the Company certain over-advances to their Revolver Borrowing Base facility to fund operations and expanded the Sales Agent's mandate to conduct the SISP. The SISP was to be implemented and managed by the CIO on behalf of the Company and it was a condition of the amended Forbearance Agreement that neither the Company nor the shareholders of ECB should have any discussions, meetings or other communication with any prospective investors or purchasers of the business other than in the presence of the CIO.
  
18. A copy of the Confidential Information Memorandum prepared by the Company and the Sales Agent is attached hereto as **Confidential Appendix "B"**. The key terms and conditions of the SISP are summarized as follows:
  - Non-binding letters of intent ("**Non-binding LOIs**") were due by 5:00 pm on January 24, 2020;
  
  - Non-binding LOIs were to include, among other things, the following:
    - the proposed enterprise value in cash or a detailed description of the structure of the proposed investment, and the aggregate amount of equity, debt, or other form of investment contemplated;
    - financing sources, including the quantum of any debt or equity financing;
    - intentions regarding the Company's employees and Management;
    - required due diligence including timelines; and
    - expected timing to complete a transaction;
  
  - those Non-binding LOI's identified as top candidates were invited to submit binding proposals in the form of purchase and sale agreement by January 31, 2020; and

- the expected time frame to consummate a transaction was February 21, 2020.
19. The anticipated SISP timeframes were driven in part by the worsening financial circumstances of the Company and the need to address this issue by attempting to conclude a going concern sale of the business or the primary assets thereof in a timely fashion.
20. The Sales Agent advised the Receiver of the following participation in the SISP:
- a teaser document was distributed to 195 parties comprised of private equity, strategic and special situation entities;
  - of the parties contacted, 39 executed confidentiality agreements (“**NDAs**”) which allowed them to receive a copy of a Confidential Information Memorandum which contained information about the business and assets of ECB;
  - of the parties that executed NDAs, 11 submitted Non-binding LOIs on or about January 24, 2020;
  - five parties submitted binding proposals in various forms.
21. The Sales Agent’s Comparison of Offers is attached hereto as **Confidential Appendix “C”**.
22. Continuing after its appointment, and after reviewing and discussing the results of the SISP with the Sales Agent, and conducting an independent analysis of the LOI’s and the binding proposals received in the SISP, the Receiver identified two proposals that it considered warranted further discussions to determine if a transaction could be completed expeditiously.



23. As a result, the Receiver, initially through the Sales Agent, entered into further discussions to clarify terms and conditions in each of the proposals. Based on those discussions and further direct dialogue with representatives of the Purchaser, the Receiver determined that the binding proposal from the Purchaser was superior to the other proposal as it:

- provided for a purchase price in cash on closing that was greater than the other all-cash proposals;
- required limited further due diligence since the Purchaser had already conducted significant due diligence prior to their submission, resulting in low closing risk;
- provided for the retained employment of all non-management employees, and potentially certain members of management; and
- appeared to have the quickest path to closing, which was relevant given the Receiver's assessment that it was critical to close a transaction in a short time frame in order to allow a new party to take control and return the business to full operational capacity to preserve customer relationships and allow for the continued employment of the Company's employees.

#### **THE PURCHASER AND THE APA**

24. The Purchaser is a private manufacturer of health care products based in the Greater Toronto Area. In December, the Company, as a result of a lack of sufficient cash to fund raw material purchases, approached the Purchaser to enter into an arrangement whereby the Purchaser would fulfill certain purchaser orders of ECB's trademarked product for certain key US customers in exchange for royalty payments. This arrangement was initiated by the

Company in order to preserve key customer relationships while the Refinancing Process, and then the SISP, ran their course.

25. An unredacted copy of the APA is attached hereto as **Confidential Appendix “D”**. The key terms of the APA are as follows (all capitalized terms not otherwise defined herein are as defined in the APA):

- A cash purchase price of [REDACTED] for the Purchased Assets, subject to an adjustment for the actual amount of the ABL Revolver Borrowing Base as at the Closing Date;
- The Purchased Assets include all assets of the Company including inventory, accounts receivable, fixed assets, receivable insurance, owned or licenced intellectual property, contracts, licences and commitments (including purchase order commitments), and the books and records;
- The Excluded Assets are cash on hand, amounts receivable from tax authorities and certain equipment leases;
- The Receiver will pay all outstanding wages owing to employees to be engaged by the Purchaser up to Closing, following which the Purchaser will be responsible for wages after closing;
- The Purchaser shall have access to the three leased warehouses in the GTA for a period of 90 days after Closing to allow for the removal of Purchased Assets. The costs of occupation after Closing is to be borne by the Purchaser;

- The Receiver shall take reasonable steps to deliver Purchased Assets that are stored at third-party locations; and
  - The Receiver will make a motion to Court for the Approval and Vesting Order to convey the Purchased Assets to the Purchaser free and clear of all encumbrances.
26. It is contemplated in the APA that the Purchaser will offer employment to all of the Company's current non-management employees.
27. The Transaction contemplates the usual mechanism requiring the Receiver to deliver to the Purchaser the Certificate of the Receiver (in the form attached to the form of Approval and Vesting Order) which will certify that all of the conditions in the APA have been satisfied or waived or are to be fulfilled on a post-closing basis and that the balance of the Purchase Price, including applicable taxes, has been paid in full by the Purchaser.
28. The Receiver is of the view that the process commenced by the Sales Agent and continued in the receivership was fair and reasonable in the circumstances, was sufficiently robust to have produced a significant participation from prospective purchasers and produced the best transaction in the circumstances. Based on the foregoing assessments and on the additional reasons to follow, the Receiver recommends that the Court approve the Transaction, ratify the execution of the APA by the Receiver and direct it to take such steps necessary to complete the Transaction, and to issue the Approval and Vesting Order for the following reasons:
- the SISP provided for a fair and open exposure of the Company to the market in the circumstances;

- the Purchaser is a bona fide business currently operating in the same markets as the Company and has the capacity to integrate the ECB's business into its own;
  - the Purchaser has proven capable of producing the Company's products to the satisfaction of the Company's key customers.
  - the Transaction provides for the continued employment of all non-management employees of the Company should they decide to accept offers of employment from the Purchaser;
  - the purchase price is all cash and provides the greatest cash recovery to the receivership estate;
  - the Purchaser wishes to Close the Transaction immediately following the issuance of the Approval and Vesting Order and the expiry of appeal periods, which should minimize the impact on the Company's customers in the circumstances; and
  - NBC, which will suffer a significant loss on its secured loans to the Company, has advised the Receiver that it supports the Transaction.
29. The Receiver has been advised by NBC that it approves the Receiver entering into the Transaction.
30. To the extent that this Court does not approve the Receiver completing the APA or if the APA is approved by the Court but is not completed for other reasons, public disclosure of the offers received and the contents of the APA, including the purchase price, could materially negatively impact the Receiver's re-marketing of the Property. For that reason, the Receiver is seeking an Order of this Honourable Court to seal the unredacted version of

the First Report, and (i), the Confidential Information Memorandum dated December 2019, attached as Confidential Appendix “B”; (ii) the Comparison of Offers (as defined herein), attached as Confidential Appendix “C”; and (iii) the unredacted version of the APA, attached as Confidential Appendix “D” until the Receiver’s Certificate has been filed with this Honourable Court.

31. Finally, the Receiver continues to review and assess various third-party claims to ownership of certain specifically identified inventory which may be affected by the sale and is working towards a resolution of these issues. The Receiver will update the Court when appropriate as to the status of these issues prior to the hearing of the motion for the Approval and Vesting Order.

#### **RECEIVER’S REQUEST TO THE COURT**

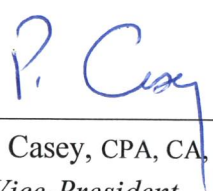
32. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant an Order:
  - a) approving the activities of the Receiver as described in this First Report;
  - b) approving the Transaction detailed in the APA, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Purchased Assets and vesting the Company’s right, title and interest, if any, in and to the Purchased Assets in and to the Purchaser upon closing of the Transaction; and

- c) sealing an unredacted version of the First Report, and (i), the Confidential Information Memorandum dated December 2019, attached as Confidential Appendix “B”; (ii) the Comparison of Offers (as defined herein), attached as Confidential Appendix “C”; and (iii) the unredacted version of the APA, attached as Confidential Appendix “D”; filed with this Court from the public record until the closing of the Transaction or further order of this Court.

All of which is respectfully submitted at Toronto, Ontario this 3<sup>rd</sup> day of March, 2020.

**DELOITTE RESTRUCTURING INC.,**  
solely in its capacity as Court-appointed  
Receiver and Manager of  
Evergreen Consumer Brands Inc. and not in  
its personal or corporate capacity

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

  
Paul M. Casey, CPA, CA, FCIRP, LIT  
*Senior Vice-President*

*ONTARIO*

**SUPERIOR COURT OF JUSTICE**

**(COMMERCIAL LIST)**

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Applicant

**- and -**

**EVERGREEN CONSUMER BRANDS INC.**

Respondents

**SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER  
DELOITTE RESTRUCTURING INC.**

**DATED MARCH 9, 2020**

**TABLE OF CONTENTS**

INTRODUCTION.....3  
TERMS OF REFERENCE.....3  
BACKGROUND AND INVENTORY QUESTIONS .....4



## INTRODUCTION

1. This Supplement to the First Report of the Receiver (the “**Supplemental Report**”) is to update the Court on the process undertaken by the Receiver with respect to certain third-party claims to the ownership of inventory at the Company’s leased premise at 1020 Birchmount Road, Scarborough, ON (the “**Birchmount Premises**”). All capitalized terms herein shall have the meanings ascribed to them in the First Report unless otherwise defined herein.

## TERMS OF REFERENCE

2. In preparing this Supplemental Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, ECB's books and records, discussions with management of ECB, discussions with NBC and its legal counsel, and information from third-party sources (collectively, the “**Information**”). Except as described in this Supplemental Report:

- (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

- (b) Deloitte has prepared this Supplemental Report in its capacity as Court-appointed Receiver to support the Court's approval of the relief being sought. Parties using the First Report and this Supplemental Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

### **BACKGROUND AND INVENTORY QUESTIONS**

3. As set out in the First Report, in June 2018, ECB completed the purchase of the Salon Selectives and Daily Defense brands from CLT International ("**CLT**") for \$20.0 million (the "**CLT Transaction**").
4. As part of the CLT Transaction, various arrangements were put in place to permit the Company to purchase inventory on hand at the time of transaction (the "**CLT Inventory**") to support the Business through the first months of the transition. The inventory was located exclusively at the Birchmount Premises, previously occupied by CLT. A mechanism was agreed to whereby the Company would issue a purchaser order to CLT for product it wished to purchase from time to time from the CLT Inventory, at which point CLT would issue an invoice and title to such invoiced inventory would pass to the Company and a corresponding obligation to pay for such inventory would be created.
5. On or about February 20, 2020, the Receiver was contacted by Venkat Ganesh D K, Chief Accountant of CLT, who provided a report which indicated what CLT believed to be the CLT Inventory that remained at the Birchmount Premises and who also requested access to retrieve such inventory during a period from February 24 to February 28.

6. The Receiver had various questions with respect to the claims made by CLT and wished to obtain further information to identify and substantiate the inventory and the basis for such claims.
7. On February 28, 2020, the Receiver began discussions with CLT to invite representatives of CLT to attend the Birchmount Premises with a view to identifying the CLT Inventory that remained in the warehouse. CLT was advised that this was a matter of urgency for the Receiver as an asset purchase agreement with the Purchaser was being finalized for an en bloc sale of the Company's assets, including all inventory, and accounting for third party claims would impact the ultimate purchase price.
8. CLT did not attend the premises during the week ending March 7, which the Receiver understands was due to a delay on their part in compiling background documentation to enable it to appropriately determine from their perspective the CLT Inventory still on hand in the Birchmount Premises.
9. For its part, the Receiver commenced a review of both the documentation available to it and the inventory itself and has formed a view as to what inventory at the Birchmount Premises might constitute the CLT Inventory.
10. On March 6, 2020, CLT advised the Receiver that it would be prepared to attend the Birchmount Premises on March 9, 2020 to undertake its own assessment of the amount of CLT Inventory that remains in the warehouse.

11. Following CLT's review, the Receiver will attempt to reconcile any differences with CLT and, to the extent possible, include undisputed inventory in the Transaction with the Purchaser.
12. To the extent there remain disputes over entitlement and ownership of the inventory, the Receiver intends to deal with these as expeditiously as possible through negotiation, or failing this through further proceedings in the receivership.
13. At this point, it is not clear how this dispute will impact the Purchase Price.

All of which is respectfully submitted at Toronto, Ontario this 9<sup>th</sup> day of March, 2020.

**DELOITTE RESTRUCTURING INC.**,  
solely in its capacity as Court-appointed  
Receiver and Manager of  
Evergreen Consumer Brands Inc. and not in  
its personal or corporate capacity

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

Paul Casey, CPA, CA, FCIRP, LIT

*Senior Vice-President*

# APPENDIX “D”

March 13, 2020

**DELIVERED BY ELECTRONIC MAIL**

[jwillard@lecind.com](mailto:jwillard@lecind.com)

**EVERGREEN CONSUMER BRANDS LTD.**

7 Kenview Blvd  
Brampton ON L6T 5G5

Attention: Mr. Jeremy Willard, President

Dear Sir:

**RE: March 2, 2020 Asset Purchase Agreement entered into between Deloitte Restructuring Inc., in its capacity as receiver and manager of the property, assets and undertakings of Evergreen Consumer Brands Ltd., as Vendor, and LEC Custom Products, Inc., as Purchaser (the "APA")**

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The parties are aware that certain landlords have expressed concerns around, among other things, the identity of the payor of rent owing for the occupation of the premises subject to the Real Property Leases and the parties have agreed on a mechanism to reduce these concerns and to facilitate timely payment of rent owing during the Post-Closing Access Period and ensure the Purchaser will be able to access the Leased Premises during the Post-Closing Access Period as contemplated in the APA.

The parties are also aware of uncertainty with respect to whether the Vendor will be able to deliver to the Purchaser certain of the Purchased Assets (the "**Disputed Inventory**") as set out in the notes to the Vendor's calculation of the ABL Revolver Borrowing Base as of the Time of Closing that was delivered on March 12, 2020. The Disputed Inventory includes:

- (i) finished goods inventory located at 1020 Birchmount Rd, Scarborough, Ontario valued at \$194,000 that is subject to an ownership claim by CLT International (ABL Revolver Borrowing Base amount of \$97,000); and
- (ii) raw materials inventory located at the Other Premises valued at \$707,896 that is subject to potential setoff claims (ABL Revolver Borrowing Base amount of \$176,974).

It is the Purchaser's position that these amounts should be deducted from the ABL Revolver Borrowing Base and accordingly there is an ABL Disputed Amount of \$273,974. The parties have agreed on a mechanism to provide for an expeditious resolution of this dispute if the Disputed Inventory cannot be promptly delivered to the Purchaser.

In this letter, unless otherwise defined, capitalized terms have the meaning ascribed to them in the APA.

This letter is to formalize the mutual agreement between the Vendor and the Purchaser to amend and supplement the APA as follows:

1. Prepayment of Rent for Real Property Leases: Notwithstanding the terms of Section 7.2 of the APA, no later than 2 Business Days prior to the date rent is payable with respect to a Leased Premises for the Post-Closing Access Period (a "**Rent Prepayment Date**"), the Purchaser shall pre-pay to the Vendor, the amount of such rent ordinarily payable in respect of such Leased Premises for the Post-Closing Access Period, which the Vendor agrees to pay to the Landlord of such premises in accordance with the terms of the applicable Real Property Lease.

2. Termination of Post-Closing Access:

Upon 5 Business Days' prior written notice (an "**Access Period Termination Notice**") to the Vendor, or such lesser time as the Vendor may accept (the "**Minimum Termination Notice Period**"), the Purchaser may terminate the Post-Closing Access Period with respect to one or more of the Leased Premises (the "**Terminated Premises**"), effective at the expiration of the Minimum Termination Notice Period or such later time as may be specified in the Access Period Termination Notice (the "**Termination Notice Period**") (provided in no event shall the Termination Notice Period expire later than the Post-Closing Access Period unless agreed to by the Vendor in writing) after which the parties' obligations to each other under Section 7.2 of the APA and this letter shall terminate with respect to the Terminated Premises.


For greater certainty, if an Access Period Termination Notice has been delivered prior to a Rent Prepayment Date, the Purchaser will not be under any obligation to make a prepayment of rent pursuant to paragraph 1 hereof except for any rent accrued on a per diem basis to the expiry of the Termination Notice Period unless such rent was already accounted for in a prior rent prepayment.

For greater certainty, the Purchaser shall continue to have the sole right and ability to access the Leased Premises during the Termination Notice Period, subject to the terms of the APA and the applicable Real Property Lease.

3. Disputed Inventory: The Purchaser will pay the Purchase Price including the ABL Disputed Amount on Closing. The ABL Disputed Amount will be held by the Vendor and only released pursuant to the terms of this letter agreement. The Vendor and Purchaser shall take all reasonable steps to ensure that the Disputed Inventory is released to the Purchaser by 5:00 p.m. on March 27, 2020 (the "**Dispute End Time**"). If all or part of the Disputed Inventory is released to the Purchaser prior to the Dispute End Time, the corresponding portion of the ABL Disputed Amount will be released to the Vendor. If all or part of the Disputed Inventory is not released to the Purchaser prior to the Dispute End Time, the corresponding portion of the ABL Disputed Amount will be released back to the Purchaser and the Purchaser will release all of its interest in the Disputed Inventory.
4. Enurement: Subject to any termination as provided for above, and subject to the terms of the Approval and Vesting Order and the APA, the terms of this letter agreement will become effective and binding as of the Closing Time. This letter agreement and any of the rights or obligations under this letter agreement may be assigned or transferred, in whole or in part, by the Purchaser to any Affiliate, without the prior written consent of the Vendor however, notwithstanding such permitted assignment, the Purchaser shall remain fully responsible for the Purchaser's obligations under this Agreement, as if such assignment had not occurred.
5. Conflicts: Other than as amended herein, the APA remains in full force and effect and otherwise unamended.
6. Entire Agreement: This letter constitutes the entire agreement of the parties as to its subject-matter.
7. Counterparts: This letter may be executed in counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

*[Signature page follows]*

**DELOITTE RESTRUCTURING INC.**, solely in its capacity as receiver to all the assets, undertakings and properties of Evergreen Consumer Brands Inc.

By:   
Name: HARTLEY BRICKS  
Title: SENIOR VICE PRESIDENT

**LEC CUSTOM PRODUCTS, INC.**

By: \_\_\_\_\_  
Name:  
Title:



**DELOITTE RESTRUCTURING INC.**, solely in its capacity as receiver to all the assets, undertakings and properties of Evergreen Consumer Brands Inc.

By: \_\_\_\_\_

Name:

Title:

**LEC CUSTOM PRODUCTS, INC.**

By: \_\_\_\_\_

Name: *JEREMY WILLARD*

Title: *PRESIDENT*

# APPENDIX “E”



GOLDMAN SLOAN NASH & HABER LLP  
BARRISTERS & SOLICITORS

*dedicated to your success*

February 11, 2020

**DELIVERED BY EMAIL**

Deloitte Restructuring Inc.  
8 Adelaide Street West, Ste. 200  
Toronto, ON M5H 0A9

**Attention:** Paul Casey and Hartley Bricks

Dear Sirs:

**RE: Evergreen Consumer Brands Inc. (the “Company”)**

---

You have instructed us to provide an opinion in respect of certain of the security documents held by National Bank of Canada (“NBC”) in respect of the Company. Please note that this opinion relates only with respect to documents provided to us in respect of security held in Canada.

Pursuant to your instructions we have reviewed the following documents:

*Credit Agreements*

1. Credit Agreement between NBC and the Company dated June 1, 2018. We have not been provided with any amendments, restatements or extensions thereto (the “**Credit Agreement**”).

*Guarantee Documents*

2. Limited recourse guarantee and securities pledge agreement between Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust and Immel Holdings LLC and Sam Aronow, as trustee of The Aronow Family Trust dated May 27, 2010, each as pledgor, and NBC (the “**Guarantee**”).

*Security Documents*

3. Security Agreement made as of June 1, 2018 between the Company, as grantor, and NBC, as lender, (the “**Security**”).

*Subordination and Standstill Agreement*

4. Subordination and standstill agreement among NBC, FWCU Capital Corp. (“**FWCU**”) as lender, and the Company, as borrower dated September 9, 2018, (the “**Subordination Agreement**”).

Collectively, each of the Credit Agreement, the Guarantee and the Security are hereinafter referred to as the “**Loan Documents**”.

### **Certain Restrictions**

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

## **I. OPINIONS**

Subject to the assumptions, qualifications, limitations and comments we have made herein, and the Discussion contained below, we are of the opinion that:

1. The Credit Agreement constitutes valid and binding obligation of the Company and is enforceable in accordance with its terms.
2. The Guarantee constitutes valid and binding obligation of each of the Guarantors and creates a security interest upon the Collateral (as defined therein)<sup>1</sup>.
3. The Security creates in favour of NBC a security interest upon the property of the Company that constitutes Collateral<sup>2</sup> (defined in the Security) and to which the *Personal Property Security Act* (Ontario) (the “PPSA”) applies.
4. The Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by the Security in the Collateral of the Company and the Guarantors.
5. The Guarantee has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by the Guarantee in the Collateral.

## **II. DISCUSSION**

### **A. Searches Conducted**

We have conducted, or have caused to be conducted, and/or reviewed such public registration searches for filings or registrations made in Ontario, in the applicable offices of public record, against the Company as we have deemed appropriate. These searches include corporate profile search and PPSA search in Ontario, all as more specifically discussed below and/or set out in Schedule “A” attached hereto. The searches were conducted in respect of the following names:

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<sup>1</sup> Refer to Appendix “A”

<sup>2</sup> Refer to Appendix “B”

- Evergreen Consumer Brands Inc.
- Lynne and Bruce Friedman Family Trust
- Immel Holdings, LLC
- The Aronow Family Trust dated May 27, 2010

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

## **B. Corporate History**

A summary of our corporate profile search for the Company is set out in Schedule “A” attached hereto

## **C. Ontario PPSA Search Results**

The PPSA search results are set out in Schedule “A” and identify the PPSA registrations in respect of the Company, including the respective registration numbers. Our PPSA search results indicate that there are the following PPSA registrations in respect of the Company in favour of NBC:

### *The Company*

1. A financing statement was registered by NBC against the Company pursuant to the PPSA on May 18, 2018 for a registration period of 4 years as registration number 20180518 1617 1862 3525, indicating a collateral classification of Inventory, Equipment, Accounts, Other and Motor Vehicle.

### *Lynne and Bruce Friedman Family Trust*

2. A financing statement was registered by NBC against the Lynne and Bruce Friedman Family Trust and the Lynne and Bruce Friedman Family Trust Trust [sic] pursuant to the PPSA on May 30, 2018 for a registration period of 4 years as registration number 20180530 0918 1862 4221, indicating a collateral classification of Accounts and Other.

### *Immel Holdings, LLC*

3. Two financing statements were registered by NBC against Immel Holdings, LLC pursuant to the PPSA:
  - a) A financing statement registered by NBC against Immel Holdings, LLC pursuant to the PPSA on May 30, 2018 for a registration period of 4 years as registration number 20180530 0918 1862 4222, indicating a collateral classification of Accounts, Other.
  - b) A financing statement registered by NBC against Immel Holdings, LLC and Steven M. Immel pursuant to the PPSA on May 30, 2018 for a registration period

of 4 years as registration number 20180530 0954 1862 4231, indicating a collateral classification of Accounts, Other.

*The Aronow Family Trust dated May 27, 2010*

4. A financing statement registered by NBC against The Aronow Family Trust dated May 27, 2010 and The Aronow Family Trust dated May 27, 2010 Trust for a registration period of 4 years on May 30, 2018 as registration number 20180530 0918 1862 4220, indicating a collateral classification of Accounts, Other.

**D. CIPO**

No registrations have been effected in connection with the Loan Documents. We note also that no third-party registrations have been effected in connection with the Company's intellectual property identified in the Canadian Intellectual Property Office.

**III. SCOPE OF REVIEW, ASSUMPTIONS, QUALIFICATIONS**

Our opinion expressed herein is limited to the laws of Ontario and to the laws of Canada applicable therein and is expressly subject to the assumptions and qualifications below. This opinion is based solely on a review of copies of the Loan Documents and our searches of the governmental records referred to above. We have not reviewed any other documentation or made any other enquiries about the matters which may affect the validity and enforceability of the Loan Documents.

**A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

**B. Authority**

We have assumed that:

- a) Each of the Company and its corporate Guarantor was duly incorporated or amalgamated and validly existing corporations at the time the Loan Document to which it is a party was authorized, executed and delivered, and continued to be duly incorporated and validly existing since that time;
- b) All necessary corporate action and proceedings had been taken by the Company to authorize the execution, delivery and performance of the applicable Loan Document; and

- c) All necessary corporate actions or proceedings were taken to authorize the execution and delivery of the Loan Documents and the Loan Documents have been duly and validly executed and delivered on behalf of the party executing or delivering such documentation, by an authorized signing officer or officers of such party.
- d) Each of the trustees for the Lynne and Bruce Friedman Family Trust and The Aronow Family Trust dated May 27, 2010 were exercising their respective authorities in accordance with the terms of the respective declarations of trust and in keeping with their fiduciary duties in respect thereof.

**C. Loan and Security Documents**

We have assumed that the Loan Documents have not been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter than those identified herein.

**D. Existence of Debt and Security Matters**

We have assumed that:

- a) valuable consideration has been given to the Company and payment and other obligations remain outstanding by the Company under the agreement(s) identified herein;
- b) valuable consideration has been given to the Guarantors;
- c) the Loan Documents were duly executed and delivered by the parties thereto;
- d) all of the conditions precedent contained in Loan Documents, if any, were satisfied or waived;
- e) attachment of the security interests created by the Security and Guarantee has occurred within the meaning of the PPSA;
- f) the Company has an interest in its Collateral expressed to be subject to the Security;
- g) the pledgor, Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust, has an interest in its Collateral expressed to be subject to the Guarantee;
- h) the pledgor, Immel Holdings, LLC, has an interest in its Collateral expressed to be subject to the Guarantee;
- i) the pledgor, Sam Aronow, as trustee of The Aronow Family Trust dated May 27, 2010, has an interest in its Collateral expressed to be subject to the Guarantee; and
- j) insofar as any obligation under the Loan Documents are to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

**E. Factual Matters**

We have assumed that no fact exists, or has existed, that would entitle the Company or the Guarantors to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of the Loan Documents.

**F. Entire Agreement**

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Loan Documents, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Loan Documents.

**G. Choice of law**

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Loan Documents will be given effect to in any legal proceedings.

**IV. QUALIFICATIONS**

1. **Title:** We express no opinion concerning:

- a) title to any property that is purportedly subject to any security interests created by the Security or Guarantee and such title has been assumed to the full extent necessary to express the opinions contained herein; and
- b) the effectiveness of the Security and the Guarantee as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of the Loan Documents (which, as used in this opinion and as the context may require, includes validity, legality and binding effect) are subject to:

- a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA affecting the rights and remedies of creditors generally);
- b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
- c) the power of a court to grant relief from forfeiture;



- d) applicable laws regarding limitations of action;
- e) the court's powers to stay proceedings and execution of judgments;
- f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
- g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
- h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;
- i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and
- k) the following limitations:
  - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
  - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
  - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
  - (iv) rights of indemnity may be limited by applicable law;
  - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
  - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
  - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
  - (viii) no opinion is expressed as to the enforceability of a provision the Loan Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such document;

- (ix) the validity and enforceability of provisions that purport to sever the Loan Documents any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
- (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
- (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;
- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Loan Documents;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance the Loan Documents or by NBC, as applicable, or by any person on their behalf, whether such enforcement involves the operation of the business of the Company or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision the Loan Documents that purports to constitute a receiver or receiver and manager thereunder as agent of the Company or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) no opinion is expressed as to the enforceability of any provision in the Loan Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Loan Documents; and
- (xix) remedies exercisable upon default in the Loan Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule “A” hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court registry or other searches, except as set out in Schedule “A” hereto. We have only searched against the names set out in Schedule “A” hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security.
5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security constitutes a fraudulent preference or other reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial legislation.
6. **Security Interests and Registrations:** We express no opinion:
  - a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
    - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the business of the Company prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or registration that has not been made or given;
    - (ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act*, any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;
    - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour the Company;
    - (iv) any interest in a right to damages in tort or at law;
    - (v) any interest in deposits / deposit accounts;
    - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than Ontario;

- (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
  - (viii) property or rights of a nature listed in section 4(1) of the PPSA; or
  - (ix) property that is Consumer Goods or a Security (as each is defined in the PPSA);
- b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
  - c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security with respect to any property of the Company or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security in any equipment that is a Motor Vehicle (as defined in the PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. The Security has not been registered so as to protect and preserve any security interest, mortgage or charge thereof against nor have we searched for any encumbrances created by the Company on any ship, or as against any coal, mineral, placer, mining or petroleum and natural gas lease, license or claim, owned or which may be acquired by the Company or the Guarantors. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security or the Guarantee.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by any other person without the prior written consent of Goldman Sloan Nash & Haber LLP.

Yours truly,

Goldman Sloan Nash & Haber LLP

## SCHEDULE "A"

### LIST OF PPSA SEARCHES COMPLETED FOR

**EVERGREEN CONSUMER BRANDS INC.,  
BRUCE FRIEDMAN, AS TRUSTEES OF LYNNE AND BRUCE  
FRIEDMAN FAMILY TRUST, IMMEL HOLDINGS, LLC, SAM ARONOW,  
AS TRUSTEE OF THE ARONOW FAMILY TRUST DATED MAY 27, 2010**

#### **I. CORPORATION SEARCHES**

##### *Evergreen Consumer Brands Inc.*

We reviewed a Corporation Profile Report produced on February 3, 2020 by the Ontario Ministry of Government Services indicating that Evergreen Consumer Brand Inc. was formed as a result of an amalgamation of Evergreen Consumer Brands Inc., Silkience Holdings Inc., Lavoris Holdings Inc., 2494598 Ontario Inc. and 2516150 Ontario Inc. on November 30, 2016.

The Corporation Profile Report indicates the status of Evergreen Consumer Brands Inc. as "Active" and the registered office address as: 100 Delta Park Blvd, Suite #1, Brampton, Ontario L6T 5E7.

##### *Lynne and Bruce Friedman Family Trust*

N/A

##### *Immel Holdings, LLC*

We reviewed a Corporate Records search produced on February 3, 2020 by the Wisconsin Department of Financial Institutions indicating that Immel Holdings, LLC was registered on July 21, 2014.

The Corporate Records search indicates the status of Immel Holdings, LLC as "Restored to Good Standing" as of November 15, 2016 and the principal office as 500 N 1<sup>st</sup> St., Ste 8000, Wausau, WI 54403-4871, USA.

##### *The Aronow Family Trust dated May 27, 2010*

N/A

#### **II. PPSA SEARCHES**

##### *Evergreen Consumer Brands Inc.*

We have reviewed searches obtained against Evergreen Consumer Brands Inc. from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the Security.

The searches, with a file currency date of January 29, 2020, have disclosed the following registration(s) made:

	Secured Party	Debtor(s)	Registration No. / File No.	Registration Period	Collateral Classification	Collateral Description
1.	Canpaco Inc.	Evergreen Consumer Brands	20200107 1613 1901 5432 / 759126789	1 year	Equipment	Eagle T100 Carton Sealer Model # T100, S/N FC117303
2.	Canpaco Inc.	Evergreen Consumer Brands	20200107 1617 1901 5434 / 759126951	1 year	Equipment	Arpac Stretch Wrapper Model # PRO-4002-H, S/N 19940
3.	Canpaco Inc.	Evergeen Consumer Brands	20200107 1622 1901 5436 / 759127005	1 year	Equipment	Arpac Stretcg [sic] Wrapper Model # PAT- 4002-H, S/N 12944
4.	Yale Industrial Trucks Inc.	Evergreen Consumer Brands Ltd.	20190912 1558 2836 0293 / 755406648	2 years	Equipment	Year: 2012 Make: Yale Model: GLC030VXNUSE082/187 VIN: C809V06533K
5.	Canpaco Inc.	Evergreen ConsumerBrand [sic]	20190524 0903 1901 7314 / 751525857	1 year	Equipment	Eagle T100 Carton Sealer SN# FC1175009
			20191230 1102 1793 5154 / 751525857	Discharge		
6.	Royal Bank of Canada	Evergreen Consumer Brands Inc.	20181126 1035 8077 2544 / 746188335	10 years	Inventory, Equipment, Accounts, Other	As per Master Lease Agreement dated December 3, 2008 between the secured party and Evergreen Consumer Brands, ULC (a predecessor of the Debtor) as such agreement may be amended, restated or replaced.) Together with all inventory and equipment now or hereafter acquired by the Debtor and financed by the secured party together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all proceeds in any form derived directly or indirectly from any dealing with the collateral or proceeds thereof, and without limitation, money,

	Secured Party	Debtor(s)	Registration No. / File No.	Registration Period	Collateral Classification	Collateral Description
						cheques, deposits in deposit-taking institutions, goods, accounts receivable, rents or other payments arising from the lease of the collateral, chattel paper, instruments, intangibles, documents or title, securities, and rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or proceeds of the collateral.
7.	National Bank of Canada	Evergreen Consumer Brands Inc.	20180518 1617 1862 3525 / 739545165	4 years	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	
8.	FWCU Capital Corp.	2516150 Ontario Inc.  Evergreen Consumer Brands Inc.  Lavoris Holdings Inc.  Silkience Holdings Inc.	20161118 1127 1862 0924 / 722629107	5 years	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	All of the present and after-acquired personal property of each of the Debtors.
			20180530 1838 1862 4336 / 722629107	Renewal – 4 years		
			20180530 1839 1862 4337 / 722629107	Amendment		Amended to reference the amalgamation of 2516150 Ontario Inc., Evergreen Consumer Brands Inc., Lavoris Holdings Inc. and Silkience Holdings Inc. to continue on as Evergreen Consumer Brands Inc.

***Lynne and Bruce Friedman Family Trust***

We have reviewed searches obtained against the Lynne and Bruce Friedman Family Trust from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of February 2, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	National Bank of Canada	Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 0918 1862 4221 / 739892754	4 years	Accounts, Other	
2.	FWCU Capital Corp.	Bruce M. Friedman  Steven M. Immel  Aronow Family Trust  Aronow Family Trust Trust [sic]  Immel Holdings LLC  Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338 / 739939662	7 years	Accounts, Other	



***The Aronow Family Trust dated May 27, 2010***

We have reviewed searches obtained against The Aronow Family Trust and the The Aronow Family Trust dated May 27, 2010 from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of December 12, 2019 and February 2, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	FWCU Capital Corp.	Bruce M. Friedman Steven M. Immel  Aronow Family Trust  Aronow Family Trust Trust [sic]  Immel Holdings LLC  Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338 / 739939662	7 years	Accounts, Other	
2.	National Bank of Canada	The Aronow Family Trust dated May 27, 2010  The Aronow Family Trust dated May 27, 2010 Trust	20180530 0918 1862 4220 / 739892745	4 years	Accounts, Other	

***Immel Holdings, LLC***

We have reviewed searches obtained against Immel Holdings, LLC from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of February 4, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	National Bank of Canada	Immel Holdings, LLC	20180530 0918 1862 4222 / 739892763	4 years	Accounts, Other	
2.	National Bank of Canada	Immel Holdings, LLC  Steven M. Immel	20180530 0954 1862 4231 / 739894545	4 years	Accounts, Other	
3.	FWCU Capital Corp.	Bruce M. Friedman  Steven M. Immel  Aronow Family Trust  Aronow Family Trust Trust [sic]  Immel Holdings LLC  Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338 / 739939662	7 years	Accounts, Other	

### III. CIPO

We have reviewed searches obtained against Evergreen Consumer Brands from the Canadian Trademarks Database in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of January 28, 2020, have disclosed the following registration(s) made:

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>
1.	1372181	Silkience	Word	Registered
2.	1112180	Salonselectives	Word	Registered
3.	1942311	Rose Milk	Word	Formalized
4.	1488516	Helene Curtis	Word	Abandoned
5.	1488517	Physique	Word	Abandoned
6.	1957146	Daily Defense	Word	Formalized
7.	0842508	Daily Defense	Word	Registered
8.	0855769	Defense	Word	Registered
9.	0570908	Selections Salon	Word	Registered
10.	0570907	Salon Selectives	Word	Registered
11.	1915001	Helene Curis	Word	Formalized
12.	1063869	Get In Shape	Word	Expunged
13.	0330077	Lavoris	Word	Registered
14.	1069956	Salonselectives Get In Shape/Pour La Forme & design	Design	Registered
15.	0745073	Salon Selectives	Word	Registered
16.	1941613	Salon Selectives	Word	Formalized
17.	1863205	Hair Love	Word	Abandoned Section 36

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>
18.	1955571	Inspire from the Makers of Silkience & design	Design	Formalized
19.	1032988	Salon Selectives Color Shield & design	Design	Registered
20.	1032987	Selections Salon Color Shield & design	Design	Registered
21.	1069957	Salonselectives & design	Design	Registered
22.	0746801	Selections Salon	Word	Registered
23.	0853667	Daily Defense & design	Design	Registered
24.	1130229	Salonselectives & design	Design	Registered
25.	1957148	Daily Defense & design	Design	Formalized

## APPENDIX "A"

**"Collateral"** means (i) the Initial Collateral, (ii) any other Capital Stock or Intercorporate Indebtedness issued by an Issuer in which a Pledgor now or hereafter has rights, (iii) any other personal property which the Lender agrees to hold as collateral hereunder in substitution for or in addition to the Collateral described elsewhere in this definition, (iv) all Collateral Rights, (v) all Distributions, whether held in a collateral account or otherwise, (vi) all Proceeds of any property described in this definition and (vii) all rights of a Pledgor in and to any of the property described to in this definition, and (as the context so admits) any item or part of any of the foregoing.

**"Collateral Right"** means any right that a holder of Collateral may exercise now or in the future in relation to such Collateral, whether pursuant to the articles or other constitutional documents of an Issuer, any shareholder, partnership or voting trust agreement or any other agreement affecting rights in any Capital Stock of any Issuer, or otherwise, including the right to receive all Distributions declared or payable on or in respect of Collateral and the income or Proceeds of Collateral, the right to vote Collateral, any right to acquire more Collateral of any Issuer, any right to convert or exchange Collateral for any other securities or other property and any dissent and appraisal rights associated with Collateral.

**"Initial Intercorporate Indebtedness"** of each Pledgor means the promissory note of the Borrower issued to such Pledgor, particulars of which are set out opposite such Pledgor's name below:

<b>Name of Pledgor</b>	<b>Principal Amount of Note (CAD)</b>	<b>Date of Note</b>
Bruce Friedman, as trustee of the Lynne and Bruce Friedman Family Trust	Nil	Nil
Immel Holdings, LLC	Nil	Nil
Sam Aronow, as trustee of The Aronow Family Trust Dated May 27, 2010	Nil	Nil

**"Initial Share Collateral"** of each Pledgor means the shares (and the particulars of such shares) in the Capital Stock of the Borrower set out opposite such Pledgor's name below:

<b>Name of Pledgor</b>	<b>Certificate # and # of Common Shares</b>	<b>Certificate # and # of Preferred Shares</b>	<b>Date of Certificate</b>
Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust	CLAC-1 representing 41.335 Class A Common Shares	N/A	November 30, 2016
Immel Holdings, LLC	CLAC-2 representing 41.335 Class A Common Shares	N/A	November 30, 2016
Sam Aronow, as trustee of The Aronow Family Trust Dated May 27, 2010	CLAC-3 representing 17.33 Common Shares	N/A	November 30, 2016

## APPENDIX “B”

... present and after-acquired real and personal property to and in favour of the Lender and without limitation:

- (a) grants, assigns, conveys, hypothecates, mortgages and charges the following assets as and by way of a fixed and specific mortgage and charge to and in favour of the Lender:
  - (i) all freehold, real or immovable property in which the Grantor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
  - (ii) all leasehold real or immovable property in which the Grantor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
  - (iii) all rights to the assets referred to in clauses (i) and (ii) above and related benefits, easements, franchises, immunities, licenses, privileges, rights of way, undersurface rights, servitudes, and other interests appertaining thereto or connected therewith; and
  - (iv) all Proceeds and Replacements of or to assets referred to in clauses (i), (ii) and (iii) above, including all rights thereto;
  
- (b) charges, mortgages, hypothecs, pledges and assigns and grants a security interest in the following assets as and by way of a fixed and specific security to and in favour of the Lender:
  - (i) Accounts;
  - (ii) Chattel Paper;
  - (iii) Documents of Title;
  - (iv) Equipment;
  - (v) Instruments;
  - (vi) Intangibles, other than Trade-marks;
  - (vii) Intellectual Property, other than Trade-marks;
  - (viii) Inventory;
  - (ix) Investment Property (other than Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares);

- (x) Money;
  - (xi) Records;
  - (xii) all agreements to which it is party;
  - (xiii) all insurance policies in which such Grantor now or hereafter has rights;
  - (xiv) the business, undertakings and goodwill of such Grantor;
  - (xv) all rights of such Grantor to the property referred to in clauses (i) to (xiii) inclusive above; and
  - (xvi) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Trade-marks, Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares which shall be subject to the security interest granted under paragraph (c) below) of or to property referred to in clauses (i) to **Error! Reference source not found.**[sic] inclusive above, including all rights thereto;
- (c) grants a security interest in the following property as and by way of a fixed and specific security in favour of the Lender:
- (i) Trade-marks;
  - (ii) Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares;
  - (iii) all rights of such Grantor to the property referred to in clauses (i) and (ii) above; and
  - (iv) all Proceeds and Replacements of or to property referred to in clauses (i), (ii) and (iii) above, including all rights thereto; and
- (d) grants a security interest in the following property, and grants, assigns, conveys, mortgages and charges the following property as and by way of a floating charge to and in favour of the Lender:
- (i) the business, undertakings and goodwill of such Grantor and all personal property, tangible and intangible, of whatever nature and kind in which such Grantor now or hereafter has rights, its uncalled capital ( if any) and all its present and future revenues, save and except such assets as are validly and effectively subject to the fixed and specific security created by paragraphs (a), (b) and (c) above;
  - (ii) all rights of such Grantor to the property referred to in clause (i) above; and
  - (iii) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Trade-marks, Unlimited Liability Shares or Security



Entitlements to Unlimited Liability Shares which shall be subject to the security interest only granted under this paragraph (d)) of or to property referred to in clauses (i) and (ii) above, including all rights thereto.



GOLDMAN SLOAN NASH & HABER LLP  
BARRISTERS & SOLICITORS

*dedicated to your success*

February 11, 2020,  
amended March 23, 2020

**DELIVERED BY EMAIL**

Deloitte Restructuring Inc.  
8 Adelaide Street West, Ste. 200  
Toronto, ON M5H 0A9

**Attention:** Paul Casey and Hartley Bricks

Dear Sirs:

**RE: Evergreen Consumer Brands Inc. (the “Company”)**

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You have instructed us to provide an opinion in respect of certain of the security documents held by National Bank of Canada (“NBC”) in respect of the Company. Please note that this opinion relates only with respect to documents provided to us in respect of security held in Canada.

Pursuant to your instructions we have reviewed the following documents:

*Credit Agreements*

1. Credit Agreement between NBC and the Company dated June 1, 2018. We have not been provided with any amendments, restatements or extensions thereto (the “**Credit Agreement**”).

*Guarantee Documents*

2. Limited recourse guarantee and securities pledge agreement between Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust and Immel Holdings LLC and Sam Aronow, as trustee of The Aronow Family Trust dated May 27, 2010, each as pledgor, and NBC (the “**Guarantee**”).

*Security Documents*

3. Security Agreement made as of June 1, 2018 between the Company, as grantor, and NBC, as lender, (the “**Security**”).

*Subordination and Standstill Agreement*

4. Subordination and standstill agreement among NBC, FWCU Capital Corp. (“FWCU”) as lender, and the Company, as borrower dated September 9, 2018, (the “**Subordination Agreement**”).

Collectively, each of the Credit Agreement, the Guarantee and the Security are hereinafter referred to as the “**Loan Documents**”.

### **Certain Restrictions**

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

## **I. OPINIONS**

Subject to the assumptions, qualifications, limitations and comments we have made herein, and the Discussion contained below, we are of the opinion that:

1. The Credit Agreement constitutes valid and binding obligation of the Company and is enforceable in accordance with its terms.
2. The Guarantee constitutes valid and binding obligation of each of the Guarantors and creates a security interest upon the Collateral (as defined therein)<sup>1</sup>.
3. The Security creates in favour of NBC a security interest upon the property of the Company that constitutes Collateral<sup>2</sup> (defined in the Security) and to which the *Personal Property Security Act* (Ontario) (the “PPSA”) applies.
4. The Security has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by the Security in the Collateral of the Company and the Guarantors.
5. The Guarantee has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by the Guarantee in the Collateral.

## **II. DISCUSSION**

### **A. Searches Conducted**

We have conducted, or have caused to be conducted, and/or reviewed such public registration searches for filings or registrations made in Ontario, in the applicable offices of public record, against the Company as we have deemed appropriate. These searches include corporate profile search and PPSA search in Ontario, all as more specifically discussed below and/or set out in Schedule “A” attached hereto. The searches were conducted in respect of the following names:

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<sup>1</sup> Refer to Appendix “A”

<sup>2</sup> Refer to Appendix “B”

- Evergreen Consumer Brands Inc.
- Lynne and Bruce Friedman Family Trust
- Immel Holdings, LLC
- The Aronow Family Trust dated May 27, 2010

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

## **B. Corporate History**

A summary of our corporate profile search for the Company is set out in Schedule “A” attached hereto

## **C. Ontario PPSA Search Results**

The PPSA search results are set out in Schedule “A” and identify the PPSA registrations in respect of the Company, including the respective registration numbers. Our PPSA search results indicate that there are the following PPSA registrations in respect of the Company in favour of NBC:

### *The Company*

1. A financing statement was registered by NBC against the Company pursuant to the PPSA on May 18, 2018 for a registration period of 4 years as registration number 20180518 1617 1862 3525, indicating a collateral classification of Inventory, Equipment, Accounts, Other and Motor Vehicle.

### *Lynne and Bruce Friedman Family Trust*

2. A financing statement was registered by NBC against the Lynne and Bruce Friedman Family Trust and the Lynne and Bruce Friedman Family Trust Trust [sic] pursuant to the PPSA on May 30, 2018 for a registration period of 4 years as registration number 20180530 0918 1862 4221, indicating a collateral classification of Accounts and Other.

### *Immel Holdings, LLC*

3. Two financing statements were registered by NBC against Immel Holdings, LLC pursuant to the PPSA:
  - a) A financing statement registered by NBC against Immel Holdings, LLC pursuant to the PPSA on May 30, 2018 for a registration period of 4 years as registration number 20180530 0918 1862 4222, indicating a collateral classification of Accounts, Other.
  - b) A financing statement registered by NBC against Immel Holdings, LLC and Steven M. Immel pursuant to the PPSA on May 30, 2018 for a registration period

of 4 years as registration number 20180530 0954 1862 4231, indicating a collateral classification of Accounts, Other.

*The Aronow Family Trust dated May 27, 2010*

4. A financing statement registered by NBC against The Aronow Family Trust dated May 27, 2010 and The Aronow Family Trust dated May 27, 2010 Trust for a registration period of 4 years on May 30, 2018 as registration number 20180530 0918 1862 4220, indicating a collateral classification of Accounts, Other.

**D. CIPO**

Various security registrations have been effected in connection with the Loan Documents which are noted in Schedule "A". We note also that apart from the transaction completed by the Receiver, no third-party transfers have been effected in connection with the Company's intellectual property identified in the Canadian Intellectual Property Office since the receivership.

**III. SCOPE OF REVIEW, ASSUMPTIONS, QUALIFICATIONS**

Our opinion expressed herein is limited to the laws of Ontario and to the laws of Canada applicable therein and is expressly subject to the assumptions and qualifications below. This opinion is based solely on a review of copies of the Loan Documents and our searches of the governmental records referred to above. We have not reviewed any other documentation or made any other enquiries about the matters which may affect the validity and enforceability of the Loan Documents.

**A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

**B. Authority**

We have assumed that:

- a) Each of the Company and its corporate Guarantor was duly incorporated or amalgamated and validly existing corporations at the time the Loan Document to which it is a party was authorized, executed and delivered, and continued to be duly incorporated and validly existing since that time;
- b) All necessary corporate action and proceedings had been taken by the Company to authorize the execution, delivery and performance of the applicable Loan Document; and

- c) All necessary corporate actions or proceedings were taken to authorize the execution and delivery of the Loan Documents and the Loan Documents have been duly and validly executed and delivered on behalf of the party executing or delivering such documentation, by an authorized signing officer or officers of such party.
- d) Each of the trustees for the Lynne and Bruce Friedman Family Trust and The Aronow Family Trust dated May 27, 2010 were exercising their respective authorities in accordance with the terms of the respective declarations of trust and in keeping with their fiduciary duties in respect thereof.

**C. Loan and Security Documents**

We have assumed that the Loan Documents have not been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter than those identified herein.

**D. Existence of Debt and Security Matters**

We have assumed that:

- a) valuable consideration has been given to the Company and payment and other obligations remain outstanding by the Company under the agreement(s) identified herein;
- b) valuable consideration has been given to the Guarantors;
- c) the Loan Documents were duly executed and delivered by the parties thereto;
- d) all of the conditions precedent contained in Loan Documents, if any, were satisfied or waived;
- e) attachment of the security interests created by the Security and Guarantee has occurred within the meaning of the PPSA;
- f) the Company has an interest in its Collateral expressed to be subject to the Security;
- g) the pledgor, Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust, has an interest in its Collateral expressed to be subject to the Guarantee;
- h) the pledgor, Immel Holdings, LLC, has an interest in its Collateral expressed to be subject to the Guarantee;
- i) the pledgor, Sam Aronow, as trustee of The Aronow Family Trust dated May 27, 2010, has an interest in its Collateral expressed to be subject to the Guarantee; and
- j) insofar as any obligation under the Loan Documents are to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

**E. Factual Matters**

We have assumed that no fact exists, or has existed, that would entitle the Company or the Guarantors to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of the Loan Documents.

**F. Entire Agreement**

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Loan Documents, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Loan Documents.

**G. Choice of law**

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Loan Documents will be given effect to in any legal proceedings.

**IV. QUALIFICATIONS**

1. **Title:** We express no opinion concerning:
  - a) title to any property that is purportedly subject to any security interests created by the Security or Guarantee and such title has been assumed to the full extent necessary to express the opinions contained herein; and
  - b) the effectiveness of the Security and the Guarantee as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.
2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of the Loan Documents (which, as used in this opinion and as the context may require, includes validity, legality and binding effect) are subject to:
  - a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA affecting the rights and remedies of creditors generally);
  - b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
  - c) the power of a court to grant relief from forfeiture;

- d) applicable laws regarding limitations of action;
- e) the court's powers to stay proceedings and execution of judgments;
- f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
- g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
- h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;
- i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and
- k) the following limitations:
  - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
  - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
  - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
  - (iv) rights of indemnity may be limited by applicable law;
  - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
  - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
  - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
  - (viii) no opinion is expressed as to the enforceability of a provision the Loan Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such document;



- (ix) the validity and enforceability of provisions that purport to sever the Loan Documents any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
- (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
- (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;
- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Loan Documents;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance the Loan Documents or by NBC, as applicable, or by any person on their behalf, whether such enforcement involves the operation of the business of the Company or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision the Loan Documents that purports to constitute a receiver or receiver and manager thereunder as agent of the Company or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) no opinion is expressed as to the enforceability of any provision in the Loan Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Loan Documents; and
- (xix) remedies exercisable upon default in the Loan Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule “A” hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court registry or other searches, except as set out in Schedule “A” hereto. We have only searched against the names set out in Schedule “A” hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security.
5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security constitutes a fraudulent preference or other reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial legislation.
6. **Security Interests and Registrations:** We express no opinion:
  - a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
    - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the business of the Company prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or registration that has not been made or given;
    - (ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act*, any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;
    - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour the Company;
    - (iv) any interest in a right to damages in tort or at law;
    - (v) any interest in deposits / deposit accounts;
    - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than Ontario;

- (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
  - (viii) property or rights of a nature listed in section 4(1) of the PPSA; or
  - (ix) property that is Consumer Goods or a Security (as each is defined in the PPSA);
- b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
  - c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security with respect to any property of the Company or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security in any equipment that is a Motor Vehicle (as defined in the PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. The Security has not been registered so as to protect and preserve any security interest, mortgage or charge thereof against nor have we searched for any encumbrances created by the Company on any ship, or as against any coal, mineral, placer, mining or petroleum and natural gas lease, license or claim, owned or which may be acquired by the Company or the Guarantors. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security or the Guarantee.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by any other person without the prior written consent of Goldman Sloan Nash & Haber LLP.

Yours truly,

*Goldman Sloan Nash & Haber LLP*

Sc DULE "A"

LIST OF PPSA SEARCHES COMPLETED FOR

EVERGREEN CONSUMER BRANDS INC.,  
BRUCE FRIEDMAN, AS TRUSTEES OF LYNNE AND BRUCE  
FRIEDMAN FAMILY TRUST, IMMEL HOLDINGS, LLC, SAM ARONOW,  
AS TRUSTEE OF THE ARONOW FAMILY TRUST DATED MAY 27, 2010

I. CORPORATION SEARCHES

*Evergreen Consumer Brands Inc.*

We reviewed a Corporation Profile Report produced on February 3, 2020 by the Ontario Ministry of Government Services indicating that Evergreen Consumer Brand Inc. was formed as a result of an amalgamation of Evergreen Consumer Brands Inc., Silkience Holdings Inc., Lavioris Holdings Inc., 2494598 Ontario Inc. and 2516150 Ontario Inc. on November 30, 2016.

The Corporation Profile Report indicates the status of Evergreen Consumer Brands Inc. as "Active" and the registered office address as: 100 Delta Park Blvd, Suite #1, Brampton, Ontario L6T 5E7.

*Lynne and Bruce Friedman Family Trust*

N/A

*Immel Holdings, LLC*

We reviewed a Corporate Records search produced on February 3, 2020 by the Wisconsin Department of Financial Institutions indicating that Immel Holdings, LLC was registered on July 21, 2014.

The Corporate Records search indicates the status of Immel Holdings, LLC as "Restored to Good Standing" as of November 15, 2016 and the principal office as 500 N 1<sup>st</sup> St., Ste 8000, Wausau, WI 54403-4871, USA.

*The Aronow Family Trust dated May 27, 2010*

N/A

II. PPSA SEARCHES

*Evergreen Consumer Brands Inc.*

We have reviewed searches obtained against Evergreen Consumer Brands Inc. from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the Security.

The searches, with a file currency date of January 29, 2020, have disclosed the following registration(s) made:

	Secured Party	Debtor(s)	Registration No. / File No.	Registration Period	Collateral Classification	Collateral Description
1.	Canpaco Inc.	Evergreen Consumer Brands	20200107 1613 1901 5432 / 759126789	1 year	Equipment	Eagle T100 Carton Sealer Model # T100, S/N FC117303
2.	Canpaco Inc.	Evergreen Consumer Brands	20200107 1617 1901 5434 / 759126951	1 year	Equipment	Arpac Stretch Wrapper Model # PRO-4002-H, S/N 19940
3.	Canpaco Inc.	Evergeen Consumer Brands	20200107 1622 1901 5436 / 759127005	1 year	Equipment	Arpac Stretcg [sic] Wrapper Model # PAT- 4002-H, S/N 12944
4.	Yale Industrial Trucks Inc.	Evergreen Consumer Brands Ltd.	20190912 1558 2836 0293 / 755406648	2 years	Equipment	Year: 2012 Make: Yale Model: GLC030VXNUSE082/187 VIN: C809V06533K
5.	Canpaco Inc.	Evergreen ConsumerBrand [sic]	20190524 0903 1901 7314 / 751525857	1 year	Equipment	Eagle T100 Carton Sealer SN# FC1175009
			20191230 1102 1793 5154 / 751525857	Discharge		
6.	Royal Bank of Canada	Evergreen Consumer Brands Inc.	20181126 1035 8077 2544 / 746188335	10 years	Inventory, Equipment, Accounts, Other	As per Master Lease Agreement dated December 3, 2008 between the secured party and Evergreen Consumer Brands, ULC (a predecessor of the Debtor) as such agreement may be amended, restated or replaced.) Together with all inventory and equipment now or hereafter acquired by the Debtor and financed by the secured party together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all proceeds in any form derived directly or indirectly from any dealing with the collateral or proceeds thereof, and without limitation, money,

	Secured Party	Debtor(s)	Registration No. / File No.	Registration Period	Collateral Classification	Collateral Description
						cheques, deposits in deposit-taking institutions, goods, accounts receivable, rents or other payments arising from the lease of the collateral, chattel paper, instruments, intangibles, documents or title, securities, and rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or proceeds of the collateral.
7.	National Bank of Canada	Evergreen Consumer Brands Inc.	20180518 1617 1862 3525 / 739545165	4 years	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	
8.	FWCU Capital Corp.	2516150 Ontario Inc.  Evergreen Consumer Brands Inc.  Lavoris Holdings Inc.  Silkience Holdings Inc.	20161118 1127 1862 0924 / 722629107	5 years	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	All of the present and after-acquired personal property of each of the Debtors.
			20180530 1838 1862 4336 / 722629107	Renewal – 4 years		
			20180530 1839 1862 4337 / 722629107	Amendment		Amended to reference the amalgamation of 2516150 Ontario Inc., Evergreen Consumer Brands Inc., Lavoris Holdings Inc. and Silkience Holdings Inc. to continue on as Evergreen Consumer Brands Inc.

***Lynne and Bruce Friedman Family Trust***

We have reviewed searches obtained against the Lynne and Bruce Friedman Family Trust from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of February 2, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	National Bank of Canada	Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 0918 1862 4221 / 739892754	4 years	Accounts, Other	
2.	FWCU Capital Corp.	Bruce M. Friedman  Steven M. Immel  Aronow Family Trust  Aronow Family Trust Trust [sic]  Immel Holdings LLC  Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338 / 739939662	7 years	Accounts, Other	

***The Aronow Family Trust dated May 27, 2010***

We have reviewed searches obtained against The Aronow Family Trust and the The Aronow Family Trust dated May 27, 2010 from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of December 12, 2019 and February 2, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	FWCU Capital Corp.	Bruce M. Friedman Steven M. Immel Aronow Family Trust Aronow Family Trust Trust [sic] Immel Holdings LLC Lynne and Bruce Friedman Family Trust Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338 / 739939662	7 years	Accounts, Other	
2.	National Bank of Canada	The Aronow Family Trust dated May 27, 2010 The Aronow Family Trust dated May 27, 2010 Trust	20180530 0918 1862 4220 / 739892745	4 years	Accounts, Other	



***Immel Holdings, LLC***

We have reviewed searches obtained against Immel Holdings, LLC from the registry maintained under the PPSA in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of February 4, 2020, have disclosed the following registration(s) made:

	<b>Secured Party</b>	<b>Debtor(s)</b>	<b>Registration No. / File No.</b>	<b>Registration Period</b>	<b>Collateral Classification</b>	<b>Collateral Description</b>
1.	National Bank of Canada	Immel Holdings, LLC	20180530 0918 1862 4222 / 739892763	4 years	Accounts, Other	
2.	National Bank of Canada	Immel Holdings, LLC  Steven M. Immel	20180530 0954 1862 4231 / 739894545	4 years	Accounts, Other	
3.	FWCU Capital Corp.	Bruce M. Friedman  Steven M. Immel  Aronow Family Trust  Aronow Family Trust Trust [sic]  Immel Holdings LLC  Lynne and Bruce Friedman Family Trust  Lynne and Bruce Friedman Family Trust Trust [sic]	20180530 1840 1862 4338. / 739939662	7 years	Accounts, Other	

### III. CIPO

We have reviewed searches obtained against Evergreen Consumer Brands from the Canadian Trademarks Database in order to determine whether registrations or filings have been made in connection with the relevant Guarantee.

The searches, with a file currency date of January 28, 2020, have disclosed the following registration(s) made:

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>
1.	1372181	Silkience	Word	Registered
2.	1112180	Salonselectives	Word	Registered
3.	1942311	Rose Milk	Word	Formalized
4.	1488516	Helene Curtis	Word	Abandoned
5.	1488517	Physique	Word	Abandoned
6.	1957146	Daily Defense	Word	Formalized
7.	0842508	Daily Defense	Word	Registered
8.	0855769	Defense	Word	Registered
9.	0570908	Selections Salon	Word	Registered
10.	0570907	Salon Selectives	Word	Registered
11.	1915001	Helene Curis	Word	Formalized
12.	1063869	Get In Shape	Word	Expunged
13.	0330077	Lavoris	Word	Registered
14.	1069956	Salonselectives Get In Shape/Pour La Forme & design	Design	Registered
15.	0745073	Salon Selectives	Word	Registered
16.	1941613	Salon Selectives	Word	Formalized
17.	1863205	Hair Love	Word	Abandoned Section 36

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>
18.	1955571	Inspire from the Makers of Silkience & design	Design	Formalized
19.	1032988	Salon Selectives Color Shield & design	Design	Registered
20.	1032987	Selections Salon Color Shield & design	Design	Registered
21.	1069957	Salonselectives & design	Design	Registered
22.	0746801	Selections Salon	Word	Registered
23.	0853667	Daily Defense & design	Design	Registered
24.	1130229	Salonselectives & design	Design	Registered
25.	1957148	Daily Defense & design	Design	Formalized

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>	<b>Security Agreement on File</b>
1.	1372181	Silkience	Word	Registered	National Bank of Canada
2.	1112180	SalonSelectives	Word	Registered	National Bank of Canada
3.	1942311	Rose Milk	Word	Formalized	
4.	1488516	Helene Curtis	Word	Abandoned s.36	
5.	1488517	Physique	Word	Abandoned s.36	
6.	1957146	Daily Defence	Word	Formalized	
7.	0842508	Daily Defence	Word	Registered	National Bank of Canada
8.	0855769	Defense Quotidienne	Word	Registered	National Bank of Canada
9.	0570908	Selections Salon	Word	Registered	National Bank of Canada
10.	0570907	Salon Selectives	Word	Registered	National Bank of Canada

	<b>Application Number</b>	<b>Trademark</b>	<b>Type</b>	<b>CIPO Status</b>	<b>Security Agreement on File</b>
11.	1915001	Helene Curtis	Word	Formalized	
12.	1063869	Get In Shape	Word	Expunged	National Bank of Canada
13.	0330077	Lavoris	Word	Registered	National Bank of Canada
14.	1069956	SalonSelectives Get In Shape/Pour La Forme & design	Design	Registered	National Bank of Canada
15	0745073	Salon Selectives	Word	Registered	National Bank of Canada
16.	1941613	Salon Selectives	Word	Formalized	
17.	1863205	Hair Love	Word	Abandoned s.36	National Bank of Canada
18.	1955571	Inspire from the makers of Silkience & Design	Design	Formalized	
19.	1032988	Salon Selectives Colour Shield & Design	Design	Registered	National Bank of Canada
20.	1032987	Selections Salon Colour Shield & Design	Design	Registered	National Bank of Canada
21.	1069957	SalonSelectives & Design	Design	Registered	National Bank of Canada
22.	0746801	Selections Salon	Word	Registered	National Bank of Canada
23.	0853667	Daily Defence & Design	Design	Registered	National Bank of Canada
24.	1130229	SalonSelectives & Design	Design	Registered	National Bank of Canada
25.	1957148	Daily Defence & Design	Design	Formalized	

## APPENDIX "A"

**"Collateral"** means (i) the Initial Collateral, (ii) any other Capital Stock or Intercorporate Indebtedness issued by an Issuer in which a Pledgor now or hereafter has rights, (iii) any other personal property which the Lender agrees to hold as collateral hereunder in substitution for or in addition to the Collateral described elsewhere in this definition, (iv) all Collateral Rights, (v) all Distributions, whether held in a collateral account or otherwise, (vi) all Proceeds of any property described in this definition and (vii) all rights of a Pledgor in and to any of the property described to in this definition, and (as the context so admits) any item or part of any of the foregoing.

**"Collateral Right"** means any right that a holder of Collateral may exercise now or in the future in relation to such Collateral, whether pursuant to the articles or other constitutional documents of an Issuer, any shareholder, partnership or voting trust agreement or any other agreement affecting lights in any Capital Stock of any Issuer, or otherwise, including the right to receive all Distributions declared or payable on or in respect of Collateral and the income or Proceeds of Collateral, the right to vote Collateral, any right to acquire more Collateral of any Issuer, any right to convert or exchange Collateral for any other securities or other property and any dissent and appraisal rights associated with Collateral.

**"Initial Intercorporate Indebtedness"** of each Pledgor means the promissory note of the Borrower issued to such Pledgor, particulars of which are set out opposite such Pledgor's name below:

<b>Name of Pledgor</b>	<b>Principal Amount of Note (CAD)</b>	<b>Date of Note</b>
Bruce Friedman, as trustee of the Lynne and Bruce Friedman Family Trust	Nil	Nil
Immel Holdings, LLC	Nil	Nil
Sam Aronow, as trustee of The Aronow Family Trust Dated May 27, 2010	Nil	Nil

**"Initial Share Collateral"** of each Pledgor means the shares (and the particulars of such shares) in the Capital Stock of the Borrower set out opposite such Pledgor's name below:

<b>Name of Pledgor</b>	<b>Certificate # and # of Common Shares</b>	<b>Certificate # and # of Preferred Shares</b>	<b>Date of Certificate</b>
Bruce Friedman, as trustee of Lynne and Bruce Friedman Family Trust	CLAC-1 representing 41.335 Class A Common Shares	N/A	November 30, 2016
Immel Holdings, LLC	CLAC-2 representing 41.335 Class A Common Shares	N/A	November 30, 2016
Sam Aronow, as trustee of The Aronow Family Trust Dated May 27, 2010	CLAC-3 representing 17.33 Common Shares	N/A	November 30, 2016

## APPENDIX "B"

... present and after-acquired real and personal property to and in favour of the Lender and without limitation:

- (a) grants, assigns, conveys, hypothecates, mortgages and charges the following assets as and by way of a fixed and specific mortgage and charge to and in favour of the Lender:
  - (i) all freehold, real or immovable property in which the Grantor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
  - (ii) all leasehold real or immovable property in which the Grantor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
  - (iii) all rights to the assets referred to in clauses (i) and (ii) above and related benefits, easements, franchises, immunities, licenses, privileges, rights of way, undersurface rights, servitudes, and other interests appertaining thereto or connected therewith; and
  - (iv) all Proceeds and Replacements of or to assets referred to in clauses (i), (ii) and (iii) above, including all rights thereto;
- (b) charges, mortgages, hypothecs, pledges and assigns and grants a security interest in the following assets as and by way of a fixed and specific security to and in favour of the Lender:
  - (i) Accounts;
  - (ii) Chattel Paper;
  - (iii) Documents of Title;
  - (iv) Equipment;
  - (v) Instruments;
  - (vi) Intangibles, other than Trade-marks;
  - (vii) Intellectual Property, other than Trade-marks;
  - (viii) Inventory;
  - (ix) Investment Property (other than Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares);

- (x) Money;
  - (xi) Records;
  - (xii) all agreements to which it is party;
  - (xiii) all insurance policies in which such Grantor now or hereafter has rights;
  - (xiv) the business, undertakings and goodwill of such Grantor;
  - (xv) all rights of such Grantor to the property referred to in clauses (i) to (xiii) inclusive above; and
  - (xvi) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Trade-marks, Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares which shall be subject to the security interest granted under paragraph (c) below) of or to property referred to in clauses (i) to **Error! Reference source not found.**[sic] inclusive above, including all rights thereto;
- (c) grants a security interest in the following property as and by way of a fixed and specific security in favour of the Lender:
- (i) Trade-marks;
  - (ii) Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares;
  - (iii) all rights of such Grantor to the property referred to in clauses (i) and (ii) above; and
  - (iv) all Proceeds and Replacements of or to property referred to in clauses (i), (ii) and (iii) above, including all rights thereto; and
- (d) grants a security interest in the following property, and grants, assigns, conveys, mortgages and charges the following property as and by way of a floating charge to and in favour of the Lender:
- (i) the business, undertakings and goodwill of such Grantor and all personal property, tangible and intangible, of whatever nature and kind in which such Grantor now or hereafter has rights, its uncalled capital ( if any) and all its present and future revenues, save and except such assets as are validly and effectively subject to the fixed and specific security created by paragraphs (a), (b) and (c) above;
  - (ii) all rights of such Grantor to the property referred to in clause (i) above; and
  - (iii) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Trade-marks, Unlimited Liability Shares or Security



Entitlements to Unlimited Liability Shares which shall be subject to the security interest only granted under this paragraph (d)) of or to property referred to in clauses (i) and (ii) above, including all rights thereto.

# APPENDIX “F”

## Appendix "F"

**In the Matter of the Receivership of  
Evergreen Consumer Brands Inc.  
Statement of Receipts and Disbursements  
For the period from February 13, 2020 to April 20, 2020**

	<u>Amount</u>
	<u>CDN\$</u>
<b>Receipts</b>	
Sale of Assets	7,867,524
Receiver's Certificate	250,000
Accounts receivable	814,173
HST Refund	85,515
Foreign exchange gain	9,295
Bank Interest	464
Total Receipts	<u>\$ 9,026,970</u>
<b>Disbursements</b>	
Storage	359,522
Selling commissions	325,000
Repayment of Receiver's Certificate	250,000
Receiver's fees	207,607
Occupation rent	162,154
Wages - Receivership	157,389
HST/GST/PST Paid	109,429
Legal fees	97,060
Source Deductions - Wages Receivership	58,432
Insurance	41,868
Contract Employees	27,453
Operational Expenses	25,767
Employee Benefits	11,547
Employee Expenses	6,213
Freight	3,375
Computer Services	2,815
Bank Charges	2,105
Interest Charge on Receiver's Certificate	1,837
Payroll Services	367
Filing Fee - OSB	70
Total Disbursements	<u>\$ 1,850,011</u>
<b>Excess of Receipts over Disbursements</b>	<u><u>\$ 7,176,959</u></u>

# APPENDIX “G”

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

**BETWEEN:**

**NATIONAL BANK OF CANADA**

Plaintiff

- and -

**EVERGREEN CONSUMER BRANDS INC.**

Defendants

**AFFIDAVIT OF HARTLEY BRICKS**  
*(Sworn April 23, 2020)*

I, **HARTLEY BRICKS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario, and am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court-Appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Evergreen Consumer Brands Inc. (the "**Debtor**"). Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as Exhibit "**A**" is a schedule summarizing each invoice in Exhibit "**B**", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.


3. Attached hereto as Exhibit "B" are true copies of the invoices for fees and disbursements incurred by Deloitte in the course of the Receiver's administration for the period January 30 to April 6, 2020.

4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services, and are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

5. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver.

**SWORN BEFORE ME**  
via Zoom at the City of Toronto,  
in the Province of Ontario  
this \_\_\_\_\_ day of April, 2020.

)  
)  
)  
)  
)  
)  
)

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**Hartley Bricks**

\_\_\_\_\_  
A commissioner for taking oaths, etc.

**EXHIBIT "A"**

**REFERRED TO IN THE AFFIDAVIT OF HARTLEY BRICKS**  
*(Sworn April 23, 2020)*

## EXHIBIT "A"

**Calculation of Average Hourly Billing Rates of  
Deloitte Restructuring Inc.  
for the period January 30, 2020 to April 6, 2020**

<b>Invoice Date</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Total Invoice Amount</b>	<b>Hours</b>	<b>Average Hourly Fee Rate</b>
March 23, 2020	\$ 206,922.50	\$ 684.53	\$ 26,988.91	\$ 234,595.94	419.6	\$ 493.14
April 15, 2020	\$ 127,877.50	\$ 1,957.53	\$ 16,878.55	\$ 146,713.58	274.8	\$ 465.35
<b>Total</b>	<b>\$ 334,800.00</b>	<b>\$ 2,642.06</b>	<b>\$ 43,867.46</b>	<b>\$ 381,309.52</b>	<b>694.4</b>	<b>\$ 482.14</b>



**EXHIBIT "B"**

**REFERRED TO IN THE AFFIDAVIT OF HARTLEY BRICKS**  
*(Sworn April 23, 2020)*



**Invoice 8001080669**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Bay Adelaide Centre  
Toronto ON M5H 0A9  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: March 23, 2020  
Client No.: 1139782  
WBS#: BAN01836  
Engagement Partner: Paul Casey

HST Registration : 122893605RT0001

**For professional services rendered**

**Fees**

In our capacity as Receiver of Evergreen Consumer Brand Inc. ("ECB" or the "Company") for the period ending March 6, 2020.

Please see the attached appendices for details.

HST applicable 206,922.50

**Expense**

HST applicable 684.53

**Sales Tax**

HST at 13.00% 26,988.91

**Total Amount Due (CAD) 234,595.94**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8001080669

March 23, 2020

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Deloitte Restructuring Inc.	1139782	8001080669	234,595.94	Payment for invoice 8001080669

**Contact:**

Please send payment confirmation by email to: [receivablesdebitours@deloitte.ca](mailto:receivablesdebitours@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Casey, Paul	Partner	35.5	\$ 695.00	\$ 24,672.50
Sleeth, Jordan	Partner	1.0	\$ 695.00	\$ 695.00
Bricks, Hartley	Director	64.0	\$ 580.00	\$ 37,120.00
Greenbaum, Stacey	Senior Manager	156.5	\$ 505.00	\$ 79,032.50
Chu, Jonathan	Manager	129.1	\$ 450.00	\$ 58,095.00
Keene, Ashley	Senior	11.4	\$ 250.00	\$ 2,850.00
Klein, Emily	Analyst	1.5	\$ 225.00	\$ 337.50
Brown, Rose	Analyst	20.6	\$ 200.00	\$ 4,120.00
<b>Total Professional Hours and Fees</b>		<b>419.6</b>		<b>\$ 206,922.50</b>
Out-of-pocket Expenses - Travel and Meals				\$ 139.30
Out-of-pocket Expenses - Mailing				\$ 545.23
<b>Total Fees and Expenses</b>				<b>\$ 207,607.03</b>



## Appendix #2

### Work performed from January 30 to March 6, 2020.

Date	Name	Narrative	Hours
1/30/2020	Bricks, Hartley	Telephone disc. with S. De Lorenzi and G. Moffatt re status; corresp. with G. Moffatt re security review, review of files and forward loan documents to M. Forte for review.	0.8
2/3/2020	Casey, Paul	Meeting H. Bricks regarding status of A&M process.	0.3
2/4/2020	Bricks, Hartley	Review of second round offers.	1.0
2/5/2020	Bricks, Hartley	Conf. call with S. De Lorenzi, G. Moffatt, and B. Davidson to discuss 2nd round offers and next steps; email to M. Forte re status of security opinion and review of same; prepare pre-filing report.	3.0
2/5/2020	Greenbaum, Stacey	Proposal discussion and next steps call with NBC.	1.0
2/6/2020	Bricks, Hartley	Review of revised offer and corresp. with S. De Lorenzi re same.	0.5
2/6/2020	Casey, Paul	Emails Bricks regarding status.	0.2
2/7/2020	Bricks, Hartley	Disc with S De Lorenzi re offers; prepare pre filing report.	5.0
2/10/2020	Bricks, Hartley	Review of draft order and provide comments; disc. with M. Forte re receiver's reporting; prepare reporting.	1.2
2/10/2020	Greenbaum, Stacey	Prepare receivership checklist and allocate tasks.	0.5
2/11/2020	Greenbaum, Stacey	Call with NBC and counsel re receivership, prepare ABL revolver borrowing base calculation.	3.0
2/11/2020	Bricks, Hartley	Disc. with S. De Lorenzi re offers; review and provide comments on APA.	3.5
2/11/2020	Casey, Paul	Briefing with team and attend conference call with bank; discussion S. De Lorenzi regarding bids and response.	1.0
2/11/2020	Klein, Emily	Pre-Receiver's preparation. Draft letters for various receivership tasks. Prepare WEPPA calculation templates and models.	1.5
2/12/2020	Bricks, Hartley	Disc. with NBC, TGF and M. Forte re status of APAs and proposed response, further disc. with J. Sim of A&M re response to offers; revise LEC APA and disc. changes and process with M. Forte and forward to NBC and TGF for comments.	5.0
2/12/2020	Keene, Ashley	Website creation and emails regarding same.	0.5
2/12/2020	Casey, Paul	Attend conference call with Bank regarding sale process and receivership implications; follow-up TC H. Bricks regarding status and planning.	1.0
2/13/2020	Casey, Paul	TC H. Bricks regarding Court attendance and order. Attend on-site and meetings with Deloitte team and Senior management; conference call with prospective purchaser; review amendment to draft APA; discussion H. Bricks.	3.5
2/13/2020	Bricks, Hartley	Attendance in court for issuance of Receivership Order; attendance at company to meet with Management and staff on receivership process; disc. with B. Friedman re offers and status; various disc. with A&M re sales process; provide comments on draft APA.	9.5
2/13/2020	Greenbaum, Stacey	Onsite at ECB - initial receivership meetings with Management and staff, day 1 activities.	8.0
2/13/2020	Chu, Jonathan	Onsite attendance; meetings with management re outstanding items and receivership procedures; review employee termination and rehiring letters; meeting with IT re server imaging; draft materials for Notice and Statement of Receiver.	7.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/13/2020	Keene, Ashley	Website updates and go live; emails regarding same.	0.5
2/14/2020	Brown, Rose	Prepare documents to open US\$ account and CDN\$ account have signed and scan document to RBC. Discuss creditor listing and notice with J Chu.	1.1
2/14/2020	Bricks, Hartley	Disc. with J. Sim of A&M re offers and status; disc. with S. De Lorenzi re update and status of offers; execute CRA and banking docs.	2.0
2/14/2020	Greenbaum, Stacey	Onsite at ECB - inventory at third party locations, review of A/P and A/R, discussions with management, production schedule review.	8.0
2/14/2020	Chu, Jonathan	Attendance onsite; draft CRA letter re authorization; Notice and Statement of the Receiver; draft correspondences; meeting with Mgmt.	7.0
2/14/2020	Keene, Ashley	Website update; bank account and estate transfer in Ascend.	0.8
2/15/2020	Bricks, Hartley	Review of draft letter to landlords/storage facilities and provide comments to S. Greenbaum.	0.3
2/16/2020	Bricks, Hartley	Review of draft corresp and provide comments; review of revised APA and forward to G. Moffatt and M. Forte.	1.0
2/17/2020	Bricks, Hartley	Review of G. Moffatt comments; disc. with S. Greenbaum re various receivership matters; draft court report.	3.0
2/17/2020	Greenbaum, Stacey	Disc. with H. Bricks re receivership matters.	0.5
2/18/2020	Casey, Paul	TC S. Greenbaum regarding status and receivership priorities.	0.3
2/18/2020	Bricks, Hartley	Disc. with J. Sim re status; review of revised APA and discuss same with J. Sim; prepare comments on APA; disc. with S. Greenbaum re receivership matters; conf. call with M. Forte re storage facility issues; draft first report to court.	5.5
2/18/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review; various disc. with H. Bricks re receivership matters.	9.5
2/18/2020	Chu, Jonathan	Attendance onsite; finalize notice and statement of receiver; finalize creditor address listing; 3-week cash flow matters; meetings with management; review and respond to APA matters.	7.0
2/18/2020	Keene, Ashley	Discussion regarding notice of receivership.	0.1
2/19/2020	Casey, Paul	Conference call with team regarding APA, Essa other receivership admin; TC S. Greenbaum regarding status and priorities.	1.2
2/19/2020	Bricks, Hartley	Disc. with P. Casey re status; draft report to court; disc. with S. de Lorenzi re status update.	4.5
2/19/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review.	10.0
2/19/2020	Chu, Jonathan	Attendance on site; obsolete inventory analysis; meetings with management; correspondence and calls with Creditors; internal status update calls.	6.0
2/19/2020	Keene, Ashley	Receivership notice printing, labels, stuffing, courier, website posting and emails regarding same.	7.9
2/19/2020	Brown, Rose	Send notice to OSB to obtain estate number. Assist AKeene with mailing.	0.8
2/20/2020	Casey, Paul	TCs Team and site attendance; review amended APA; comments to counsel and attend conference calls with Bank, counsel; other receivership admin.	4.0
2/20/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, ABL Revolver BB calculation.	10.0

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/20/2020	Chu, Jonathan	Attendance on site; compile employee listing; A/R roll forward analysis; correspondence with creditors; meetings with management.	9.0
2/20/2020	Keene, Ashley	Follow up and discussions with team regarding employee listings; stuff and seal envelopes.	1.5
2/21/2020	Casey, Paul	Instructions counsel regarding APA; set up call with prospective purchaser and counsel; attend call and emails; conference call with Bank and counsel; draft warehouseman's settlement agreement; other receivership admin; follow up call with prospective purchaser & report.	5.0
2/21/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review.	10.0
2/21/2020	Chu, Jonathan	Attendance onsite; disbursements compilation; correspondence and calls with creditors; A/R roll forward analysis; inventory analysis; meetings with management and other APA matters.	8.1
2/21/2020	Brown, Rose	Prepare labels for Employee mailing of Notice and label packages.	1.0
2/22/2020	Casey, Paul	Multiple calls with S. Greenbaum; draft Essa settlement agreement; instructions counsel and amended APA with prospective purchaser; emails and other receivership admin; CLT claim.	2.5
2/22/2020	Greenbaum, Stacey	Various disc. with P. Casey re receivership matters.	0.5
2/24/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters.	9.5
2/24/2020	Chu, Jonathan	Onsite attendance Birchmount location re CLT inventory analysis; warehouse walkaround and physical count.	9.0
2/24/2020	Brown, Rose	Trust Banking Administration - Confirm balance in CDN\$ & US\$ accounts.	0.2
2/25/2020	Casey, Paul	Multiple calls with team regarding receivership admin; TC with prospective purchaser; follow up calls with team to evaluate inventory and A/R adjustments; settlement agreement with Essa warehouseman; CLT claim; TCs GSNH regarding various matters.	3.0
2/25/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters.	13.0
2/25/2020	Chu, Jonathan	CLT inventory analysis; payroll instructions R. Brown; BB calculations re potential APA: call with Impact Plastics; call with IT re access restriction and future tasks.	14.0
2/25/2020	Brown, Rose	Trust Banking Administration - Check for incoming wire US\$, Prepare Transfer between accounts and confirm with RBC Received and processing, Prepare draft wire for payroll and Inventory Agreement and discuss with SG.	3.5
2/26/2020	Casey, Paul	Offer analysis with team; TCs with Prospective Purchaser; conference calls with Bank and counsel; Warehousemen settlement; review and approve payroll; other receivership admin update A&M.	5.0
2/26/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters.	10.0
2/26/2020	Chu, Jonathan	ECB BB matters re potential APA; AR roll forward instructions to accounting and review; raw materials analysis and instructions / discussion with mgmt.; discussion with F. Florence re employees.	9.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
2/26/2020	Brown, Rose	Trust Banking Administration - Have wire requested signed, Prepare schedule of name/amount for payroll wire, liaison with RBC to confirm receipt of wire requests and obtain confirmations of wire process and send to SG.	2.5
2/27/2020	Casey, Paul	TCs Greenbaum; finalize Laub agreement; counsel, prospective purchaser re APA issues and resolution.	2.0
2/27/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters.	10.0
2/27/2020	Chu, Jonathan	Employee listing comments and discussion with mgmt. re same; follow-ups re IT and CanPaco; compile disbursements; CLT inventory analysis; sale of obsolete inventory; 3-week cash flow estimate; employee WEPP and run-rate comparison.	10.5
2/27/2020	Brown, Rose	Trust Banking Administration - Wire requests and input receipts and disbursement into Ascend.	2.9
2/28/2020	Casey, Paul	TCs Greenbaum, counsel, prospective purchaser re APA issues and resolution; employees; receivables insurance; CLT claim; Receivership funding request.	2.0
2/28/2020	Bricks, Hartley	Review of APA and disc. with S. Greenbaum; review of FA and employment agreements; review of CLT agreement and disc. with CLT re inventory on hand and inventory count; disc. with M. Forte re payments, CLT and other matters.	4.0
2/28/2020	Chu, Jonathan	3 week cash flows and discussion with F. Florence re same; calls with CLT, Canada Post, Rogers, and Internet; emails counsel re Supertiendas and analysis re same; obsolete inventory sale matters; update BB calculation for Feb 28 adjustments; employee matters.	9.5
2/28/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters.	10.0
2/28/2020	Brown, Rose	Trust Banking Administration - disbursement cheques. Prepare transfer between account and then cancelling the request with RBC.	2.9
3/1/2020	Greenbaum, Stacey	Revise First Report to Court.	1.0
3/2/2020	Casey, Paul	On-site attendance; communication with LEC; review borrowing and TC Bank; other receivership admin; Court Report; finalize APA; disc. status with H. Bricks.	3.0
3/2/2020	Sleeth, Jordan	QA review draft report and circulate comments.	1.0
3/2/2020	Bricks, Hartley	Review of the draft report to court and provide comments; disc. with P. Casey re status and various disc. with S. Greenbaum re sale process and receivership matters; prepare and send termination letters for certain management staff.	3.5
3/2/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters, meetings with LEC; disc. with H. Bricks.	10.0
3/2/2020	Chu, Jonathan	Onsite attendance; update employee listing; creditor correspondence and calls.	6.0
3/2/2020	Brown, Rose	Trust Banking Administration - Pull online banking report and reconcile to Ascend and send bank/GL report to PC. Prepare disbursement wire and send to RBC.	0.7
3/3/2020	Casey, Paul	Finalize Court Report and emails regarding Closing, Court approval; stakeholder communications; update with H. Bricks.	1.0



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/3/2020	Bricks, Hartley	Disc. with S. Greenbaum and P. Casey re status of various matters; corresp. to H. Chaiton and D. Hastie re execution of APA and court date; finalize court report and forward to M. Forte for service.	3.5
3/3/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters, meetings with LEC; calls with H. Bricks and P. Casey.	10.0
3/3/2020	Chu, Jonathan	Attendance at Birchmount warehouse; inventory count and identification of CLT inventory; finalize CLT analysis and update for book value of inventory.	7.5
3/3/2020	Brown, Rose	Trust Banking - Review account online and prepare report and send to SG. Prepare Affidavit of Mailing and banking folders.	1.5
3/4/2020	Casey, Paul	Update call with team; communications and transition plan; estate disbursements.	0.5
3/4/2020	Bricks, Hartley	Review various draft letters; various corresp. re receivership activities	1.0
3/4/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters, meetings with LEC	10.0
3/4/2020	Chu, Jonathan	Onsite attendance; calls / correspondence (Canpaco, GS1, landlords); update Inventory BB calculation; finalize CLT analysis.	7.5
3/4/2020	Keene, Ashley	Website update.	0.1
3/4/2020	Brown, Rose	Trust Banking Administration - Wires - Prepare and have signed and fax to RBC. Print back up to incoming wire and input into Ascend. Set up folder. Send wire confirmation to SG.	3.5
3/5/2020	Bricks, Hartley	Review and approve various disb.; corresp. with CLT regarding inventory in Birchmount warehouse and subsequent disc. with Venkat; corresp. with M. Forte re closing matters; disc. with M. Forte re CLT; disc. with S. Greenbaum re various matters; review termination letters.	4.2
3/5/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters, meetings with LEC.	4.0
3/5/2020	Chu, Jonathan	Onsite attendance; various calls/correspondence (MRG, Canpaco, CLT); disbursement compilation and recording; compile BB calculation Mar 3, 2020; AR roll forward analysis.	9.8
3/6/2020	Bricks, Hartley	Review and revise Supplemental report; various corresp. re receivership matters.	2.0
3/6/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, review of inventory, APA discussions, A/R review, employee matters, meetings with LEC; review and provide comment on Supplemental Report.	8.0
3/6/2020	Chu, Jonathan	Review and amend Supplemental Receiver's Report; list of disbursements to discuss w/ Purchaser.	1.2
<b>Total</b>			<b>419.6</b>



**Invoice 8001125340**

**Deloitte Restructuring Inc.**

Bay Adelaide Centre  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Bay Adelaide Centre  
Toronto ON M5H 0A9  
Canada

Tel: (416) 601-6150  
Fax: (416) 601-6151  
www.deloitte.ca

Date: April 15, 2020  
Client No.: 1139782  
WBS#: BAN01836  
Engagement Partner: Paul Casey

HST Registration : 122893605RT0001

**For professional services rendered**

**Fees**

In our capacity as Receiver of Evergreen Consumer Brand Inc. ("ECB" or the Company) for the period ending April 6, 2020.

Please see the attached appendices for details.

HST applicable 127,877.50

**Expense**

HST applicable 1,957.53

**Sales Tax**

HST at 13.00% 16,878.55

**Total Amount Due (CAD) 146,713.58**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.



Invoice Number 8001125340

April 15, 2020

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Deloitte Restructuring Inc.	1139782	8001125340	146,713.58	Payment for invoice 8001125340

**Contact:**

Please send payment confirmation by email to: [receivablesdebiturs@deloitte.ca](mailto:receivablesdebiturs@deloitte.ca), and reference the invoice number(s) paid

## Payment Options

### 1. EFT Payments(remittance email mandatory) :

**\*Preferred Method\***

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1590219

**USD Payment**

**Transit – Institution :** 47696-002

**Account Number :** 1363514

### 2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

**CAD Payment**

**Account Number :** 476961590219

**Swift Code :** NOSCCATT

**USD Payment, Beneficiary Bank (Bank of Nova Scotia) :**

**Account Number :** 476961363514

**Swift Code :** NOSCCATT

**Clearing Code :** CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

**USD Payment, Intermediary Bank (Bank of America NA) :**

Address: 222 Broadway, New York, NY 10038

**Account Number :** 476961363514

**Swift Code :** BOFAUS3N

**ABA Routing Number :** 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

### 3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

**Please note we do not accept Interac e-Transfers.**

### 4. Cheque payments, please mail to :

**For CAD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567C  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1

**For USD Dollar (\$) Payments, pay :**  
 DELOITTE MANAGEMENT SERVICES LP  
 c/o T04567U  
 PO Box 4567, Stn A  
 Toronto ON M5W 0J1



**Appendix #1  
Summary of Fees**

<b>Name</b>	<b>Level</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Casey, Paul	Partner	0.5	\$ 695.00	\$ 347.50
Bricks, Hartley	Director	42.5	\$ 580.00	\$ 24,650.00
Hristow, Catherine	Director	0.8	\$ 580.00	\$ 464.00
Greenbaum, Stacey	Senior Manager	92.5	\$ 505.00	\$ 46,712.50
Leung, Warren	Senior Manager	0.7	\$ 505.00	\$ 353.50
Chu, Jonathan	Manager	111.0	\$ 450.00	\$ 49,950.00
Keene, Ashley	Senior	0.8	\$ 250.00	\$ 200.00
Brown, Rose	Consultant	26.0	\$ 200.00	\$ 5,200.00
<b>Total Professional Hours and Fees</b>		<b>274.8</b>		<b>\$ 127,877.50</b>
Out-of-pocket Expenses				\$ 1,957.53
<b>Total Fees and Expenses</b>				<b>\$ 129,835.03</b>



## Appendix #2

### Work performed from March 7, 2020 to April 6, 2020

Date	Name	Narrative	Hours
3/7/2020	Chu, Jonathan	Review and comments re Supplemental Report.	0.4
3/8/2020	Hristow, Catherine	Review and provide comments on court report.	0.2
3/8/2020	Chu, Jonathan	Employee listing; correspondence Hybrid logistics; compile disbursements; review Canpaco invoices; dataroom matters.	2.2
3/9/2020	Bricks, Hartley	Review and revise Supplemental Report, incorporate comments from reviews and forward to M. Forte for service; disc. with S. Greenbaum re employee and transitional matters.	2.2
3/9/2020	Greenbaum, Stacey	Onsite at ECB - discussions with management, APA discussions, A/R review, employee matters, meetings with LEC.	7.0
3/9/2020	Chu, Jonathan	Attendance onsite at Birchmount re CLT inventory account; revise and send WEPP letter to H. Bricks; review payroll figures.	6.5
3/9/2020	Keene, Ashley	Website updates.	0.3
3/9/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques and wires.	2.0
3/10/2020	Bricks, Hartley	Preparation for and attendance in court for sale approval; review of closing agenda and various corresp. with GSNH re same; disc. with S. Greenbaum re employees and other closing matters.	3.0
3/10/2020	Greenbaum, Stacey	Court for APA approval, onsite at ECB re closing matters.	8.0
3/10/2020	Chu, Jonathan	Onsite attendance; calls / correspondence with third party locations; WEPP matters (SC registration; register employees; prepare packages; instructions R. Brown); review payroll register; vacation pay matters; calls / meetings employees and creditors.	9.5
3/10/2020	Brown, Rose	Trust Banking Administration - Pull Online banking report as requested for CDN\$ and US\$ accounts. Prepare reconciliations and detail general ledger to Mar 9, 2020 and send to SG. Confirmed wire processed on US\$ account.	2.1
3/11/2020	Bricks, Hartley	Review and provide comments on termination letters; disc. with S. Greenbaum re various closing matters; review and execute articles of amendment for ECB.	1.8
3/11/2020	Greenbaum, Stacey	Onsite at ECB - APA closing items, employee matters, meetings with LEC, review of inventory.	8.0
3/11/2020	Chu, Jonathan	Payroll matters; submit remaining WEPP claims; calls with creditors and vendors; meeting with LEC re disbursements; updated BB calculations.	8.5
3/11/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques, Payroll Wire, Deposit and WEPP Notices - Print letter, POC and SC notices. Print labels and prepare envelopes.	3.5
3/12/2020	Greenbaum, Stacey	Onsite at ECB - APA closing items, employee matters, meetings with LEC, review of inventory	8.0
3/12/2020	Leung, Warren	Review of WEPP mailings for J. Chu and R. Brown.	0.7

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/12/2020	Chu, Jonathan	On site attendance; calls and correspondence re vendors and third party suppliers; CLT inventory review; status update call; CRA payroll audit matters; dataroom matters.	7.5
3/12/2020	Brown, Rose	Trust Banking Administration - Input wire/other entries and scanning return mail.	1.2
3/13/2020	Bricks, Hartley	Execute closing documents; various disc. with S. Greenbaum re closing matters; corresp. with A&M re status of closing.	2.0
3/13/2020	Greenbaum, Stacey	Onsite at ECB - APA closing items, employee matters, meetings with LEC, review of inventory.	8.0
3/13/2020	Chu, Jonathan	CLT inventory listing review; draft emails to third party suppliers; calls and emails with vendors / suppliers; obsolete inventory review.	5.0
3/13/2020	Brown, Rose	Trust Banking Administration - Liaison various times by email and telephone call with bank to confirm wire rec'd and confirm with SG.	1.2
3/15/2020	Chu, Jonathan	WEPP for non-LEC employees; CLT inventory matters; compile list of disbursements.	3.5
3/16/2020	Bricks, Hartley	Disc. with S. Greenbaum re various post closing matters; review and execute disbursements.	1.5
3/16/2020	Greenbaum, Stacey	Onsite at ECB for transition items; employee matters; calls with J. Chu and H. Bricks; RBC tank lease.	5.0
3/16/2020	Chu, Jonathan	Attendance and oversee inventory count re Birchmount inventory; employee WEPP matters; correspondence / calls re Rogers / BMW; CLT inventory review and instructions to former ECB staff; format inventory listing re BB.	7.0
3/16/2020	Brown, Rose	Trust Banking Administrations - Disbursement cheques and wires. Scan and fax to RBC.	1.5
3/17/2020	Bricks, Hartley	Call with S. Greenbaum re status of various closing matters	0.2
3/17/2020	Greenbaum, Stacey	Review of inventory at third party locations; CHEP matters; employee matters; calls with J. Chu and H. Bricks.	4.0
3/17/2020	Chu, Jonathan	Calls and correspondence with employees re WEPP; draft letter re Estate ID amendment; CLT inventory review and follow-up; call with CRA auditor.	4.7
3/18/2020	Bricks, Hartley	Review and respond to corresp. from creditors; disc. and emails with S. Greenbaum re status of various matters.	1.0
3/18/2020	Greenbaum, Stacey	Review of inventory at third party locations; call with CHEP; employee matters; calls with J. Chu and H. Bricks.	5.0
3/18/2020	Chu, Jonathan	Employee WEPP matters; CLT inventory review; disbursements (storage and March 25, 2020 cheques); correspondence with creditors / vendors.	5.5
3/18/2020	Brown, Rose	Trust Banking Administration - update GL and reconcile to GL to determine outstanding cheques and send to SG.	0.8
3/19/2020	Greenbaum, Stacey	Review of inventory at third party locations; review of ECB final pay; RBC tank lease; review of disbursements; calls with J. Chu and H. Bricks.	5.0
3/19/2020	Bricks, Hartley	Disc. with S. Greenbaum re various receivership matters; review of various corresp. and email to M. Forte re timing for distribution motion.	1.1

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/19/2020	Chu, Jonathan	Third-party inventory analysis; CLT matters and instructions to former ECB employee; wire payments re storage; LEC disbursements; employee WEPP and payroll matters; correspondence w vendors.	7.5
3/19/2020	Brown, Rose	Trust Banking Admin - Disbursement wires.	0.7
3/20/2020	Hristow, Catherine	Review and approve wire transfer.	0.1
3/20/2020	Brown, Rose	Review and update GL regarding receipts, Print & Prepare wire and send to signing officers and fax to RBC.	1.3
3/20/2020	Bricks, Hartley	Disc. with S. Greenbaum and J. Chu re status of various issues; review and execute wire payment re A&M fees.	0.8
3/20/2020	Greenbaum, Stacey	Review of inventory at third party locations; review of ECB final pay; review of employee T2200s & bank recon; calls with J. Chu and H. Bricks.	5.0
3/20/2020	Chu, Jonathan	Third party inventory matters; WEPP correspondence / communications; correspondence with vendors; CLT matters.	4.0
3/20/2020	Keene, Ashley	Wire admin.	0.1
3/23/2020	Bricks, Hartley	Corresp. with M. Forte and draft Second report to court; various disc. with S. Greenbaum re post closing matters.	3.4
3/23/2020	Greenbaum, Stacey	Review of final payroll; call re UK vat; review of banking; responding to vendor inquiries; LEC transition items.	4.0
3/23/2020	Chu, Jonathan	Calls and correspondence with vendors (GS1, Alectra, Enbridge, Peel Region, Canadian Linen, Sage); LEC reimbursement spreadsheet; WEPP claims; third party inventory matters.	5.8
3/23/2020	Brown, Rose	Reconcile back to GL. Prepare R&D and send to SG.	1.5
3/24/2020	Bricks, Hartley	Draft second report to court.	2.2
3/24/2020	Greenbaum, Stacey	Tax items for various employees; LEC transition items; inventory review.	5.0
3/24/2020	Chu, Jonathan	Review payroll and call with Nethris re overpayment; WEPP claims; LEC / CLT matters; obsolete inventory review; third party inventory matters.	6.0
3/24/2020	Brown, Rose	Trust Banking Administration - Prepare Legal and Payroll Wires and start to update GL's as requested SG.	2.3
3/25/2020	Bricks, Hartley	Draft second report to court and forward to S. Greenbaum and J. Chu for comments.	6.0
3/25/2020	Hristow, Catherine	Review and approve wire transfers.	0.1
3/25/2020	Greenbaum, Stacey	Vendor inquiries; inventory discussions; LEC transition items; review of current R&D.	4.0
3/25/2020	Chu, Jonathan	WEPPA claim; CLT inventory matters; correspondence with vendors; follow-up payroll wire.	3.0
3/25/2020	Brown, Rose	Trust Banking Administration - Prepare wire and fax to RBC, Several calls and email to RBC to confirm wire received and processed. Scan Return Mail.	1.5

<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
3/26/2020	Bricks, Hartley	Various disc. with S. Greenbaum re disputed inventory and post-closing adjustments; conf. call with M. Forte re side-letter matters; review comments on draft report and revise; disc. with J. Chu re CLT inventory and overall deductions from purchase price.	4.4
3/26/2020	Greenbaum, Stacey	Second court report; review & preparation of post closing adjustments; calls with vendors; inventory discussions; calls with LEC.	4.5
3/26/2020	Chu, Jonathan	Review Court Report and send comments to S. Greenbaum; Compile LEC reimbursement/payment schedule and review; clean workbooks for distribution; disbursement matters; WEPP matters.	4.9
3/26/2020	Keene, Ashley	Website updates.	0.3
3/26/2020	Brown, Rose	Print Disbursement cheque.	0.1
3/27/2020	Bricks, Hartley	Various disc. and corresp. with S. Greenbaum and J. Chu re post-closing adjustments; review and revise corresp to Purchaser re adjustments; disc. with M. Forte re adjustments; respond to creditor inquiries.	4.0
3/27/2020	Greenbaum, Stacey	Post-closing adjustments review and discussions; calls with LEC re inventory.	4.0
3/27/2020	Chu, Jonathan	Attendance on call with GSNH; employee matters; third-party inventory matters; vendor matters.	2.3
3/27/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques and print wire requests.	1.0
3/28/2020	Chu, Jonathan	WEPP submission; vendor and disbursement review.	0.4
3/30/2020	Bricks, Hartley	Review and approve various disbursements; disc. with S. Greenbaum re LEC issues and review of APA and side letter regarding same.	2.1
3/30/2020	Greenbaum, Stacey	Coordination re Hybrid logistics; emails with LEC.	1.0
3/30/2020	Hristow, Catherine	Review and approve wire transfers and send same for signature.	0.1
3/30/2020	Brown, Rose	Trust Banking Administration - Disbursement wires.	0.7
3/30/2020	Chu, Jonathan	Birchmount alarm response matters; correspondence and calls with vendors; compile March 31 disbursements; WEPP and employee matters.	4.2
3/31/2020	Bricks, Hartley	Review and execute disbursements; disc. with P. Casey re status; disc. with S. Greenbaum re post-closing matters; review of RBC lease assignment and execute.	2.2
3/31/2020	Brown, Rose	Trust Banking Administration - Print back for disbursement wires, prepare wires and send to H.B. Print back up for US\$ incoming wire.	1.7
3/31/2020	Casey, Paul	TC Bricks regarding stats of post-closing adjustment, reporting, distribution.	0.5
3/31/2020	Chu, Jonathan	WEPP employee calls; draft email to previous ECB employee re employee matters; retrieve Hybrid correspondence.	0.6
3/31/2020	Greenbaum, Stacey	RBC tank lease coordination; inventory items; call with former employee.	2.5



<b>Date</b>	<b>Name</b>	<b>Narrative</b>	<b>Hours</b>
4/1/2020	Bricks, Hartley	Disc. with S. Greenbaum re post-closing adjustments, court report; review of corresp from Purchaser and disc. same with S. Greenbaum; review and approve disbursements.	1.2
4/1/2020	Hristow, Catherine	Review and approve wire transfers and send for signature.	0.2
4/1/2020	Greenbaum, Stacey	Emails with NBC re deposits and emails with LEC re the same.	0.5
4/1/2020	Chu, Jonathan	Compile April 6 disbursements and review; WEPP matters; correspondence with GS1, Delta Park landlord, and Nethris.	1.1
4/1/2020	Brown, Rose	Trust Banking Administration - Send prepare wire to CH for second signature and send to RBC for processing. Fax wire to RBC and print signed copies. Input wire into Ascend. Input/print disbursement cheques.	1.5
4/2/2020	Bricks, Hartley	Disc. with S. Greenbaum and J. Chu re warehouse matters; review and provide comments on various corresp.; review and approve disbursements.	1.0
4/2/2020	Hristow, Catherine	Review and approve wire disbursement.	0.1
4/2/2020	Greenbaum, Stacey	A/R letter for LEC, call with Nethris, employee matters	3.0
4/2/2020	Chu, Jonathan	Employee matters; coordinate Dream visit; call with CRA re payroll audit.	0.9
4/2/2020	Keene, Ashley	Website update.	0.1
4/2/2020	Brown, Rose	Trust Banking Administration - Input wire processed for Apr 1 and 2, Review account online and discuss disbursement out of the account with SG.	0.8
4/3/2020	Bricks, Hartley	Various disc. with S. Greenbaum and J. Chu re post-closing adjustments; review of various corresp. from Purchaser and disc. same with J. Chu.	1.4
4/3/2020	Greenbaum, Stacey	Call with LEC re post closing adjustments and follow up call with H. Bricks.	1.0
4/3/2020	Chu, Jonathan	Coordinate CLT pick-up; call with LEC re post-closing adjustments; call with HB and SG re same; WEPP matters.	3.5
4/3/2020	Brown, Rose	Trust Banking Administration - Review account online and confirm incoming wire received.	0.2
4/5/2020	Chu, Jonathan	Disbursement matters; review GS1 email; coordinate access re Birchmount.	0.5
4/6/2020	Bricks, Hartley	Review and revise Full and Final Release re CLT inventory; disc. with S. Greenbaum re post-closing matters.	1.0
4/6/2020	Chu, Jonathan	Attendance onsite re CLT and review inventory; GS1 matters.	6.0
4/6/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques. Input wire processed.	0.4
<b>Total</b>			<b>274.8</b>

# APPENDIX “H”

**IN THE MATTER OF SECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101  
OF THE *COURTS OF JUSTICE ACT***

**B E T W E E N:**

**NATIONAL BANK OF CANADA**

Applicant

- and -

**EVERGREEN CONSUMER BRANDS INC.**

Respondent

**AFFIDAVIT OF MARIO J. FORTE**

**(Sworn March 23, 2020)**

I, Mario J. Forte, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP (“**GSNH**”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as receiver and manager of the assets, undertakings and properties of Evergreen Consumer Brands Inc. (the “**Receiver**”) in these proceedings.

3. Attached as **Exhibit "A"** to this affidavit is a copy of an account of GSNH for the Receiver for fees and disbursements incurred by GSNH in the course of this proceeding for the period from January 30, 2020 to March 13, 2020.

4. Attached as **Exhibit "B"** to this Affidavit is a schedule summarizing the total billable hours charged and the total fees charged in Exhibit "A".

5. The average hourly rate charged for the invoices set out in Exhibits "A" and "B" is \$336.43. That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

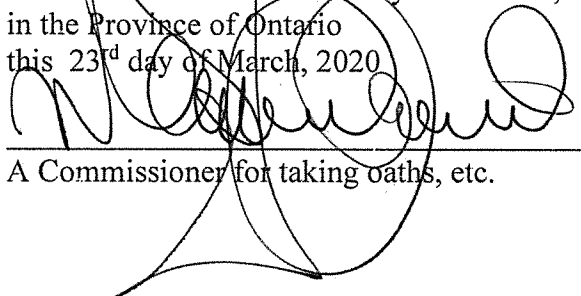
Mario Forte	585.00
John McKeown	560.00
Kelsey Horning	325.00
Joel Turgeon	285.00
Katie Parent	250.00
May May Cc	200.00
Anne Palabasan	150.00

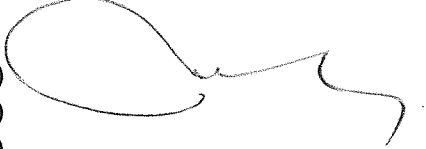
6. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

7. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.

8. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of GSNH as its counsel for the fees and disbursements of GSNH as its counsel for the period from January 30, 2020 to March 13, 2020.

SWORN before me at the City of Toronto,  
in the Province of Ontario  
this 23<sup>rd</sup> day of March, 2020

  
A Commissioner for taking oaths, etc.

)  
)  
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)  
)  
  
\_\_\_\_\_  
**MARIO J. FORTE**



GOLDMAN SLOAN NASH & HABER LLP  
BARRISTERS & SOLICITORS

This is Exhibit..... referred to in the  
affidavit of.....  
affirmed before me this.....  
day of..... 20 20  
A COMMISSIONER FOR TAKING AFFIDAVITS

Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

Telephone: (416) 597-9922  
Facsimile: (416) 597-3370

Deloitte Restructuring Inc.  
Bay Adelaide Centre  
22 Adelaide St. West, Suite 200  
Toronto, ON M5H 0A9  
Canada

Billing Lawyer Mario Forte  
Invoice No. 179466  
HST # 12233 6290 RT0001  
Invoice Date March 17, 2020

Attention: Paul Casey

Client ID: 010004 Matter ID: 0009

RE: Evergreen Consumer Brands Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period January 30, 2020 to March 13, 2020

Date	Professional	Narrative	Hours	Rate	Amount
01/30/20	MMC	Order a verbal and certified PPSA Search against Evergreen Consumer Brands Inc., forward PPSA Search results to Mario Forte, arrange PPSA pickup at the Ministry;	0.20	200.00	40.00
01/30/20	MJF	Discussions re: various issues related to inter-lender matters and other debt structure / enforcement issues; commence review of National Bank of Canada loan and other related documents; commence security searches and other related matters in preparation for opinion; discussion with counsel to FWCU re: security and related matters; review PPSA search results in reparation for opinion etc.;	5.20	585.00	3,042.00
01/31/20	JT	Instructions from M. Forte re: legal research into whether an assumption of debt may constitute "proceeds" for purposes of the PPSA;	0.20	285.00	57.00
02/01/20	MJF	Commence analysis of various issues arising from intercreditor arrangements; commence drafting opinion; reviewing FWCU security etc and related materials etc.;	4.40	585.00	2,574.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Narrative	Hours	Rate	Amount
02/02/20	MJF	Complete initial draft of opinion and consider inter-lender enforcement issues and possible impact on enforcement;	1.20	585.00	702.00
02/03/20	JT	Legal research into the definition of "proceeds" under the Canadian Personal Property Security Acts and the Courts' interpretation of such definitions, specifically as regards assumptions of debt; consider legal implications of such definitions and interpretations to the transaction contemplated herein;	4.30	285.00	1,225.50
02/03/20	AP	Conduct a Corporate Profile and CIPO search against Evergreen Consumer Brands Inc., order certified Ontario PPSA searches against Lynne and Bruce Friedman Family Trust and The Aronow Family Trust, conduct a Wisconsin corporate search against Immel Holdings, LLC;	0.80	150.00	120.00
02/04/20	JT	Further legal research into the definition of "proceeds" under the Canadian Personal Property Security Acts and the Courts' interpretation of such definitions, specifically as regards assumptions of debt; further consider legal implications of such definitions and interpretations to the transaction contemplated herein; working session with M. Forte on same; draft memo summarizing research results and potential legal issues associated with said contemplated transaction; report to M. Forte;	2.90	285.00	826.50
02/04/20	KP	Meeting with M. Forte regarding security opinion; reviewing materials for same;	0.40	250.00	100.00
02/04/20	MJF	Dealing with Trust related security issues and perfection matters related to opinion and confirmation of validity; reviewing memo re: proceeds and related issues to entitlement thereto; complete revisions to opinion;	3.90	585.00	2,281.50
02/05/20	AP	Conduct a verbal and certified Ontario PPSA Search against Immel Holdings, LLC;	0.20	150.00	30.00
02/05/20	KP	Updating security opinion with PPSA registrations and corporate search information; reporting to M. Forte regarding same;	2.10	250.00	525.00
02/05/20	MJF	Discussions re security (CIPO) matters; review security summary and schedules etc.; review of appointment order etc.;	2.20	585.00	1,287.00
02/06/20	MJF	Discussion re: process and related issues preparatory to receivership;	0.30	585.00	175.50
02/07/20	MJF	Discussion re: receivership timing and possibilities;	0.20	585.00	117.00
02/09/20	MJF	Commence review of receivership order etc.;	0.40	585.00	234.00
02/10/20	MJF	Engaged in preparations and discussions to address	4.80	585.00	2,808.00

Date	Professional	Narrative	Hours	Rate	Amount
		receivership matters etc. including sales process issues etc.; reviewing sales process materials and analysis and discussions thereon;			
02/11/20	KP	Reviewing PPSA search; updating security opinion to reflect same regarding The Aronow Family Trust dated May 27, 2010; reporting to M. Forte;	0.40	250.00	100.00
02/11/20	MJF	Commence review of APA and discussions to deal with various comments and issues etc.; review trust security summary etc.; reviewing and considering comments on purchase price structure and issues; engaged in various discussions re: application issues and related matters and changes to appointment order;	6.40	585.00	3,744.00
02/12/20	JT	Review application material for the appointment of the receiver; draft approval and vesting order; report to M. Forte;	1.10	285.00	313.50
02/12/20	MJF	Continue processing comments on APA and review of various comments; discussions concerning re ABL calculation and various ways to treating this in the APA; discussion concerning numerous issues concerning filing etc.;	6.60	585.00	3,861.00
02/13/20	MJF	Engaged in moving matter forward; preparation and attendance to obtain Appointment Order; generally engaged in advising on employee and many "first day" issues and processes; continuing to process changes to APA etc.;	7.20	585.00	4,212.00
02/14/20	JT	Thoroughly study application material for appointment of receiver, including evidence in support thereof; draft notice of motion for approval and vesting orders; legal research into "quick flip" transaction in receivership proceedings and the courts' consideration of a receiver's pre-filing involvement in a sale and investment solicitation process; first draft of factum in support of said motion; report to M. Forte;	6.10	285.00	1,738.50
02/14/20	MJF	Engaged in moving the matter forward and advising on numerous practical and legal issues to address possible sale etc.; advice and review of sales process issues and possible competing offers etc.;	2.60	585.00	1,521.00
02/16/20	JT	Further legal research into "quick flip" transaction in receivership proceedings and the courts' consideration of a receiver's pre-filing involvement in a sale and investment solicitation process;	1.40	285.00	399.00
02/16/20	MJF	Engaged in review and discussion concerning APA matters and related practical issues;	2.20	585.00	1,287.00
02/17/20	MJF	Engaged in advising on various practical issues including access to inventory, lien rights etc.;	3.20	585.00	1,872.00



Date	Professional	Narrative	Hours	Rate	Amount
02/18/20	JT	Consider draft email from S. Greenbaum re: appointment of receiver and taking possession of inventory in third parties' hands;	0.10	285.00	28.50
02/18/20	MJF	Engaged in numerous discussion re process issues; commence review of Purchaser's draft APA; dealing with lien and waiver issues that affect access to inventory etc.; providing practical advice on US issues and access to inventory etc.;	7.30	585.00	4,270.50
02/19/20	JT	Working session with M. Forte re: instructions for review of upcoming Purchase Agreement draft;	0.20	285.00	57.00
02/19/20	MJF	Dealing with numerous sales process and inventory related issues and advising thereon;	3.20	585.00	1,872.00
02/20/20	JT	Review draft Purchase Agreement per instructions of M. Forte; review emails from Receiver and counsel for Purchaser on same; draft report of said review to M. Forte;	1.50	285.00	427.50
02/20/20	MJF	Engaged in numerous discussions and advising on changes and amendments to the APA and various related issues with calculation to the borrowing base etc.;	2.90	585.00	1,696.50
02/21/20	MJF	Engaged in moving matter forward on all fronts including APA drafts;	3.40	585.00	1,989.00
02/22/20	JT	Emails to and from Receiver and counsel to other stakeholders re: motion materials for approval of sale and vesting order; further draft said motion material; draft service list in respect of same; communications with S. Greenbaum re: service list;	1.40	285.00	399.00
02/22/20	MJF	Engaged in preparation of release agreements to deal with inventory hostage situations; revising APA re: Purchaser's comments etc. and generally moving file forward;	8.20	585.00	4,797.00
02/23/20	MJF	Engaged in addressing various outstanding issues related to process;	2.20	585.00	1,287.00
02/24/20	JT	Further communications to coordinate the obtaining of accurate information with regard to service list, with S. Greenbaum; further draft service list;	0.40	285.00	114.00
02/24/20	MJF	Engaged in advising on various matters and moving file forward etc.;	1.70	585.00	994.50
02/25/20	MJF	Dealing with various issues to resolve inventory issues matters and related matters; dealing with APA etc. and process issues;	3.30	585.00	1,930.50
02/26/20	MJF	Engaged in attempting to resolve drafting and ABL borrowing base calculation of purchase price;	2.60	585.00	1,521.00
02/27/20	MJF	Engaged in trying to finalise aspects of APA;	3.60	585.00	2,106.00

Date	Professional	Narrative	Hours	Rate	Amount
		providing advice on various process matters etc.; engaged in review of 1st Court Report;			
02/28/20	JT	Further draft factum in support of the Receiver's motion for an approval and vesting order; attendant review of legal authorities and draft report of the Receiver; report to M. Forte;	1.60	285.00	456.00
02/28/20	MJF	Engaged in various discussions on process matters and other matters related to revision to APA and finalisation thereof;	5.40	585.00	3,159.00
02/29/20	MJF	Processing changes to the APA etc.;	1.20	585.00	702.00
03/01/20	JT	Further draft factum in support of the Receiver's motion for an approval and vesting order; further attendant review of legal authorities and draft report of the Receiver; report to M. Forte;	5.10	285.00	1,453.50
03/01/20	MJF	Dealing with various outstanding issues preparatory to finalising application to court and APA;	2.10	585.00	1,228.50
03/02/20	JT	Further draft receiver's factum re: motion for approval and vesting orders; email to counsel for Purchaser re: service list and comments thereon; report to M. Forte;	1.40	285.00	399.00
03/02/20	KP	Instructions from M. Forte; correspondence with Court regarding availability on March 9, 2020; preparing request form for scheduling hearing on March 9, 2020; arranging for same to be signed and submitted to Court;	0.20	250.00	50.00
03/02/20	MJF	Completing APA and engaged in completion of court and related process materials etc.;	3.70	585.00	2,164.50
03/03/20	JT	Working session with M. Forte and K. Parent re: notice of motion, service thereof, and attendant matters; emails to and from counsel for Purchaser re: discussion and mutual comments on motion material; further draft and finalize motion material, including draft approval and vesting order and notice of motion; review compiled motion record prior to service and filing with the courthouse; oversee said service and filing; further draft receiver's factum in light of modifications to notice of motion and approval and vesting order; further compile the receiver's electronic book of authorities; report to M. Forte;	3.50	285.00	997.50
03/03/20	KP	Preparing motion record; drafting affidavit of service; drafting service email and letter serving same; correspondence with Court regarding rescheduling; preparing revised request for for rescheduling on March 10, 2020; finalizing motion record for service; serving same; preparing copies for service by courier; preparing confidential appendix brief, including unredacted report; reporting to M. Forte	6.00	250.00	1,500.00

Date	Professional	Narrative	Hours	Rate	Amount
		and J. Turgeon; arranging for filing of same with Commercial List;			
03/03/20	MJF	Engaged in dealing with various additional process issues and matters related to satisfying conditions etc.;	2.80	585.00	1,638.00
03/04/20	JT	Further compile the receiver's electronic book of authorities; review claims made against Evergreen that were recently brought to the attention of the receiver; draft letters to claimants under said claims re: stay of proceedings and availability of receivership information on receiver's website; report to Mario;	2.40	285.00	684.00
03/04/20	MJF	Engaged in dealing with various matters including interlender questions from court etc.; advising on warehousing and LL issues and other matters; advising on PPSA matters and lesser materials;	3.20	585.00	1,872.00
03/05/20	JT	Further draft letters to certain claimants re: stay of proceedings following comments from M. Forte; attend call with counsel for the Purchaser re: closing agenda and items to draft; draft letter agreement re: Purchaser's pre-payment of lease payments during post-closing access period and right of Purchaser to end post-closing access period during same; instruction to corporate clerks re: changing Evergreen's name as ordered in the approval and vesting order; numerous email exchanges regarding the above;	4.80	285.00	1,368.00
03/05/20	KP	Attendance to service of motion record on BJW Enterprises and CTL Logistics; correspondence with J. Chu and M. Forte regarding same; instructions to courier to deliver motion record packages to same address as we have confirmed BJW Enterprises is within the CTL group of companies;	0.30	250.00	75.00
03/05/20	MJF	Engaged in advising on CLT issues; drafting tank lease assignment and related documents; discussions with counsel re: closing logistics and documentation;	3.80	585.00	2,223.00
03/06/20	JT	Consider email exchanges re: closing agenda, letter agreement, CLT situation, and other matters; prepare for service of receiver's factum and brief of authorities;	0.40	285.00	114.00
03/06/20	KP	Correspondence with J. Turgeon regarding finalizing and serving Factum and Book of Authorities; forwarding precedents to J. Turgeon;	0.20	250.00	50.00
03/06/20	MJF	Engaged in discussions with CLT counsel concerning inventory issues and process and documentation; dealing with various closing issues and related documentation etc.; preparation of draft supplemental report to deal with inventory issues	3.70	585.00	2,164.50

Date	Professional	Narrative	Hours	Rate	Amount
		etc.;			
03/07/20	MJF	Engaged in discussions with counsel re: closing matters and related issues; advising on LL and lesser issues;	1.20	585.00	702.00
03/08/20	MJF	Discussions with company counsel re: process etc.; review supplement of report revisions etc.; review and revise factum etc.;	1.30	585.00	760.50
03/09/20	JT	Consider emails between parties and counsel re: upcoming hearing on motion for approval and vesting order, and the CLT situation; review and prepare factum of the receiver and receiver's supplemental report for service; serve same by email; draft letter to courier service list members, and oversee service of factum and supplemental report on courier service list; draft and swear affidavit of service; oversee filing with the courthouse of the factum and supplemental report; review draft approval and vesting order following comments by purchaser's counsel; serve new version of same on email service list; prepare documents for hearing on approval and vesting order; report to M. Forte;	3.10	285.00	883.50
03/09/20	JSM	Office conference M Forte re CIPO registrations and sample search;	0.20	560.00	112.00
03/09/20	KP	Assisting J. Turgeon with service of supplemental report and factum;	0.40	250.00	100.00
03/09/20	MJF	Engaged in various matters dealing with finalisation of Approval and Vesting Order; discussions with various counsel re: questions re: process; dealing with CLT and numerous issues;	3.60	585.00	2,106.00
03/10/20	AP	Conduct trademark search against Evergreen Consumer Brands Inc., generate registration details for Silkience, Salonselectives, Helene Curtis x2, Rose Milk, Physique, Daily Defense x2, Defense Quotidienne, Selections Salon x2, Salon Selectives x3, Get In Shape, Lavis, Salonselectives Get In Shape/Pour La Forme & Design, Hair Love, Inspire From The Makers Of Silkience & Design, Salon Selectives Colour Shield & Design, Selections Salon Colour Shield & Design, Salonselectives & Design x2 and Daily Defense & Design x2;	0.20	150.00	30.00
03/10/20	JT	Prepare for hearing for approval and vesting orders; attendance at court re: same; have issued and entered, and serve, the approval and vesting order obtained; oversee name change procedure and liaise between receiver and M. M. Co re: same;	3.40	285.00	969.00
03/10/20	KH	Review of HST election;	1.30	325.00	422.50
03/10/20	MMC	Review Approval and Vesting Order provided by Joel Turgeon, prepare Articles of Amendment re	1.30	200.00	260.00

Date	Professional	Narrative	Hours	Rate	Amount
		Evergreen Consumer Brands Inc., prepare cover letter to Ministry of Government Services and forward to Mario Forte for review and execution, email letter and Articles of Amendment to Joel Turgeon and Mario Forte;			
03/10/20	MJF	Preparation for and attendance in court to obtain Approval & Vesting Order; dealing with finalisation and revision to various closing documents; address issues with CLT counsel;	4.10	585.00	2,398.50
03/11/20	JT	Emails with receiver re: signed articles of amendment for name change; collect same at Deloitte;	0.50	285.00	142.50
03/11/20	MJF	Dealing with closing matters; further discussions with CLT and advising thereon; settlement of various closing documents and other logistical matters;	2.60	585.00	1,521.00
03/12/20	JT	Consider numerous emails with purchaser's counsel re: closing documents and related matters;	0.30	285.00	85.50
03/12/20	MJF	Engaged in pre-closing and related matters; advise re: various matters involving inventory recovery and other issues;	3.20	585.00	1,872.00
03/13/20	JT	Oversee name change procedure and review documents re: same; attend Deloitte to collect signed closing documents;	0.90	285.00	256.50
03/13/20	MJF	Finalising remaining closing materials / documentation; facilitating closing etc.	2.80	585.00	1,638.00
<b>Sub-Total Fees:</b>					95,241.00
<b>HST on Fees:</b>					12,381.33

**SUMMARY OF PROFESSIONAL SERVICES**

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Anne Palabasan	1.20	150.00	180.00
May May Co	1.50	200.00	300.00
Katie Parent	10.00	250.00	2,500.00
Joel Turgeon	47.00	285.00	13,395.00
Kelsey Horning	1.30	325.00	422.50
John McKeown	0.20	560.00	112.00
Mario Forte	133.90	585.00	78,331.50
	<u>195.10</u>		<u>95,241.00</u>

**DISBURSEMENTS**

Photocopies	60.50
Laser Copies	669.25

**DISBURSEMENTS**

		Courier	559.40
		On Corp. Fee	154.30
		OnCorp. Gov't Fee* *	56.00
03/03/2020	DS	Minister of Finance - Court filing *	320.00

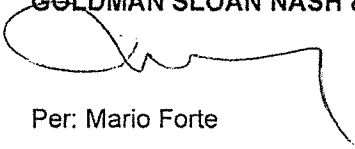
**Sub-Total Disbursements:** 1,819.45  
Disbursements marked with \* indicate exempt

**HST on Disbursements:** 187.65

**TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$12,568.98 HST):** \$ 109,629.43

**THIS IS OUR ACCOUNT HEREIN**

**GOLDMAN SLOAN NASH & HABER LLP**



Per: Mario Forte

E. & O. E.

This is Exhibit..... referred to in the  
affidavit of .....  
affirmed before me this .....  
day of ..... 20 20

A COMMISSIONER FOR TAKING AFFIDAVITS

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>
Mario Forte	133.90	585.00
John McKeown	0.20	560.00
Kelsey Horning	1.30	325.00
Joel Turgeon	47.00	285.00
Katie Parent	10.00	250.00
May May Co	1.50	200.00
Anne Palabasan	1.20	150.00

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*  
BETWEEN NATIONAL BANK OF CANADA, APPLICANT, AND EVERGREEN  
CONSUMER BRANDS INC., RESPONDENT

Court File No. CV-20-00636080-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced in TORONTO

**AFFIDAVIT OF MARIO J. FORTE**  
(sworn March 23, 2020)

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto (ON) M5G 1V2

**Mario Forte** (LSUC #27293F)  
Tel: 416-597-6477  
Email: [forte@gsnh.com](mailto:forte@gsnh.com)

**Joël Turgeon** (Student-at-Law)

Lawyers for Deloitte Restructuring Inc. in its  
capacity as receiver and manager of the assets,  
undertakings and properties of Evergreen Consumer  
Brands Inc.