

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

COLLEGE OF OPTOMETRISTS OF ONTARIO

Applicant

– and –

**SHS OPTICAL LTD., DUNDURN OPTICAL LTD. and
JOHN DOE, all carrying business under the name of
GREAT GLASSES; JOANNE MARIE BERGEZ and
BRUCE BERGEZ**

Respondents

– and –

COLLEGE OF OPTICIANS OF ONTARIO

Intervenor

– and –

THE ATTORNEY GENERAL FOR ONTARIO

Intervenor

FIRST REPORT TO THE COURT OF THE RECEIVER

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as Court-appointed Receiver.

INTRODUCTION

1. Pursuant to an Order of The Honourable Justice Turnbull dated July 2, 2010 (the “**Appointment Order**”), Deloitte & Touche Inc. was appointed as receiver (the “**Receiver**”), without security, in respect of (i) the assets, undertakings and properties of Bruce Bergez, Joanne Marie Bergez, SHS Optical Ltd. and Dundurn Optical Ltd. (the “**Debtors**”) acquired for or used in relation to the optical business, including all proceeds thereof, and (ii) the assets, undertakings and properties situated at the locations listed on Schedule “A” to the Appointment Order (the “**Locations**”) and acquired for or used in relation to the optical business, including all proceeds thereof, (collectively, the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order was made in the context of litigation between the College of Optometrists of Ontario (the “**Optometrists**”) and the Debtors, which began in 2002 when the Optometrists brought an application for an order requiring the Debtors to operate their optical businesses in compliance with the *Regulated Health Professions Act*. On June 24, 2003, the Honourable Justice Harris granted the application and ordered the Debtors to bring their optical business into full compliance with the health care legislative regime of Ontario.
3. On October 25 and 26, 2006, the Optometrists brought a further application for a finding of contempt in respect of the Debtors’ non-compliance with the Order of the Honourable Justice Harris. The Honourable Justice Crane granted the application and imposed a fine of \$1,000,000 against the Debtors. The Court also provided a detailed description of actions which the Debtors would be required to undertake in order to cure their contempt.
4. On August 27 to 31, 2007, the Optometrists brought a motion for further orders compelling the Debtors to adhere to the earlier Orders of the Honourable Justice Crane and the Honourable Justice Harris. The Honourable Justice Fedak granted the motion and ordered an additional fine of \$16,000,000 against the Debtors.

5. The Orders of Justice Crane and Justice Fedak were appealed by the Debtors to the Court of Appeal for Ontario. When the Court of Appeal denied the appeals, the Debtors sought leave to further appeal those decisions to the Supreme Court of Canada. Leave was denied.
6. In addition to the foregoing litigation, the College of Opticians of Ontario (the “**Opticians**”) commenced a parallel stream of litigation in November, 2006 against the individual operators of the businesses at the Locations seeking an Order requiring those businesses to comply with the provisions of the *Regulated Health Professions Act*, the *Health Professions Procedural Code* and the Regulations thereunder (the “**John Doe Litigation**”).
7. On December 27, 2006, The Honourable Justice Spies ordered, among other things, (i) that the businesses implicated in the John Doe Litigation (the “**John Doe Respondents**”) identify themselves, if they intended to continue to defend that litigation, and (ii) that the businesses, employees, agents, independent contractors and other persons carrying on business in association with them comply with the *Regulated Health Professions Act*, the *Health Professions Procedural Code* and the Regulations thereunder until the John Doe Litigation was disposed of. The Receiver understands that the John Doe Litigation is ongoing.
8. On April 29, 2010, the Optometrists brought a further motion seeking orders to compel the Debtors to comply with the previous Orders of the Court, including orders of incarceration of Bruce Bergez and Joanne Marie Bergez. On the same day, the Attorney General of Ontario (the “**Attorney General**”) sought and obtained leave to intervene in these proceedings for the purpose of, among other things, seeking the appointment of a receiver in respect of the property of the Debtors and the property of the businesses carried on at the Locations, which were believed to be operating under the name “Great Glasses”.

9. On July 2, 2010, the Court made findings of civil and criminal contempt against the Debtors and concluded that "...the only way to prevent further breaches of court orders and to protect the public from the potential harm for which the *RHPA* has been enacted, is to install a receiver of certain assets, undertakings and properties of Great Glasses." The Appointment Order was issued on the same date.¹
10. The role of the Receiver under the Appointment Order is limited. The Appointment Order provides that, except as expressly directed, the Receiver shall not take possession or control of the Property, shall not manage or operate the businesses and shall not take over the employment of the employees. Rather, the Appointment Order directs the Receiver to take possession of certain equipment, and to investigate and report to the Court in respect of the businesses and the Property. More specifically, the Receiver was directed to:
 - a) take possession of the eye testing and related equipment that forms part of the Property (the "**Equipment**"), including but not limited to any Eye Logic System equipment, and store the Equipment pending further order of the Court;
 - b) review and report to the Court upon the Property and the optical business carried on by the Debtors or carried on at the Locations (the "**Businesses**"); and
 - c) make copies of any computer disks relating to the Property or the Businesses (the "**Computer Records**") and store the Computer Records pending further order of the Court.
11. The Appointment Order also authorizes the Receiver to review and, if appropriate, consent to any proposed disbursements or dispositions of Property, other than a sale of inventory in the ordinary course of business, to be made by the Debtors or the businesses operated at the Locations.

¹ A more complete review of the litigation, Orders and contempt proceedings is set out in the reasons of Justice Turnbull, dated July 2, 2010. These Reasons and other documents pertinent to these proceedings, are available on the Receiver's website at www.deloitte.com/ca/great-glasses.

12. Pursuant to the direction of the Court, the Receiver is required to report back on its findings in respect of the Property and the Businesses for a hearing on August 23, 2010.

PURPOSE

13. The purpose of this first report of the Receiver (the “**First Report**”) is to:
 - a) provide the Court with a summary of the Receiver’s activities since the making of the Appointment Order, to August 12, 2010;
 - b) inform the Court of the results of the Receiver’s review to August 12, 2010 of the Property and the Businesses carried on by the Debtors or carried on at the Locations;
 - c) support the Receiver’s motion to vary Paragraph 2 of the Appointment Order so that it no longer directs the Receiver to make copies of the Computer Records, but merely authorizes the Receiver to do so if appropriate or necessary;
 - d) seek the Court’s approval of the First Report and of the Receiver’s activities to August 12, 2010; and
 - e) seek the Court’s approval of the fees and disbursements of the Receiver and those of its counsel, Borden Ladner Gervais LLP (“**BLG**”), up to July 31, 2010.

TERMS OF REFERENCE

14. In preparing this First Report, the Receiver has relied upon records and information provided by a number of parties and/or their counsel, including but not limited to: the Debtors, the parties carrying on business at the Locations, former “franchisees”, certain financial institutions, the Attorney General, the Opticians, the Optometrists, Eyelogic Systems Inc. (“**ESI**”), the Workplace Safety and Insurance Board (“**WSIB**”) and certain parties with registrations against the Debtors in the Personal Property Registry of Ontario. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or

completeness of such information and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of such information contained in this First Report. The Receiver notes that additional information may be brought to the attention of the Receiver after the date of this report, which information could have an impact on certain of the Receiver's findings set out herein.

15. Capitalized terms not defined in this report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
16. For purposes of this report, the terms 'franchisee' and 'store operator' are used to describe the owners/operators of the businesses operated at the Locations. The use of these terms is for convenience only, and does not reflect the Receiver's opinion on the existence and legitimacy of any franchise arrangements that may or may not exist in respect of these parties. The use of the plural form of 'franchisees' or 'store operators' in this report is intended to refer to more than one store operator, but unless the report expressly provides otherwise, such references are not intended to refer to all of the store operators.
17. The Receiver has sought the advice of independent counsel for general legal matters that have arisen in respect of the receivership.

RECEIVER'S ACTIVITIES

18. In preparing this First Report and in performing its duties as directed under the Appointment Order, the Receiver has engaged in a number of activities since July 2, 2010 (the "**Appointment Date**"), including but not limited to:
 - a) Identifying and taking possession of the eye testing and related equipment at 18 Locations;
 - b) Copying the Computer Records at seven of the Locations, as well as the Computer Records of Bruce Bergez;

- c) Corresponding with Bruce Bergez and with certain financial institutions to advise of the Receiver's authority to review and consent to any proposed disbursements of the Debtors and to suggest a protocol for reviewing and consenting to such proposed disbursements;
 - d) Arranging for appraisals of certain of the Property through agents;
 - e) Conducting searches of public registries, including the Personal Property Security Registry, the Land Titles Office Registry and the Business Names Registry, and reviewing the results thereof;
 - f) Meeting, interviewing and/or corresponding with the store operators, ESI, the Opticians, the Optometrists, the Attorney General, former store operators, financial institutions, and the legal advisors of many of the foregoing;
 - g) Collecting and reviewing contracts, leases and other documentary evidence provided by the store operators, ESI, the Optometrists and other parties engaged in dealings with the Debtors or the businesses operated at the Locations; and
 - h) Calling meetings between various parties to obtain information and exchange views.
19. A more complete account of certain activities of the Receiver through to August 12, 2010, is included in **Appendix "B"**.
20. Based on information obtained by the Receiver in its initial meeting with Bruce Bergez and initial attendances at the Locations, the Receiver became concerned that there may be independent businesses operating at some or all of the Locations pursuant to written or unwritten franchise arrangements. In order to address these concerns, the Receiver began interviewing the store operators on July 8, 2010 with a view to determining the nature of the businesses operated at the Locations and their relationship with the Debtors.

21. Shortly after these interviews began, the Receiver was advised on July 8, 2010 that many of the store operators had retained independent legal counsel. The Receiver deferred its arrangements to interview the remaining store operators and instead convened meetings with counsel to the various stakeholders to discuss, among other things, the positions of the store operators and the information to be provided to the Receiver to support the store operators' positions.
22. Ultimately, the stakeholders agreed that the Receiver would provide questionnaires to the store operators, with input from the Opticians, Optometrists and Attorney General, setting out the information the Receiver would require about each Location. The store operators were asked to provide the requested information in affidavit form.
23. As of the date of this Report, the Receiver has reviewed affidavits from operators of 15 stores, as well as an unsworn completed questionnaire from the operator of another store. The Receiver has not received information from one store, as the Receiver was recently advised that the counsel who was expected to represent the operator of the Milton Location had not been formally retained. The affidavits have not been filed in the public record, but have been relied upon by the Receiver in preparing this First Report. Included as **Appendix "C"** are copies of the affidavits of the store operators received by the Receiver, including Exhibit A of each affidavit. The Receiver has not included the other schedules and exhibits of each affidavit as that information does not appear to be relevant to the matters in issue and appears to contain information which may be confidential or personal.

ORGANIZATION OF THE BUSINESS

Overview

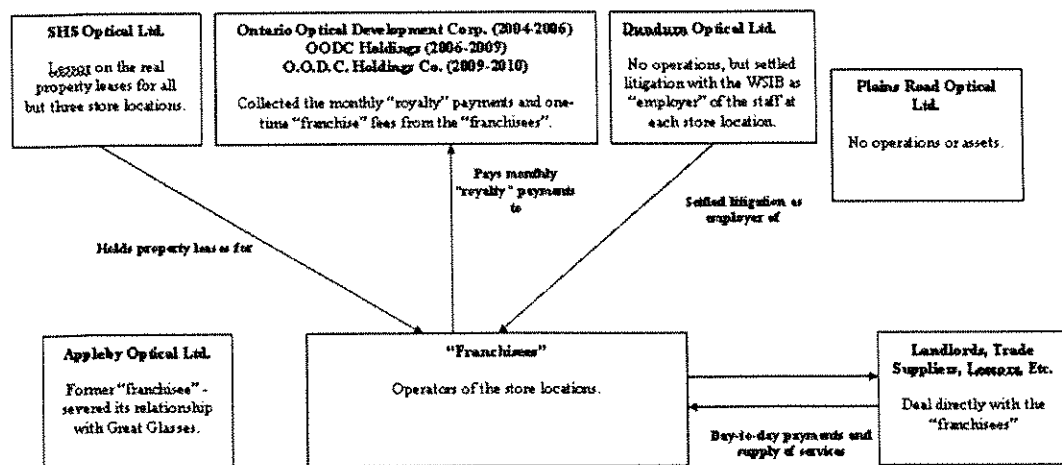
24. As of the Appointment Date, there were 17 retail optical stores operating under the business style of "Great Glasses" with locations in cities extending from London, Ontario to Toronto, Ontario. For the most part, it appears that each of these stores was operated as

a separate business by their owners/operators from a location leased from one of the Debtors, using the name "Great Glasses".

25. Each of the 17 active retail stores is accounted for on Schedule "A" of the Appointment Order. Two of the remaining stores were closed as at the Appointment Date. The final store appears to have operated under the name of "Great Glasses" at one time, but severed its relationship with the Debtors as of November 2, 2009, and now operates independently under the name "Appleby Optical".
26. In 2002, three companies were incorporated to form part of the Great Glasses enterprise. Those companies, which still exist as at the date of this report are:
 - a) Dundurn Optical Ltd., which appears to carry on no operations;
 - b) SHS Optical Ltd., which appears to carry on no operations except that it is the lessee on the real property leases for all but three of the Locations (the remaining three locations are leased by Bruce Bergez or a corporation to be named by Bruce Bergez); and
 - c) Plains Road Optical Ltd., which appears to carry on no operations.
27. The individual stores operating under the name "Great Glasses" are comprised of sole proprietorships and small corporations. The Receiver understands the first of these franchise stores began to conduct business under the style of "Great Glasses" in 2004, while others have started to carry on business under that name as recently as December, 2009. Each store is largely responsible for its own supplier arrangements and pays its own rent and disbursements directly to suppliers, lessors and landlords.
28. The individual store operators keep any profits produced by their stores, but are required to make monthly "royalty" payments and, in most cases, were required to pay a one-time "franchise fee" to entities designated by Bruce Bergez. The first such entity was a corporation called Ontario Optical Development Corp., which, among other things, began

collecting fees and royalties from store operators in 2004. After the Optometrists obtained access to the bank statements of Ontario Optical Development Corp. in 2006, that company ceased to be used. A second entity, OODC Holdings, a sole proprietorship, appears to have taken over its function in 2006. In 2009, a third entity, O.O.D.C. Holdings Co., a sole proprietorship, took over the function of collecting fees and royalties from the store operators. As will be discussed later in this report, the royalties and franchise fees paid to these entities provided Bruce Bergez with a financial return from the “Great Glasses” operation.

29. By way of summary, as at the date of this Report, the Receiver perceives the following relationship between the Debtors, the store operators and the other entities noted above:



A larger version of this diagram, copies of Corporate Profile and Business Name searches for many of the above mentioned entities, and a summary thereof are included in **Appendix “D”**. A more detailed description of each major entity follows in the sections below.

Dundurn Optical Ltd.

30. Dundurn Optical Ltd. was incorporated in February, 2002 and appears to have been largely inactive since its incorporation. Its sole director is Joanne Marie Bergez, the spouse of Bruce Bergez, and its only known asset is a balance of \$368.41 in its bank account. It does not appear to receive or disburse money with any regularity.
31. The Receiver is advised that in September, 2006 the WSIB commenced proceedings against a number of Great Glasses entities and related parties, including Joanne Marie Bergez, Dundurn Optical Ltd., and certain of the store operators. The proceedings were in respect of allegations that, *inter alia*, the defendants had failed to register with the WSIB, to report payroll to the WSIB and to remit premiums to the WSIB. The Receiver is advised that a settlement agreement was reached, pursuant to which Dundurn Optical Ltd. would plead guilty to the charge of failing to register and agree to a fine of \$20,000 plus a 25% victim surcharge. In exchange, the other charges against Dundurn Optical Ltd. would be dropped.
32. Dundurn Optical Ltd. was sentenced as described above by Order of Justice of the Peace Casey on April 28, 2010. The Receiver is advised that, to date, the fine has not been paid.
33. The Receiver has been in contact with counsel for the WSIB and is advised that the proceedings against Mrs. Bergez and certain of the store operators are ongoing.

SHS Optical Ltd.

34. SHS Optical Ltd. was incorporated in February 2002 and does not appear to have carried on any operations since its incorporation, except as the named lessee on real property leases for the Locations.² The sole director of SHS Optical Ltd. is Joanne Marie Bergez

² Leases for 14 of the Locations presently operating as "Great Glasses" are in the name of SHS Optical Ltd. as lessee. Leases for 3 store locations are in the name of Bruce Bergez (or on behalf of a corporation to be named by Bruce Bergez) as lessee.

and with the exception of the leases, the Receiver is not aware of any other assets of this company.

35. There has been some limited activity in the SHS Optical Ltd. bank account in the past two years, consisting primarily of a deposit of \$25,184.25 in December 2009, and the subsequent issuance of a certified cheque in the amount of \$25,000.00. The Receiver is advised that these transactions relate to a tenant-inducement offered by the landlord for the London, Ontario location and that the landlord paid the tenant inducement of \$25,184.25 to SHS Optical Ltd., which in turn paid out \$25,000 to the store operator for that Location. Receipt of such a payment was acknowledged by the store operator for that Location. As at June 30, 2010, the SHS Optical Ltd. account had an overdraft of \$9.60.
36. SHS Optical Ltd. was dissolved on November 17, 2008.

The “Franchisees”

37. Based on the information available to the Receiver it appears that, with one possible exception, the businesses operated at the Locations are run primarily for the account of the individual store operators. Fifteen of the seventeen active stores are sole proprietorships, while the remaining two locations are operated by corporations. A summary of the store operators and their relationship with the Debtors is included as **Appendix “E”** to this First Report.
38. From the information provided to the Receiver to date, it appears that each of the store operators maintains a separate bank account in its own name and/or the name “Great Glasses”. The Receiver has not completed a detailed review of each of the stores’ records, but based on the Receiver’s review of information and documents provided by the operators to date, including bank statements, cancelled cheques and supplier invoices, it appears that each store made all of its receipts and disbursements through its own bank account. For example, utilities, inventory purchases, monthly rent and other day-to-day expenses all appear to be paid through the individual store bank account.

39. Staffing at the stores is the responsibility of the individual store operators. It appears that in all but one of the stores, staff may not be treated as employees but as self-employed contractors. Store staff is paid on a bi-monthly basis and for those individuals not treated as employees, no source deductions are deducted from their pay cheques. Consequently, no payroll remittances are made by the store operators for those individuals.
40. Many of the store operators do not prepare financial statements.
41. Each store operator's relationship with the Debtors is through a documented or unwritten franchise arrangement with Ontario Optical Development Corp., OODC Holdings and/or O.O.D.C. Holdings Co. The Receiver has been provided with five signed franchise agreements (the "**Franchise Agreements**") which appear to be the only written franchise agreements presently in existence. Salient information from the Franchise Agreements is summarized below:

Date of Franchise Agreement	Franchisor Name	Franchisee Name	Location	Status
October 1, 2004	Ontario Optical Development Corp.	Scott Arsenault	2180 Itabashi Way, Burlington, ON	Sub-franchised to Tracey Watson, who later rescinded the Sub-franchise arrangement and took possession of the assets of the store
November 17, 2004	Ontario Optical Development Corp.	Karen Easlick	220 North Service Road, Oakville, ON	Operating
October 1, 2005	Ontario Optical Development Corp.	William Duncan	300 King George Road, Brantford, ON	Operating
March 5, 2005	Ontario Optical Development Corp.	Anna and Vincent Mifsud	26-17 Worthington Avenue, Brampton, ON	Operating
August 15, 2005	Ontario Optical Development Corp.	Originally Fran Osborne (now Jessica Camara)	125 The Queensway, Etobicoke, ON	Operating

42. Based on the Receiver's review of the Franchise Agreements, each of the above store operators was required to pay a one-time franchise fee of \$10,000 or \$15,000 to Ontario Optical Development Corp., and a monthly royalty of 10% of gross sales. The Receiver is advised by the store operators that the monthly royalties required of each store operator varied from time to time based on the direction of Bruce Bergez, and appear to have been fixed most recently at \$4,000 per month.
43. Franchise arrangements for the other store locations appear to have been based on unwritten agreements on similar terms to those described above. One-time franchise fees for the other locations have ranged from \$0 to \$145,000 and the quantum of royalty payments have also been variable.
44. Other than the initial franchise fees and the monthly royalty fees, the Receiver has not seen any documentation that suggests funds from the stores were paid to parties related to the Debtors. As noted previously, payments for day-to-day store operating expenses appear to have been made by each individual store operator through the store account, although certain arrangements with the lessors, suppliers or service providers are in the name of "Great Glasses", Bruce Bergez, or SHS Optical Ltd.
45. The information and documentation provided to the Receiver suggests that each store was operated for the account of each individual store operator. Nonetheless, the Receiver notes that Bruce Bergez appears to have had substantial influence or control over how certain aspects of the stores were operated. According to information obtained from various store operators, Bruce Bergez held regular meetings with the store operators during which he provided direction in respect of such matters as: marketing strategies, business organization, the manner in which staff and opticians should be hired (or not hired), the manner in which store results should be recorded and reported for tax purposes and the order in which suppliers should be paid.
46. For example, the store operators were occasionally directed by Bruce Bergez to make or withhold payments to particular suppliers or service providers. In one instance, store

operators were requested not to pay trade suppliers in a given month to conserve cash-flow. Store operators were further directed to participate in a marketing strategy prepared by The Errington Group, and to prioritize payment for those services above most other operating expenses.

47. As another example, some store operators advised the Receiver that Bruce Bergez gave direction on the filing of tax returns and in certain cases completed and filed tax returns on their behalf.
48. Information obtained from some store operators indicates that they felt they could not act against the direction of Bruce Bergez for fear that he would change the locks on the premises where they carried on business through his control of the premises leases, which were in his own name or the name of SHS Optical Ltd. The Receiver notes that the store operators did not appear to have formal sub-tenancy agreements with SHS Optical Ltd. or Bruce Bergez. The Receiver was advised that in at least one instance, a store operator was locked out of his store after having a disagreement with Bruce Bergez and lost his investment in the business.
49. During the course of its investigation the Receiver was advised by counsel to the Opticians and Optometrists of certain affidavits signed by store operators in the John Doe Litigation between the Opticians and the store operators. Those affidavits contain statements by some store operators that they were not or did not consider themselves to be independent business operators. This issue is addressed by the relevant store operators in their affidavits and the annexed questionnaires attached as Appendix "C" to this Report.

Appleby Optical Ltd.

50. In the course of conducting its investigation of the Businesses and Property, the Receiver was approached by counsel to 1773219 Ontario Incorporated and its owner/director, Ms. Tracey Watson, who now operates the business at one of the Locations (Location 7), who advised of the position of 1773219 Ontario Incorporated that Location 7 should not have

been included on Schedule "A" to the Appointment Order. Ms. Watson advised that she was at one time a franchisee of Great Glasses but that she has since severed her relationship with Great Glasses and is now operating independently under the name "Appleby Optical".

51. The Receiver met with Ms. Watson and her counsel and reviewed the documentation provided in support of her position, including correspondence between Ms. Watson and Bruce Bergez, leases and rental agreements in the name of 1773219 Ontario Incorporated signed by Ms. Watson, and a Notice of Rescission with effect from November 2, 2009 "rescinding the Sub-Franchise Agreement between Scott Arsenault and Tracey Watson dated August 18, 2008." Ms. Watson also provided the Receiver with copies of the resumes of three opticians who were hired by her business before the Appointment Date.
52. Based on the foregoing, the Receiver is of the view that Store 7 is not owned or operated under the style of "Great Glasses" and is not controlled by Bruce Bergez or any of the Debtors.

Ontario Optical Development Corp./OODC Holdings/O.O.D.C. Holdings Co.

53. Ontario Optical Development Corp. appears to have been formed to act as a franchisor for the "Great Glasses" businesses, and is listed as the franchisor in the Franchise Agreements which the Receiver has reviewed. Ontario Optical Development Corp. was incorporated in 2002 and its sole director was Mr. Leo Bertuzzi, the brother of Joanne Marie Bergez.
54. Based on information provided to the Receiver, it appears that Ontario Optical Development Corp. occasionally paid for the "start up" costs of individual store locations, but it also collected the one-time franchise fee and the monthly royalty payments which were made to it primarily by cheque from the store operators. The Receiver is advised that Ontario Optical Development Corp. continued to be used for this purpose until 2006, at which time counsel to the Optometrists obtained its bank account records from Mr.

Bertuzzi and the company ceased to be used. The Receiver notes that Ontario Optical Development Corp.'s charter was cancelled in 2008.

55. OODC Holdings, appears to have taken over the function of Ontario Optical Development Corp. in August, 2006, and store operators began writing cheques and making account transfers for their monthly royalty payments and one time franchise fees to OODC Holdings; however this entity does not appear to have entered into any written franchise agreements. OODC Holdings is a sole proprietorship and is registered in the name of Mr. Kevin Brittain, a former store operator.
56. According to information provided by Mr. Brittain, Bruce Bergez held the debit card for the bank account of OODC Holdings and requested that Mr. Brittain provide him with signed blank cheques. Later, Bruce Bergez also began signing cheques on the OODC Holdings account of his own accord, although he did not have signing authority on the account. Mr. Brittain did not instruct Royal Bank of Canada to stop payment on such cheques. Mr. Brittain advised the Receiver that on receipt of monthly statements for this account, he turned the envelope containing the statements over to Mr. Bergez. He advised the Receiver that, except on a few occasions, he delivered the envelopes to Mr. Bergez unopened at Mr. Bergez's insistence.
57. Mr. Brittain advises that in 2008 he and Bruce Bergez had a falling out, which resulted in Mr. Brittain being locked out of the stores he had operated. Mr. Brittain filed an assignment in bankruptcy on June 17, 2009 and the approximately \$20,000 of funds remaining in the OODC Holdings account at that time were claimed by and paid to his trustee in bankruptcy.
58. Based on copies of the bank statements for OODC Holdings, it appears that during the period from August 9, 2006 to June 30, 2009, OODC Holdings received an aggregate of \$3,456,992.22 in deposits. After June 17, 2009, there was no significant further activity in the account. Due to the cost, the Receiver has not at this time obtained copies of the cancelled cheques for this account and therefore is not in a position to comment on the

disbursements made from this account, other than for certain debit transactions which appear to be primarily for personal expenses. Based on the available information it appears that Mr. Bergez had control over the account and the money in it, though this has not been verified through a review of the cancelled cheques.

59. On June 22, 2009, O.O.D.C. Holdings Co. was established. O.O.D.C. Holdings Co. appears to have taken over the function of OODC Holdings. Royalty cheques and franchise fees were deposited to the bank account of O.O.D.C. Holdings Co.; however this entity does not appear to have entered into any written franchise agreements. O.O.D.C. Holdings Co. is a sole proprietorship, registered in the name of Mr. William Duncan, a store operator.
60. According to information provided by Mr. Duncan, he was requested by Bruce Bergez to open an account in the name of O.O.D.C. Holdings Co. and acceded for fear of being locked out of his store. Although Mr. Duncan was the sole signing authority on this account, it appears that Bruce Bergez controlled the account and the payments made through it.
61. Copies of the online bank statements and cancelled cheques for the O.O.D.C. Holdings Co. bank account to June 18, 2010 were provided to the Receiver by Mr. Bergez, and statements for the period ending July 7, 2010 for the account were also provided separately by Mr. Duncan. Based on the Receiver's review of the O.O.D.C. Holdings Co. account for the period June 22, 2009 to July 7, 2010, the Receiver notes that all but a few cheques drawn on this account were signed by Mr. Bergez. Several cheques were signed by Mrs. Bergez and one cheque appears to be signed "Bill D". Many disbursements from this account, some of which were effected by debit card payments, appear to have been for various expenses, including automobile lease payments, gas, groceries, mortgage payments and school fees.
62. Over the period from May 21, 2009 to June 18, 2010, the bank records of O.O.D.C. Holdings Co. show that it received an aggregate of \$656,314.47 in deposits. The bank

account was closed on July 7, 2010. Mr. Duncan paid \$4,000.00 to the bank to cover the overdraft in the account at that time.

63. Over the four years in which franchise fees and royalty payments were collected by OODC Holdings and O.O.D.C. Holdings Co., an aggregate of approximately \$4,113,000 was deposited into the bank accounts of these entities.³ As of the date of this report, there are no funds in the accounts of OODC Holdings and O.O.D.C. Holdings Co. referred to in this report. The Receiver is also not aware of any funds in the account of Ontario Optical Development Corp., though it does not have all of the bank statements for that account at this time. A summary of the aggregate funds paid into and debited from the accounts of each of OODC Holdings and O.O.D.C Holdings Co. for the period August 9, 2006 to June 18, 2010 is set out below:

<u>Holding Entity</u>	<u>Period</u>	<u>Deposits</u>	<u>Debits</u>
OODC Holdings	Aug 9, 2006 to Dec 29, 2006	\$993,396.84	\$946,839.40
OODC Holdings	Dec 30, 2006 to Dec 28, 2007	\$1,154,578.53	\$1,191,508.18
OODC Holdings	Dec 29, 2007 to Dec 30, 2008	\$979,514.43	\$984,963.88
OODC Holdings	Dec 31, 2008 to Jun 30, 2009	\$329,502.42	\$334,200.76
O.O.D.C. Holdings Co.	May 21, 2009 to Jun 18, 2010	\$656,314.47	\$654,164.77
TOTAL	Aug 9, 2006 to Jun 18, 2010	\$4,113,306.69	\$4,111,676.99

³ At the time of this First Report, the Receiver has not determined whether all of the payments made into the accounts of OODC Holdings and O.O.D.C. Holdings Co. were for one-time franchise fees and royalty payments, or whether all the franchise fees and royalty payments were deposited into those accounts. The Receiver notes that some store operators have provided information which suggests that the entities may have been used to provide liquidity for new store operators and hence received payments from store operators other than monthly royalties and franchise fees.

REPORT ON THE PROPERTY AND BUSINESS UNDER PARAGRAPH 2 OF THE APPOINTMENT ORDER

Activities of the Businesses and the Employees of the Businesses (Since July 2, 2010)

64. Pursuant to the Appointment Order, the Receiver arranged for the removal of the eye testing and related equipment from 18 Locations commencing on July 5, 2010, as set out more fully in Appendix "B". Since that date, the 17 active store locations and 1773219 Ontario Incorporated have continued to carry on business. The Receiver is advised that, except for the Milton Location for which the Receiver does not have information at this time, all store operators have ceased making their royalty payments, although they continue to pay their operating expenses in the ordinary course.
65. At a meeting held on July 15, 2010 with the Opticians, the Optometrists, the Attorney General and counsel to the majority of the store operators, the Receiver was advised that many of the store operators wished to bring their businesses into compliance with the *Opticianry Act* and related legislation. Subsequently, many of the store operators have placed advertisements and liaised with the Opticians regarding the store operators attempts to hire opticians for their stores. According to information received from the Opticians, as of August 5, 2010, four store operators have successfully hired opticians. The Opticians advise that there may be other store operators who have successfully hired opticians but whose opticians have not yet registered their employment within the 30 day period prescribed by the Opticians.

Nature of the Property and the Businesses

66. The major assets which comprise the Property used in the Businesses appear to consist predominantly of: real property leases for the Locations held by SHS Optical Ltd. and Bruce Bergez, rental agreements for the ESI eye testing equipment, other equipment related to the manufacture of eye glasses, eye glass frames and related inventory, store racks and cabinetry, accounts receivable and a limited amount of funds in corporate accounts.

67. In respect of the ESI eye testing equipment, the Receiver has been provided by counsel to ESI with copies of rental agreements for each piece of ESI equipment used at the Locations. The Receiver understands that the individual store operators are responsible for the monthly rental payments for this equipment, and that they deal directly with ESI in respect of their technical support and maintenance requirements. Many of the rental agreements are for fixed terms which have expired, but it appears that the rental arrangements have been mutually continued by ESI and the store operators. A chart summarizing the details of the rental agreements in respect of the ESI equipment is included as **Appendix “F”**.
68. The Receiver was contacted shortly after the commencement of the receivership by counsel to ESI, who advised that ESI would be seeking the return of its equipment in the near future. The Receiver is not aware of any further steps having been taken by ESI in that regard to date.

Liabilities of the Debtors and Estimated Realizable Value of the Property

Overview

69. As described more fully in the sections which follow, based on the information provided to the Receiver by its agents and various stakeholders to date, the Receiver estimates the gross realizable value of the Property of the Debtors, before accounting for any charges or encumbrances, to be approximately \$560,000. A chart setting out the value of the major assets and liabilities of each of the Debtors, other than the costs and fines imposed by the Orders in the Great Glasses litigation, is included as **Appendix “G”**.
70. Given the information provided by the franchisees to the Receiver that the businesses operated at the Locations are operating as individual businesses, the Receiver does not intend to file an assessment of the assets and liabilities of the Locations with the Court at this time. Should the Court so desire, the Receiver can prepare a supplementary report

with an estimate of the assets and liabilities of the store operators which would be based on further inquiries and the information it has collected to date.

SHS Optical Ltd.

71. SHS Optical Ltd. does not carry on any operations that the Receiver is aware of, except that SHS Optical Ltd. is the lessee on the real property leases for the 14 active Great Glasses store Locations. The Receiver is not aware of the existence of any other assets of SHS Optical Ltd. Based on the Receiver's review of the bank statements for SHS Optical Ltd.,⁴ there has been minimal activity in the corporate bank accounts since September 2008. As at June 30, 2010, the bank account had an overdraft of \$9.60.
72. The Receiver engaged Oberfeld Snowcap Inc. ("**Snowcap**"), an independent leasing consultant, to provide the Receiver with an estimate of the value of the seventeen leases for the active Locations held in the name of SHS Optical Ltd. and Bruce Bergez. Snowcap advises that (i) the values of the leases do not represent any significant value based on the existing rents, and (ii) the use clauses in the leases also restrict any possible purchaser from operating anything but an eye glass store. There is also a lack of exclusivity in many cases which further limits the value of the leases to an assignee.
73. The Receiver notes that Canada Revenue Agency ("**CRA**") has issued assessments against SHS Optical Ltd. in the amount of approximately \$920,000 which could negatively impact the realizable value of any property held by it.

Dundurn Optical Ltd.

74. Dundurn Optical Ltd. does not carry on any operations that the Receiver is aware of. According to bank statements received from Bank of Montreal up to May 31, 2010, there were no transactions in the corporate account, other than bank charges, subsequent to

⁴ Provided by Mr. Bergez for the period up to May 2008 and by Bank of Montreal for the period from March 1, 2008 to June 30, 2010.

January 1, 2008. As at May 31, 2010, the corporate account had a balance of \$368.41. The Receiver is not aware of the existence of any other assets of Dundurn Optical Ltd.

75. As described previously, Dundurn Optical Ltd. pleaded guilty to certain offences under the *Workplace Safety and Insurance Act* on April 28, 2010, and was sentenced by Justice of the Peace Casey to a fine of \$20,000 plus a 25% victim surcharge. The Receiver is advised that to date, the fine has not been paid.
76. The Receiver notes that CRA has issued assessments against Dundurn Optical Ltd. in the amount of approximately \$1,048,000 which could negatively impact the realizable value of any property held by it.

Plains Road Optical Ltd.

77. Plains Road Optical Ltd. appears to have been inactive since it was first incorporated. As this entity is not included as one of the Debtors, the Receiver has not reviewed its assets and liabilities, if any.

Ontario Optical Development Corp./OODC Holdings/O.O.D.C. Holdings Co.

78. Based on the information available to the Receiver, it appears that these entities were established for, among other things, the purpose of collecting the one-time franchise fees and monthly royalty payments made by the store operators. Neither OODC Holdings nor O.O.D.C. Holdings Co. have any funds remaining in the accounts referred to in this report as of the date hereof. The Receiver is also not aware of any funds in the accounts of Ontario Optical Development Corp., although the Receiver does not have all of the bank statements for that entity at this time. The Receiver notes that the funds of OODC Holdings were claimed in the course of the bankruptcy of Mr. Brittain and that the account of O.O.D.C. Holdings Co. was closed on July 7, 2010 following repayment of an overdraft of \$4,000.

Bruce Bergez and Joanne Marie Bergez

79. Statements of Net Worth for Mr. and Mrs. Bergez were provided to the Receiver by Mr. Bergez on July 21, 2010.⁵
80. According to the Statement of Net Worth of Bruce Bergez, he has no assets but has liabilities totalling \$18,166,344. The liabilities consist primarily of assessments levied against him by CRA for GST and personal income tax, debts outstanding to suppliers, unpaid legal fees, the Court imposed fine against the Debtors in respect of the Great Glasses litigation and any costs awarded in the Great Glasses litigation.
81. According to the Statement of Net Worth of Joanne Marie Bergez her principal asset is the Bergez residence at 286 York Rd., Dundas, Ontario, for which she is the sole registered owner, with a value of \$500,000. There is a mortgage of \$34,917.12 against the property based on information received from the mortgagee.⁶ Joanne Marie Bergez is also shown as the owner of two cars having a value of \$60,000, against which there are auto loans of approximately \$75,000 in the name of Nomis Corporation, which were registered in the Personal Property Security Registry on May 25, 2010, and registered against title to the Bergez residence on July 13, 2010.
82. In respect of the assets of Mr. and Mrs. Bergez, the Receiver notes that it received correspondence from Mr. Bergez on July 25, 2010, stating that “as of today Joanne and I are impecunious.”
83. The Receiver has reviewed copies of the 2008 income tax return of Bruce Bergez that Bruce Bergez provided to the Receiver to see if the return identified any other assets that may be owned by Bruce Bergez. No evidence of assets was noted on the return since no income or deductions were reported on the return. Mr. Bergez advised that his return for

⁵ The Statements are unsworn. The Receiver requested sworn statements on July 28, 2010, and was advised by Bruce Bergez that due to financial constraints they could not pay to have the Statements sworn.

⁶ As at August 6, 2010.

2009 has to date not been filed. Mr. Bergez further advised that income tax returns for Joanne Marie Bergez have not been filed since 2005 as a result of an oversight.

Persons Claiming an Interest in the Businesses or Property

84. At the Receiver's request, BLG conducted initial searches of the Personal Property Security Registry of Ontario in respect of the Debtors with file currency of April 28, 2010. BLG wrote to all of the registrants in the Personal Property Security Registry with registrations prior to April 28, 2010, except the Ministry of Revenue, on July 15, 2010 requesting the particulars of each registrant's relationship with the applicable Debtor and copies of any agreements or other documentation relevant to that relationship. As of the date of this report, the Receiver is advised that three registrants have responded and provided copies of lease agreements:

- (i) IndCom Leasing Inc. provided a lease agreement with Linda Silberberg o/a Great Glasses, for certain eye lab equipment at a monthly rent of \$601.92;
- (ii) VW Credit Canada, Inc. provided two lease agreements with Great Glasses, one signed by Natali Silberberg on behalf of Great Glasses for a motor vehicle with a monthly payment of \$594.74 and one signed by Linda Silberberg on behalf of Great Glasses for a motor vehicle with a monthly rent of \$396.49; and
- (iii) Leasebank Credit Corporation provided a lease agreement with William W. Duncan o/a Great Glasses, for certain eye lab equipment at a monthly payment of \$479.96.

85. BLG also conducted a search at the Land Registry Office in respect of the Bergez residence at 286 York Rd., Dundas, Ontario, with file currency of August 3, 2010. Those searches revealed two parties with registrations on title: The Effort Trust Company, in

respect of a mortgage on the residence, and Nomis Corporation, in respect of a Notice of Security Interest registered on title to the residence.

86. BLG conducted further searches of the Personal Property Security Registry in respect of “Great Glasses”, Dundurn Optical Ltd., SHS Optical Ltd., Ontario Optical Development Corp., OODC Holdings, O.O.D.C. Holdings Co., Bruce Bergez and Joanne Marie Bergez, with file currency of August 4, 2010.
87. Based on all of the foregoing, BLG advises that there are 10 different registrants with registrations against the Debtors and related entities in the Personal Property Security Registry and the Land Registry Office. A table summarizing the registrations against the above noted Debtors and related entities is attached as **Appendix “H”**.

Whether the Businesses or Property can be Sold

88. From the information collected by the Receiver to date, the major business assets of the Debtors appear to consist of essentially three assets: the real property leases for the Locations for which the Debtors are tenant, the potential franchise rights in favour of Ontario Optical Development Corp., OODC Holdings and O.O.D.C. Holdings Co., and the trade name “Great Glasses”. Each of these assets is likely to be problematic to sell, and the Receiver is of the view that a sale of all or part of the Businesses or Property is not feasible at this time for the reasons set out below.
89. First, SHS Optical Ltd. and Bruce Bergez are the holders of seventeen leases in respect of the Locations presently in operation. As noted above, the Receiver has obtained an independent appraisal of the equity in those leases which has indicated their value to be essentially nil. However, notwithstanding the appraisal, the leases may be of value to the store operators, who do not appear to have any written basis for occupying the Locations where their stores are situated.

90. Second, Ontario Optical Development Corp., OODC Holdings and O.O.D.C. Holdings Co. (and by extension the Debtors) may be the holders of certain formal or informal franchise rights in relation to the businesses operated at the Locations. The Receiver notes that few of these arrangements are in writing and that of the written franchise agreements that the Receiver has reviewed, many have expired. As a result, it is not clear that a potential purchaser would be able to enforce any of the franchise arrangements against the store operators, which makes this asset speculative and difficult to sell.
91. Third, a search of the Canadian Trade-Mark Database reveals that the "Great Glasses" name is not registered as a trade-mark. Accordingly, it is not clear whether the name can be sold, and whether there is any value in the name even if it can be sold given the recent publicity which the Great Glasses litigation has engendered. Many store operators have expressed to the Receiver concerns about this publicity in the context of difficulties experienced in hiring opticians to work at their stores.
92. Finally, given the information provided to the Receiver by the store operators to support their positions that the businesses operated at the Locations are independent businesses, it may not be appropriate to attempt to sell the Property owned by those businesses in the context of these proceedings. Accordingly, the Receiver does not express a view on whether those assets could be sold at this time.

Are the Debtors Meeting their Obligations in the Ordinary Course of Business

93. As noted above, Bruce Bergez and Joanne Marie Bergez appear to have most recently been paying living expenses out of the bank account of O.O.D.C. Holdings Co. The Receiver is advised that the store operators have ceased making payments to that entity. The Receiver does not know whether or not Mr. or Mrs. Bergez have the cash flow required to meet their obligations in the ordinary course. As described earlier in this First Report, the Receiver is in receipt of correspondence from Mr. Bergez, dated July 25, 2010, in which he states that he and Mrs. Bergez are impecunious.

94. As at June 30, 2010, the bank balance of SHS Optical Ltd. was in an overdraft position. SHS Optical Ltd. appears to be inactive. It also appears that SHS Optical Ltd.'s sole obligations, namely its liabilities under the premises leases, are being discharged by the respective franchisees.
95. As at May 31, 2010, the balance in the Dundurn Optical Ltd. bank account was \$368.41. The Receiver understands that Dundurn Optical Ltd. is inactive and never conducted any operations. The Receiver is not aware of any obligations in the ordinary course of business Dundurn Optical Ltd. is responsible to pay.

Potential for Recovery of any Liabilities owed to the Minister of Finance for Ontario in Respect of any Court Orders

96. The fine presently owing by, and enforceable against, the Debtors is approximately \$17,000,000. As set out in the summary in Appendix "G", which does not include the assets of the businesses operated at the Locations, the Receiver is of the view that a gross amount of approximately \$560,000 may be available to creditors, including the Minister of Finance for Ontario in respect of amounts owing under Court Orders. This amount is calculated as follows:
- (i) \$0 from SHS Optical Ltd. in respect of the value of the real property leases held in its name;
 - (ii) \$368.41 from Dundurn Optical Ltd. consisting of the funds in its corporate bank account;
 - (iii) \$0 from Bruce Bergez based on his Statement of Net Worth provided to the Receiver; and
 - (iv) \$560,000 from Joanne Marie Bergez consisting of the value of the property at 286 York Road, Dundas, Ontario and the value of her two automobiles.⁷

⁷ Based on the valuations contained in Mrs. Bergez's Statement of Net Worth.

97. The Receiver notes that it has not undertaken a claims process for the purpose of identifying the nature and amounts of other claims against the Debtors. Consequently, the Receiver is unable to say whether other parties might assert a priority over the claims of the Minister of Finance for Ontario, or whether there are other creditors of the Debtors which would be entitled to their pro rata share of the Debtors' assets.

THE EQUIPMENT

98. Pursuant to paragraph 2(a) of the Appointment Order, the Receiver was directed to take possession of the eye testing and related equipment that forms part of the Property (the "**Equipment**"), including but not limited to any Eye Logic System equipment, and to store the Equipment pending further order of the Court.
99. As described in greater detail in Appendix "B", the Receiver has taken possession of the Equipment through an agent and has arranged for storage and insurance at a monthly cost of approximately \$2,600. The equipment in the possession of the Receiver consists of:
- a) 18 units of ESI eye testing equipment;
 - b) chairs that were attached to the ESI eye testing equipment; and
 - c) autorefractors, which can be used for eye testing independently of the other Equipment.
100. On July 9, 2010, the Receiver was provided with copies of Rental Agreements for the ESI eye testing equipment executed by ESI (or "Eyelogic Inc.") and "Great Glasses". With two exceptions, the Rental Agreements are signed by Bruce Bergez in his capacity as "C.F.O.", "Optician" or "Owner". The exceptions consist of one Rental Agreement signed by Mr. Brittain, a store operator, and one Rental Agreement in respect of the "Appleby Optical" store which, as noted above, has severed its relationship with the Debtors. Notwithstanding the names on the Rental Agreements, it appears to the Receiver

that the monthly rent payments under the Rental Agreements have been paid by the individual store operators.

101. The Receiver notes that many of the rental agreements are for fixed terms which have now expired. However, based on the information available to the Receiver it appears that the term of the Rental agreements have been mutually extended by ESI and the store operators.
102. Counsel to the Receiver was contacted by counsel to ESI on July 9, 2010, indicating that ESI may be seeking the return of the ESI equipment in the near future, however the Receiver is not aware of any steps being taken in that regard to date. Failing a motion by ESI for the return of the ESI equipment, the Receiver will consider what steps to take in relation thereto.

RELIEF REQUESTED BY THE RECEIVER

Copies of the Computer Records

103. Commencing on July 5, 2010, the Receiver began attending at the Locations to make copies of the Computer Records as directed by the Appointment Order. Because of the volume of the information on the computers, the computer imaging of the information took between 4 to 6 hours per store.
104. By July 9, 2010 the Receiver had attended at 7 stores to image computer information. Based on the time required to download the information at each Location, the Receiver estimated that the cost of copying all of the information at the 17 Locations would be significant. As a result, the Receiver deferred imaging the remaining computers while it reviewed the information it had obtained to that date, to determine the nature of the information stored on the computers at each Location and to assess whether copying the remaining Computer Records merited incurring the additional professional costs of doing so.

105. Based on the information reviewed, it appears from the file descriptions and formats on the Computer Records that the store computers contain the following types of information:

- Customer information;
- Staff contact details;
- Daily totals (sales);
- Invoices for the sale of inventory;
- Prescription tables;
- Lens ordering information;
- Various reference tables for frame brands, frame costs, frame styles, frame suppliers, frame types, lens-coatings, lens-material, etc.
- Customer payment details, including whether their prescription was created by the Eyelogic machine.

From the information reviewed to date, the Receiver did not find any significant financial information on the servers, such as balance sheets, income statements, cash flows, income tax and other statutory returns.

106. Based on the foregoing, the Receiver wrote to the Opticians, Optometrists and Attorney General through counsel, advising that it proposed to defer copying the computer records at the remaining Locations and focus its attention on meeting with the store operators.

107. The Receiver does not currently believe that there would be further value in copying the Computer Records at the remaining Locations. As a result, the Receiver is seeking an order to vary Paragraph 2 of the Appointment Order so that it does not direct the Receiver to make copies of the Computer Records, but merely provides the Receiver with the authority to do so, if the Receiver considers it appropriate and necessary.

Approval of Fees and Activities

108. The Receiver's fees for services rendered for the period ending July 31, 2010 are particularized in the Affidavit of Daniel R. Weisz, sworn August 13, 2010 and the invoices attached as exhibits thereto. The total amount of the invoices for this period is \$218,489.94 including applicable taxes and third party disbursements of \$11,965.23 made by the Receiver.
109. The fees and disbursements of BLG, the Receiver's independent counsel, for the period ending July 31, 2010 are particularized in the Affidavit of Roger Jaipargas, sworn August 13, 2010 and the invoices attached as exhibits thereto. The total amount of the invoices for this period is \$59,849.99.
110. The Receiver has reviewed the invoices of BLG and finds the work performed and charges to be appropriate and reasonable.
111. Copies of the Receiver's and BLG's accounts have been forwarded to the Attorney General.
112. The Receiver is herein seeking the Court's approval of its activities up to the date of this report and its fees as set out above.

Summary of Relief Requested by the Receiver

113. The Receiver respectfully requests that the Court grant its motion for an order:
 - approving the First Report and the activities of the Receiver described therein, including any work performed before and in anticipation of the issuance of the Appointment Order;
 - amending paragraph 2 of the Appointment Order so that it no longer directs the Receiver to make copies of the Computer Records but merely authorizes the Receiver to do so if appropriate or necessary; and


- approving the fees and disbursements of the Receiver and its counsel, BLG, for the period to July 31, 2010.

All of which is respectfully submitted to this Honourable Court.

DATED this 13th day of August, 2010.

DELOITTE & TOUCHE INC.

solely in its capacity as Receiver of
certain assets, undertakings and properties of
SHS Optical Ltd., Dundurn Optical Ltd. and John Doe
all carrying on business under the name of Great Glasses
and not in its personal capacity

A handwritten signature in black ink, appearing to be 'D. Weisz', with a stylized, cursive flourish.

Daniel R. Weisz, CA•CIRP, CIRP
Senior Vice President

A

Exhibits

Court File No. 05-18863

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR.) *FRIDAY*, THE 2ND DAY
)
JUSTICE *TURNBULL*) *JULY* OF , 2010

COLLEGE OF OPTOMETRISTS OF ONTARIO

Applicant

– and –

**SHS OPTICAL LTD., DUNDURN OPTICAL LTD. and
JOHN DOE, all carrying business under the name of
GREAT GLASSES; JOANNE MARIE BERGEZ and
BRUCE BERGEZ**

Respondents

– and –

COLLEGE OF OPTICIANS OF ONTARIO

Intervenor

– and –

THE ATTORNEY GENERAL FOR ONTARIO

Intervenor

ORDER

THIS MOTION made by the Attorney General for the Province of Ontario (the "AGO"), for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, (the "CJA") appointing Deloitte & Touche Inc. ("Deloitte") as receiver (in such capacities, the "Receiver") without security, of certain assets, undertakings and properties of Great Glasses, Bruce Bergez, Joanne Marie Bergez, SHS Optical Ltd., Dundurn Optical Ltd. (the

"Debtors") and also certain assets, undertakings and properties situated at the locations listed on Schedule "A" hereto (the "Locations"), acquired for or used in relation to an optical business, was heard this day at 45 Main St. East, Hamilton, Ontario.

ON READING the Motion Record of the Applicant, College of Optometrists of Ontario, the Motion Record of the Intervenor, College of Opticians of Ontario, the Motion Record of the Intervenor, Her Majesty the Queen in right of Ontario as represented by the Attorney General ("HMQ"), the affidavit of Bruce Bergez sworn May 20, 2010, the Reply affidavits of the College of Optometrists of Ontario, and the affidavit of Glenna Thompson sworn May 25, 2010 filed by the College of Optometrists of Ontario, and on hearing the submissions of counsel for the College of Optometrists of Ontario, the College of Opticians of Ontario, HMQ, and on hearing the submissions of Bruce Bergez on his own behalf and on behalf of Joanne Bergez, no one appearing for any other party although duly served as appears from the affidavits of service filed, and on reading the Consent of Deloitte to act as Receiver,

APPOINTMENT

1. THIS COURT ORDERS that pursuant to section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, in respect of (i) the assets, undertakings and properties of the Debtors acquired for or used in relation to the optical business, including all proceeds thereof, and (ii) whether or not the Debtors are the owners thereof or have an interest therein, the assets, undertakings and properties situated at the Locations and acquired for or used in relation to the optical business, including all proceeds thereof, (collectively, the "Property") for the purpose of and to the extent authorized by the balance of this Order. For greater certainty, (i) except as expressly provided for in this Order, the Receiver shall not take possession or control of the Property, and (ii) the Receiver shall not carry on, manage or operate the business of the Debtors, the businesses operated at the Locations or the businesses of other persons in respect of the Property without further order of the Court.

RECEIVER'S POWERS

2. THIS COURT ORDERS that the Receiver is hereby empowered and authorized (and in respect of subparagraphs 2(a), (b) and (c) the Receiver is also directed):

- (a) to take possession (directly or through an agent or agents) of the eye testing and related equipment that forms part of the Property (the "Equipment"), including but not limited to any Eye Logic System equipment, and store the Equipment pending further order of the Court;
- (b) to review and report to the Court upon the Property and the optical business carried on by the Debtors or carried on at the Locations (the "Business") including, without limitation:
 - (i) the activities of the Business and the employees of the Business from the date of this Order;
 - (ii) the nature of the Property and the Business;
 - (iii) the estimated realizable value of the Property;
 - (iv) the Debtors' liabilities in relation to the Business;
 - (v) persons having or claiming an interest in the Business or the Property or claiming against the Debtors and the quantum and nature of those claims;
 - (vi) whether the Business or the Property can be sold (whether en bloc or on a piecemeal basis) and, if so, any recommendations concerning the method or methods of sale;
 - (vii) whether the Debtors are meeting their obligations in the ordinary course of business; and
 - (viii) the potential for recovery of any liabilities owed by the Debtors to the Minister of Finance of Ontario under any prior Order of the Court.

- (c) to make copies of any computer disks relating to the Property or the Business (the "Computer Records") and store the Computer Records pending further order of the Court;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, security personnel, 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 review and, if appropriate, consent to any proposed disbursement or disposition of Property, other than a sale of inventory in the ordinary course of business, to be made by the Debtors or the businesses operated at the Locations and to take such steps as in the opinion of the Receiver are necessary or appropriate in relation thereto, and to advise any banks or financial institutions where the Debtors or the businesses operated at the Locations have bank accounts (the "Banks") of the Receiver's power to review and, if appropriate, to consent to any proposed disbursement or disposition of Property, other than a sale of inventory in the ordinary course of business, including but not limited to serving a copy of this Order on any such Banks;
- (f) to report to, meet with and discuss with such 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; and
- (g) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. THIS COURT ORDERS that (i) the Debtors and the owners of the businesses operated at the Locations, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, (iii) Joanne Marie Bergez and Bruce Bergez, and (iv) 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 or Equipment in such Person's possession or control, shall grant immediate and continued access to the Property or Equipment to the Receiver and shall co-operate with and shall provide such information and documents as the Receiver requests relating to the Property, the Equipment or the Business.

4. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors or relating to the business or affairs of the businesses operated at the Locations, 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 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to 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.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE EQUIPMENT

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

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against the Debtors or against the businesses operated at the Locations in relation to the Property, 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 (i) exempt the Receiver, the Debtors or the businesses operated at the Locations from compliance with statutory or regulatory provisions relating to health, safety or the environment, (ii) prevent the filing of any registration to preserve or perfect a security interest, or (iii) prevent the registration of a claim for lien.

NO INTERFERENCE

9. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors or the businesses operated at the Locations in respect of the Business or the Property as a consequence of the making of this Order or any action taken pursuant to this Order, without the written consent of the Receiver or leave of this Court.

EMPLOYEES

10. THIS COURT ORDERS that all the employees of the Debtors shall remain the employees of each such Debtor and all the employees of the businesses operated at the Locations shall remain the employees of each such business. The Receiver shall not be liable for any employee-related liabilities or statutory obligations, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, or any successor employer liabilities.

LIMITATION ON ENVIRONMENTAL LIABILITIES

11. 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

12. 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.

RECEIVER'S ACCOUNTS AND CHARGE

13. 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, 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 as security for payment of any other obligations incurred by the Receiver in acting in that capacity (including for payment of goods or services supplied to or to be supplied to the Receiver) and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

14. 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 Ontario Superior Court of Justice.

15. 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 (including for payment of goods or services supplied to or to be supplied to the Receiver) when and as approved by this Court.

16. THIS COURT ORDERS that to the extent the Receiver's fees and disbursements (including for payment of goods or services supplied to or to be supplied to the Receiver) are not paid out of the Property, they shall be paid by Her Majesty the Queen in right of Ontario out of the Consolidated Revenue Fund.

FUNDING OF THE RECEIVERSHIP

17. 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 \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

18. 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.

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

20. 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.

RECEIVER'S REVIEW OF PROPOSED DISBURSEMENTS OR DISPOSITIONS OF PROPERTY

21. THIS COURT ORDERS that the Debtors and the managers of the businesses operated at the Locations, if not the Debtors, shall provide the Receiver with the details of any proposed disbursement or disposition of Property, other than a sale of inventory in the ordinary course of business, ("Disposition") and shall obtain the written consent of the Receiver before making any

such proposed disbursement or Disposition. The Receiver shall withhold its consent to any proposed disbursement or Disposition which, in the discretion of the Receiver, is a disbursement or Disposition out of the ordinary course of business or which is contrary to any other provision of this Order.

REPORTING

22. THIS COURT ORDERS that the Receiver shall report to the Court forthwith in the event that the Receiver determines that any of the Debtors or any of the businesses operated at the Locations have failed or refused to comply with this Order.

GENERAL

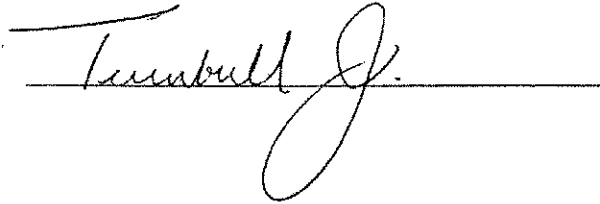
23. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

24. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any or all of the Debtors or the businesses operated at the Locations, if not the Debtors.

25. 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.

26. 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.

27. THIS COURT ORDERS that any interested party (including the Debtors, the businesses operated at the Locations, if not the Debtors, and the Receiver) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in black ink, appearing to read "Turnbull J.", is written over a horizontal line. The signature is stylized with a large, looping 'J'.

SCHEDULE "A"

1. 1025 Plains Road, Burlington, Ontario.
2. 1550 Upper James Street, Hamilton, Ontario.
3. 50 Dundurn Street South, Hamilton, Ontario.
4. 119 Osler Drive, Unit 7, Dundas, Ontario.
5. 1250 Steeles Avenue East, Milton, Ontario.
6. 300 King George Road, Brantford, Ontario.
7. 2180 Itabashi Way, Burlington, Ontario.
8. 220 North Service Road, Oakville, Ontario.
9. 95 Saginaw Parkway, Unit 6, Cambridge, Ontario.
10. 125 Queensway, Etobicoke, Ontario.
11. 132 Front Street East, Toronto, Ontario.
12. 808 York Mills Road, Toronto, Ontario.
13. 26-17 Worthington Avenue, Brampton, Ontario.
14. 393 Danforth Avenue, Toronto, Ontario.
15. 1070 Major Mackenzie Drive East, Richmond Hill, Ontario.
16. 20-9200 Bathurst Street, Thornhill, Ontario.
17. 285 Geneva Street, St. Catharines, Ontario.
18. 565 Woodlawn Road West, Guelph, Ontario.
19. 1865 Lakeshore Road West, Mississauga, Ontario.
20. 1319 Commissionaires Road, London, Ontario.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver (the "Receiver") in respect of (i) the assets, undertakings and properties of Great Glasses, Bruce Bergez, Joanne Marie Bergez, SHS Optical Ltd., Dundurn Optical Ltd. acquired for or used in relation to the optical business, including all proceeds thereof, and (ii) whether or not the Debtors are the owners thereof or have an interest therein, the assets, undertakings and properties situated at the locations listed on Schedule "1" hereto and acquired for or used in relation to the optical business, including all proceeds thereof (collectively, the "Property"), appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the • day of •, 2010 (the "Order") made in an action having Court file number 05-18863, 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 subordinate to the Receiver's Charge.

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 _____, 20__.

Deloitte & Touche Inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

SCHEDULE "1"
to the Receiver's Certificate

1. 1025 Plains Road, Burlington, Ontario.
2. 1550 Upper James Street, Hamilton, Ontario.
3. 50 Dundurn Street South, Hamilton, Ontario.
4. 119 Osler Drive, Unit 7, Dundas, Ontario.
5. 1250 Steeles Avenue East, Milton, Ontario.
6. 300 King George Road, Brantford, Ontario.
7. 2180 Itabashi Way, Burlington, Ontario.
8. 220 North Service Road, Oakville, Ontario.
9. 95 Saginaw Parkway, Unit 6, Cambridge, Ontario.
10. 125 Queensway, Etobicoke, Ontario.
11. 132 Front Street East, Toronto, Ontario.
12. 808 York Mills Road, Toronto, Ontario.
13. 26-17 Worthington Avenue, Brampton, Ontario.
14. 393 Danforth Avenue, Toronto, Ontario.
15. 1070 Major Mackenzie Drive East, Richmond Hill, Ontario.
16. 20-9200 Bathurst Street, Thornhill, Ontario.
17. 285 Geneva Street, St. Catharines, Ontario.
18. 565 Woodlawn Road West, Guelph, Ontario.
19. 1865 Lakeshore Road West, Mississauga, Ontario.
20. 1319 Commissionaires Road, London, Ontario.

**THE ATTORNEY GENERAL FOR
ONTARIO**

Applicant

Respondents

Intervenor

Intervenor

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**CONSENT TO ACT AS
RECEIVER**

**ATTORNEY GENERAL FOR
ONTARIO**

Crown Law Office- Civil
720 Bay Street, 8th Floor
Toronto, ON M5G 2K1

Leonard Marsilio

LSUC #23795S

Tel: (416) 326-4939

William MacLarkey

LSUC #49842P

Tel: (416) 326-4082

Fax: (416) 326-4181

**Solicitors for the Attorney General for
Ontario**

B

APPENDIX B

Detailed Account of Certain Activities of the Receiver to August 12, 2010

1. As noted in the First Report, the Receiver's activities for the period ending August 12, 2010, included:
 - a. Identifying and taking possession of the eye testing and related equipment at 18 Locations;
 - b. Copying the Computer Records at seven of the Locations, as well as the Computer Records of Bruce Bergez;
 - c. Corresponding with Bruce Bergez and with certain financial institutions to advise of the Receiver's authority to review and consent to any proposed disbursements of the Debtors and to suggest a protocol for reviewing and consenting to such proposed disbursements;
 - d. Arranging for appraisals of certain of the Property through agents;
 - e. Conducting searches of public registries, including the Personal Property Security Registry, the Land Titles Office Registry and the Business Names Registry, and reviewing the results thereof;
 - f. Meeting, interviewing and/or corresponding with the store operators, ESI, the Opticians, the Optometrists, the Attorney General, former store operators, WSIB, financial institutions, and the legal advisors of many of the foregoing;
 - g. Collecting and reviewing contracts, leases, financial records, tax returns and other documentary evidence provided by the store operators, ESI, the Optometrists and other parties engaged in dealings with the Debtors or the businesses operated at the Locations; and

- h. Calling meetings between various parties to obtain information and exchange views.
- 2. In this Appendix, the Receiver sets out additional details relating to its activities in respect of the following:
 - a. Identifying which businesses were no longer in operation;
 - b. Taking possession of the eye testing and related equipment;
 - c. Meeting with Mr. and Mrs. Bergez;
 - d. Meetings with the “franchisees”; and
 - e. Making arrangements to review and consent to proposed disbursements of the Debtors.

Determining which Businesses are no Longer in Operation

- 3. Prior to the issuance of the Appointment Order, a representative of the Receiver called all 20 stores listed on Schedule “A” to the Appointment Order to ascertain each store’s hours of operation. The phone numbers for the stores located at 1070 Major Mackenzie Drive East in Richmond Hill, Ontario (Location 15) (the “**Richmond Hill Store**”) and 132 Front Street West in Toronto, Ontario (Location 11) (the “**Front Street Store**”) were both disconnected.
- 4. On June 28, 2010, the Receiver attended at the Richmond Hill Store and the Front Street Store to determine whether these stores were in operation. The Receiver discovered that the landlord of the Richmond Hill Store had posted on the front door an eviction notice dated June 24, 2010 for non-payment of rent. The Receiver noted that the store appeared to be empty.

5. With regard to the Front Street Store, the Receiver observed that the store windows were covered by paper and signage stating that the store was under renovation. The Receiver also attended at the Front Street Store after the Appointment Order was issued, and noted that the store appeared to be in the same state. On July 5, 2010, the Receiver was informed by Mr. Bergez that the franchisee of that store had removed the Equipment from the store. The Receiver subsequently spoke to a representative of Signature Property Management Corp., the property manager for the Front Street Store. The property manager informed the Receiver that on one weekend near the end of May 2010, the inventory and assets were removed by the operator of the store, and that during the next week, the locks to the store were changed by Mr. Bergez.

Taking Possession of Eye Testing and Related Equipment

6. Prior to the issuance of the Appointment Order, the Receiver arranged for three opticians to accompany the Receiver during the Receiver's attendance at the Great Glasses stores to take possession of the Equipment, to assist in identifying the appropriate eye testing and related equipment from the Locations.
7. The Appointment Order was issued at approximately 3:00 pm on Friday, July 2, 2010. As was disclosed to the Court at that time, it was the Receiver's intention to commence taking possession of the Equipment on Monday, July 5, 2010.
8. Commencing on July 5, 2010, the Receiver utilized three "teams" to take possession of the Equipment. Each "team" was comprised of a representative of the Receiver, an optician, and a representative of a company engaged by the Receiver to physically remove and store the Equipment.
9. The Receiver attended at 18 Locations on July 5, 2010, during which time the Receiver presented the Appointment Order to a representative of the business at each Location. The Equipment at each Location was identified and was removed by the Receiver that day and placed into storage pending further order of this Honourable Court. In accordance with the

Appointment Order, the Receiver did not take possession or control of any of the Locations.

10. The Receiver did not attend at the Front Street Store or at the Richmond Hill Store since, as set out above, those stores were not in operation as at the Appointment Date and it appeared to the Receiver that there was no Equipment contained therein.
11. On July 5, 2010, the Receiver was contacted by Mr. Robb English, of Aird & Berlis LLP (“**Aird & Berlis**”), counsel to 1773219 Ontario Incorporated (“**1773219**”), who advised the Receiver that his client operated the business at 2180 Itabashi Way, Burlington, Ontario (Location 7). Mr. English advised that in view of the Appointment Order, his client would allow the Receiver to remove the Equipment from that store; however, his client was not operating under the name “Great Glasses” nor had his client been operating under that name for some time. Mr. English further advised that on October 27, 2009, his client had issued a Notice of Rescission dated October 27, 2009, with effect from November 2, 2009, “rescinding the Sub-Franchisee Agreement between Scott Arsenault and Tracey Watson [the owner and director of 1773219] dated August 18, 2008 and signed August 19, 2008”.
12. On July 8, 2010, the Receiver was contacted by Gowling Lafleur Henderson LLP (“**Gowlings**”), counsel for ESI, which advised that ESI would be seeking the return of the ESI equipment in the possession of the Receiver. Gowlings provided BLG with copies of Equipment Rental Agreements entered into between Eyelogic Inc. and/or Eyelogic Systems Inc., and Great Glasses as customer. The Receiver notes that with the exception of two of the agreements, all the agreements were executed on behalf of Great Glasses by Bruce Bergez either in his capacity as “owner”, “C.F.O.” or “Optician”.
13. In addition to storage, the Receiver also arranged for insurance on the Equipment that is stored. The monthly costs of storage and insurance total approximately \$2,600.

Meeting with Bruce Bergez and Joanne Bergez

14. In order to obtain information on the Property and Businesses, on July 2, 2010, the Receiver requested a meeting with Bruce Bergez to be held on July 5, 2010. In preparation for that meeting the Receiver provided to Bruce Bergez a list of information/questions that the Receiver proposed to review at the July 5 meeting.
15. The Receiver met with Bruce Bergez and Joanne Bergez in the afternoon of July 5, 2010. The meeting took place at the Bergez's residence at 286 York Road, Dundas, Ontario, which Bruce Bergez confirmed was the head office of Great Glasses.
16. During the meeting, Bruce Bergez described to the Receiver the operations of Great Glasses, including the following information:
 - a) SHS Optical Ltd., Dundurn Optical Ltd. and Plains Road Optical Ltd. were incorporated in February 2002 when Mr. Bergez was planning to expand the Great Glasses business;
 - b) Neither Dundurn Optical Ltd. nor Plains Road Optical Ltd. has carried on any operations. SHS Optical Ltd. was the tenant on the premises leases for the Great Glasses store locations;
 - c) Each of the store locations was operated by franchisees, many of who were sole proprietors. All the receipts and disbursements relating to the stores' operations were handled at store level using the franchisees' respective bank accounts. Operating liabilities, including those to landlords, ESI and suppliers, were paid in the ordinary course of business directly by the franchisees;
 - d) Franchise agreements between the "franchisor" and the operators of the stores were not in place for all the stores. Many of the franchisees were individuals who formerly worked at Great Glasses and many franchise arrangements were based on

a “handshake”. The Receiver requested copies from Bruce Bergez of the four franchise agreements that Bruce Bergez advised he believed were in existence. (Bruce Bergez subsequently provided the Receiver with executed franchise agreements for five stores);

- e) Great Glasses does not currently employ any opticians, optometrists or physicians;
- f) All store staff were retained and paid as independent contractors. Staff were not retained as employees;
- g) Royalty payments were made by the franchisees to Ontario Optical Development Corp. a company that, until recently, was owned by Mr. Leo Bertuzzi, who Bruce Bergez advised was Joanne Bergez’s brother. The Ontario Optical Development Corp. account was not used for the last three years subsequent to counsel for the Optometrists gaining access to information in respect of that account. Royalty payments were subsequently paid to a litigation fund, which was maintained by Mr. Kevin Brittain, then a franchisee. Mr. Brittain subsequently went bankrupt. Another litigation fund was in the process of being set up;
- h) The Bergez’s were paid from the litigation fund an amount that would allow the Bergez’s to cover their personal expenses; and
- i) Bruce Bergez’s business plan was to increase the number of stores from which royalties would be paid to the franchisor.

Subsequently, over the course of the Receivership, Bruce Bergez further clarified some of the information provided at the meeting on July 5, 2010.

17. Based on Bruce Bergez’s representations about the franchisees, the Receiver became concerned that there may be legitimate franchise operations that were being affected by the Appointment Order and the Receiver’s actions thereunder. While the Receiver was cognizant of the Court’s findings that there were no franchises, the Receiver was

concerned that those findings may have been based on the fact that the Respondents did not put any evidence forward that would suggest otherwise.

Meetings with Franchisees and/or Franchisees' Counsel

18. The Receiver was of the view that in order to prepare its report, it should attend at the stores to obtain additional information on the operations of the stores and their financial involvement in the Great Glasses operations.
19. Commencing on July 8, 2010, the Receiver began attending at the Locations to meet with the franchisees and to ask them a series of questions relating to the operations of the Locations. The Receiver had met with five of the franchisees when the Receiver was contacted by Mr. John Longo of Aird & Berlis, who informed the Receiver that he had been retained by seven franchisees and that he may be retained by an additional eight franchisees. The Receiver was at that time advised by one other franchisee that it had retained its own counsel.
20. Subsequent to the phone call, the Receiver, together with BLG, attended the following meetings:
 - a) a meeting on July 12, 2010, with Messrs. Longo and Harry Fogul of Aird & Berlis, representing the majority of the franchisees. At the meeting, Mr. Longo could not yet advise the Receiver of the number of franchisees Aird & Berlis would be representing but later confirmed that they were representing 13 Locations; and
 - b) a meeting on July 13, 2010 with Mr. Jerry Levitan and his client, the franchisee of stores located at 808 York Mills Road in Toronto, Ontario (Location 12) and 20-9200 Bathurst Street in Thornhill, Ontario (Location 16).

21. At these meetings, counsel to the franchisees informed the Receiver of their clients' position that they are franchisees operating under the name "Great Glasses", and that the stores were operated by the individual franchisees for their own account.
22. On July 15, 2010, the Receiver was also contacted by Christopher Neufeld, originally of Feltmate Delibato Heagle LLP, advising that he would be representing the operator of the store at 1250 Steeles Avenue E., Milton, Ontario. Mr. Neufeld later advised the Receiver through BLG of his client's position that she was not a franchisee, did not own the property at her Location and merely wanted to facilitate the sale of the business operated at her location to an interested purchaser who had contacted her. On August 9, 2010 Mr. Neufeld advised BLG he had not been formally retained and would therefore not be participating in these proceedings on behalf of the Milton Location operator.
23. In light of the above information, on July 15, 2010, the Receiver convened a meeting with Messrs. Longo, Levitan, representatives of the Opticians, Optometrists and Attorney General in attendance, in order for counsel to discuss the positions of their clients.
24. At that meeting, the Receiver advised those in attendance that the Receiver would be making requests for information from the franchisees and that, in order to facilitate an orderly collection of that information, the Receiver would circulate a detailed questionnaire to be completed by each franchisee. As counsel to the Opticians and Optometrists advised at the meeting that they would want to closely review the information sought by the Receiver, the Receiver agreed that it would first provide the questionnaire in draft to the Opticians, Optometrists and the Attorney General to afford them the opportunity to suggest other information that might be relevant to the Receiver's investigation.
25. After taking into consideration comments it received, on July 21, 2010, BLG forwarded the Receiver's questionnaire to Aird & Berlis, Mr. Levitan and Mr. Neufeld. These law firms represented the interests of 16 of the 17 operating stores. The Receiver met on July

26, 2010 with the one franchisee that was not represented by counsel to review the questionnaire and to obtain the information referred to therein.

26. The Receiver has reviewed the responses and information provided by franchisees in order to obtain a better understanding of the Great Glasses operation.
27. In addition and as discussed earlier herein, on July 12, 2010, the Receiver met with Mr. Robb English of Aird & Berlis and his client, the former Itabashi Way franchisee, who produced documentation evidencing that franchisee's termination in 2009 of the franchise arrangements with Great Glasses.

Protocol for Reviewing Proposed Disbursements

28. On July 9, 2010, based on the bank statements of SHS Optical Ltd. and Dundurn Optical Ltd. that were provided to the Receiver, the Receiver contacted Bank of Montreal, where those companies' bank accounts were maintained, and informed them of the Appointment Order and that pursuant to the Appointment Order, any proposed disbursements from these accounts would require the consent of the Receiver.
29. On July 13, 2010, the Receiver wrote to Mr. Bergez in respect of the obligations of the Debtors to obtain the consent of the Receiver to any proposed dispositions or disbursements. In that correspondence, the Receiver also proposed a method for reviewing and providing consent to proposed dispositions and disbursements.
30. To date, the Receiver has not received any requests to consent to any proposed disbursements from any of the Debtors.
31. Due to the information the Receiver obtained in regard to the businesses operated at the Locations, the Receiver deferred making similar arrangements in respect of those businesses until their relationship with the principal Debtors could be clarified. On July 21, 2010, counsel to the Receiver wrote to the Attorney General, the Opticians and the

Optometrists confirming its intention not to make similar arrangements for the franchisees at that time.

32. While attending at the Locations to take possession of the Equipment the Receiver did, however, ask the store operators to post a notice in the form attached as Schedule "1" to this Appendix in an area where it would be visible to anyone working in that store. Attached to the notice was a copy of the Appointment Order. The notice advises those working in the store of the requirement for each of the businesses operated at the Locations to seek the Receiver's consent to any disbursement or disposition of Property, other than a sale of inventory in the ordinary course of business.

SCHEDULE 1

NOTICE

TO: ALL EMPLOYEES

**RE: NO SALE OR TRANSFER OF PROPERTY WITHOUT WRITTEN
CONSENT, EXCEPT FOR REGULAR SALES OF INVENTORY
TO ORDINARY CUSTOMERS**

On July 2, 2010, the Ontario Superior Court of Justice appointed Deloitte & Touche Inc. as Receiver, for certain purposes, of all of the property of Great Glasses, including the property of this store, as more fully described in the attached Order. For greater certainty, the Receiver is not carrying on, managing or operating the business operated at this store.

THE COURT HAS ORDERED that, except for sales of inventory in the ordinary course of business, no property of the store can be disposed of without the written consent of the Receiver.

You may sell a pair of glasses or contact lenses in the ordinary course of business, but if you are approached by any party, including an owner or a manager of Great Glasses, to make an unusual sale or to remove any equipment or other property from this store, **you need written permission from the Receiver first.**

If you have any questions about this Notice or you need to determine whether the sale or movement of any property is out of the ordinary course of business, please contact the Receiver's representative, the details for which are set out below.

Deloitte & Touche Inc.

Contact name: Mr. Bryan Litvack

Phone: 416-775-7494

Thank you for your cooperation.

Yours truly,

Deloitte & Touche Inc.

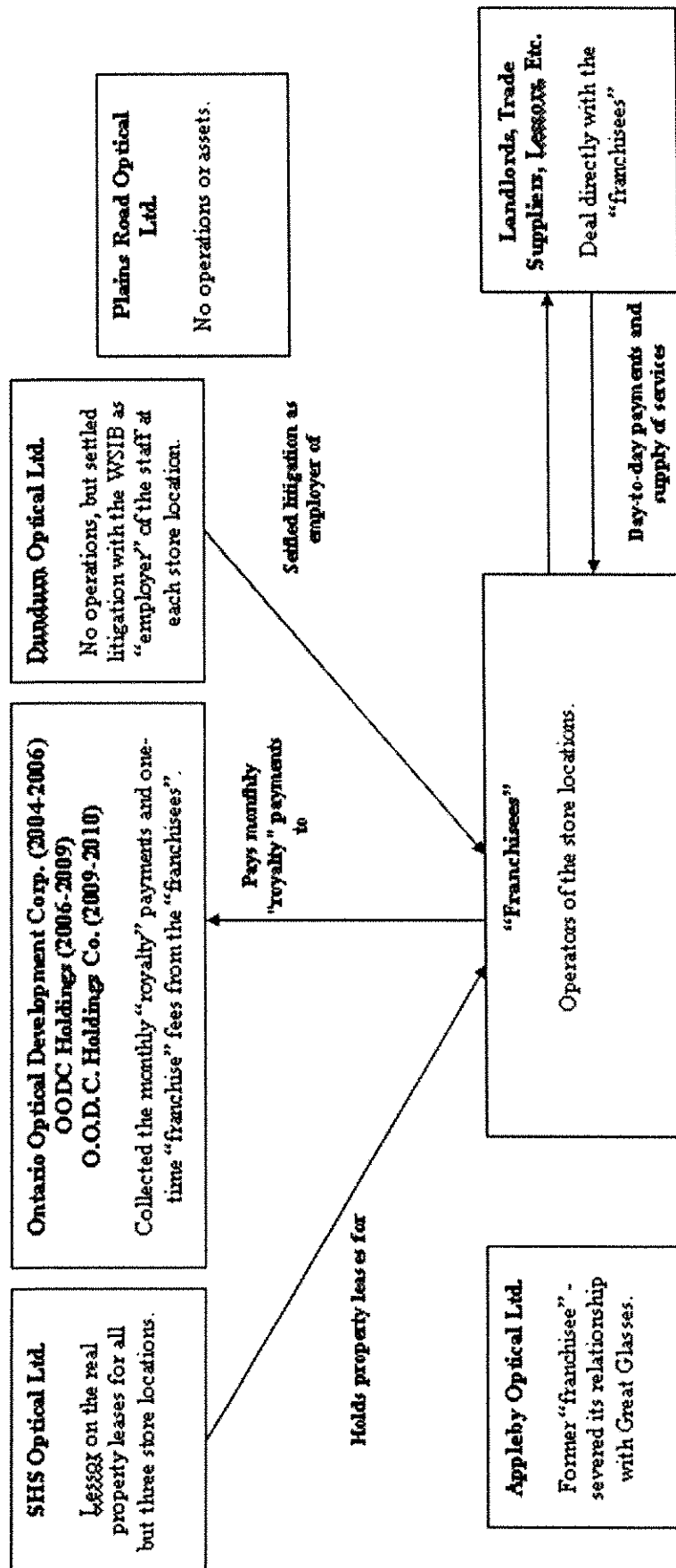
in its capacity as Receiver of
SHS Optical Ltd., Dundurn Optical Ltd.
and John Doe, all carrying on business
under the name of Great Glasses
and not in its personal capacity

Per:

Arif Dhanani, CA•CIRP
Vice-President

D

Great Glasses – Entity Relationship Diagram



APPENDIX D

Summary of Corporate Profile Searches for the Debtors and the Holding Entities

Date of Registration/ Incorporation	Name of Entity	Business Name (if applicable)	Nature of Entity	Address of Principal Place of Business	Name of Director/ Registrant	Date of Cancellation/ Dissolution
February 22, 2002	SHS Optical Ltd.		Corporation	1550 Upper James Street, Suite 10, Hamilton, ON	Joanne Marie Bergez	November 17, 2008
February 22, 2002	Dundurn Optical Ltd.	Great Glasses	Corporation	286 York Road, Dundas, ON	Joanne Marie Bergez	
March 12, 2002	Ontario Optical Development Corp. ("OODC")		Corporation	200 North Service Road West, Unit 1, Suite 140, Oakville, ON	Leo Bertuzzi	January 21, 2008
August 8, 2008	OODC Holdings		Sole Proprietorship	286 York Road, Hamilton, ON	Kevin Brittain	
June 22, 2009	O.O.D.C. Holdings Co.		Sole Proprietorship	286 York Road, Dundas, ON	William Duncan	

Request ID: 012153853
Transaction ID: 41173232
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:37:45
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LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number
1502783

CORPORATION NAME
DUNDURN OPTICAL LTD.

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
2008/08/22	GREAT GLASSES	2013/08/21	180883670

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 012153826
Transaction ID: 41173162
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:28
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1502783

Corporation Name
DUNDURN OPTICAL LTD.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: BERGEZ, JOANNE MARIE	1	2008/08/21 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: BERGEZ, JOANNE MARIE	1	2002/06/25
BCA	ARTICLES OF INCORPORATION	1	2002/02/22

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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Request ID: 012153827
Transaction ID: 41173163
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:28
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1502783	DUNDURN OPTICAL LTD.	2002/02/22
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
286 YORK ROAD	NOT APPLICABLE	NOT APPLICABLE
DUNDAS ONTARIO CANADA L9H 6L8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
286 YORK ROAD		NOT APPLICABLE
DUNDAS ONTARIO CANADA L9H 6L8	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 012153827
Transaction ID: 41173163
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

1502783

Corporation Name

DUNDURN OPTICAL LTD.

Corporate Name History

DUNDURN OPTICAL LTD.

Effective Date

2002/02/22

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

JOANNE
MARIE
BERGEZ

Address

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

2002/02/22

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 012153827
Transaction ID: 41173163
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1502783

DUNDURN OPTICAL LTD.

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 012153827
Transaction ID: 41173163
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1502783

DUNDURN OPTICAL LTD.

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

Request ID: 012153827
Transaction ID: 41173163
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

1502783

Corporation Name

DUNDURN OPTICAL LTD.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2008/08/21 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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Request ID: 012153822
Transaction ID: 41173149
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:08
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1502781

Corporation Name
SHS OPTICAL LTD.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
BCAC	CANCELLED REQUEST CT	241-4	2008/11/29
CTA	DEFAULT CORP TAX ACT	CT	2008/07/29
CIA	INITIAL RETURN	1	2002/06/25
	PAF: BERGEZ, JOANNE MARIE		
BCA	ARTICLES OF INCORPORATION	1	2002/02/22

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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Request ID: 012153821
Transaction ID: 41173148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:08
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1502781	SHS OPTICAL LTD.	2002/02/22	
		Jurisdiction	
		ONTARIO	
		Former Jurisdiction	
		NOT AVAILABLE	
Corporation Type	Corporation Status	Date Amalgamated	Amalgamation Ind.
ONTARIO BUSINESS CORP.	CANC. BY C.T.	NOT APPLICABLE	NOT APPLICABLE
Registered Office Address		New Amal. Number	Notice Date
1550 UPPER JAMES STREET		NOT APPLICABLE	NOT APPLICABLE
Suite # 10 HAMILTON ONTARIO CANADA L9B 2L6			Letter Date
			NOT APPLICABLE
Mailing Address		Revival Date	Continuation Date
1550 UPPER JAMES STREET		NOT APPLICABLE	NOT AVAILABLE
Suite # 10 HAMILTON ONTARIO CANADA L9B 2L6		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	2008/11/17
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
		Date Commenced in Ontario	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

Request ID: 012153821
Transaction ID: 41173148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:08
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1502781

SHS OPTICAL LTD.

Corporate Name History

Effective Date

SHS OPTICAL LTD.

2002/02/22

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 012153821
Transaction ID: 41173148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1502781

SHS OPTICAL LTD.

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

JOANNE
MARIE
BERGEZ

286 YORK ROAD

DUNDAS
ONTARIO
CANADA L9H 6L8

Date Began

First Director

2002/02/22

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 012153821
Transaction ID: 41173148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 09:34:08
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1502781	SHS OPTICAL LTD.

Administrator: Name (Individual / Corporation)	Address
JOANNE MARIE BERGEZ	286 YORK ROAD DUNDAS ONTARIO CANADA L9H 6L8

Date Began	First Director	
2002/02/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Request ID: 012153821
Transaction ID: 41173148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1502781

SHS OPTICAL LTD.

Last Document Recorded

Act/Code Description

Form

Date

BCAC CANCELLED REQUEST CT

241-4

2008/11/29

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
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Request ID: 012157314
Transaction ID: 41182966
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 16:54:15
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1513306

Corporation Name
ONTARIO OPTICAL DEVELOPMENT CORP.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
BCAC	CANCELLED REQUEST CT	241-4	2008/02/03
CTA	DEFAULT CORP TAX ACT	CT	2007/09/29
CIA	INITIAL RETURN	1	2002/06/25
	PAF: BERTUZZI, LEO		
BCA	ARTICLES OF INCORPORATION	1	2002/03/12

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Request ID: 012157313
Transaction ID: 41182965
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 16:54:15
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1513306	ONTARIO OPTICAL DEVELOPMENT CORP.	2002/03/12
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	CANC. BY C.T.	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
200 NORTH SERVICE ROAD WEST UNIT 1 Suite # 140 OAKVILLE ONTARIO CANADA L6M 2Y1	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
200 NORTH SERVICE ROAD WEST UNIT 1 Suite # 140 OAKVILLE ONTARIO CANADA L6M 2Y1	Revival Date	Continuation Date
	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	2008/01/21
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 012157313
Transaction ID: 41182965
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1513306

ONTARIO OPTICAL DEVELOPMENT CORP.

Corporate Name History

Effective Date

ONTARIO OPTICAL DEVELOPMENT CORP.

2002/03/12

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

LEO

BERTUZZI

200 NORTH SERVICE ROAD WEST
UNIT 1
Suite # 140
OAKVILLE
ONTARIO
CANADA L6M 2Y1

Date Began

First Director

2002/03/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 012157313
Transaction ID: 41182965
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1513306

ONTARIO OPTICAL DEVELOPMENT CORP.

Administrator:
Name (Individual / Corporation)

Address

LEO
BERTUZZI

200 NORTH SERVICE ROAD WEST
UNIT 1
Suite # 140
OAKVILLE
ONTARIO
CANADA L6M 2Y1

Date Began

First Director

2002/03/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

LEO
BERTUZZI

200 NORTH SERVICE ROAD WEST
UNIT 1
Suite # 140
OAKVILLE
ONTARIO
CANADA L6M 2Y1

Date Began

First Director

2002/03/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 012157313
Transaction ID: 41182965
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 16:54:15
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1513306

ONTARIO OPTICAL DEVELOPMENT CORP.

Administrator:
Name (Individual / Corporation)

Address

LEO
BERTUZZI

200 NORTH SERVICE ROAD WEST
UNIT 1
Suite # 140
OAKVILLE
ONTARIO
CANADA L6M 2Y1

Date Began

First Director

2002/03/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

Request ID: 012157313
Transaction ID: 41182965
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/04/28
Time Report Produced: 16:54:15
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1513306

Corporation Name

ONTARIO OPTICAL DEVELOPMENT CORP.

Last Document Recorded

Act/Code Description

Form

Date

BCAC CANCELLED REQUEST CT

241-4

2008/02/03

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 012353596
Transaction ID: 41791532
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/07/12
Time Report Produced: 11:23:09
Page: 1

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

OODC HOLDINGS

Business Identification Number

160871117

Business Type

SOLE PROPRIETORSHIP

Mailing Address

286 YORK ROAD
HAMILTON
ONTARIO
CANADA, L9H 6L8

Address of Principal Place of Business in Ontario

286 YORK ROAD
HAMILTON
ONTARIO
CANADA, L9H 6L8

Activity being carried out

FINANCIAL MANAGEMENT

Registration Date

2006/08/08

Expiry Date

2011/08/07

Renewal Date

NOT APPLICABLE

Amendment Date(s)

NOT APPLICABLE

Last Document Filed

NEW REGISTRATION

Cancellation Date

NOT APPLICABLE

Last Document Filed Date

2006/08/08

More than 10 Partners: records at business address

NOT APPLICABLE

Request ID: 012353596
Transaction ID: 41791532
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/07/12
Time Report Produced: 11:23:09
Page: 2

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

OODC HOLDINGS

Business Identification Number

160871117

Business Type

SOLE PROPRIETORSHIP

Registrant Information

Name (Individual/Corporation/Other)

BRITIAN,
KEVIN

Address

82 CHATHAM

HAMILTON
ONTARIO
CANADA, L8P 2B4

Type of Registrant

SOLE PROPRIETOR

Person Authorizing the Registration

BRITIAN,
KEVIN

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 012353791
Transaction ID: 41792063
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/07/12
Time Report Produced: 11:46:28
Page: 1

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*

O.O.D.C. HOLDINGS CO.

Business Identification Number

190640292

Business Type

SOLE PROPRIETORSHIP

Mailing Address

286 YORK ROAD
DUNDAS
ONTARIO
CANADA, L9H 6L8

Address of Principal Place of Business in Ontario

286 YORK ROAD
DUNDAS
ONTARIO
CANADA, L9H 6L8

Activity being carried out

FINANCIAL MANAGEMENT

Registration Date

2009/06/22

Expiry Date

2014/06/21

Renewal Date

NOT APPLICABLE

Amendment Date(s)

NOT APPLICABLE

Last Document Filed

NEW REGISTRATION

Cancellation Date

NOT APPLICABLE

Last Document Filed Date

2009/06/22

More than 10 Partners: records at business address

NOT APPLICABLE

Request ID: 012353791
Transaction ID: 41792063
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/07/12
Time Report Produced: 11:46:28
Page: 2

BUSINESS NAMES REPORT

Business name registered under the *Business Names Act*
O.O.D.C. HOLDINGS CO.

Business Identification Number
190640292

Business Type
SOLE PROPRIETORSHIP

Registrant Information

Name (Individual/Corporation/Other)

DUNCAN,
WILLIAM

Address

357 HUNTER STREET WEST

No. 11
HAMILTON
ONTARIO
CANADA, L8P 1S6

Type of Registrant

SOLE PROPRIETOR

Person Authorizing the Registration

DUNCAN,
WILLIAM

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

E

APPENDIX E

Summary of Store Operators and their Relationship to the Debtors

Location Number	Address	Store Operator	Relationship to "Great Glasses"
1	1025 Plains Road Burlington, Ontario	Carla Arsenault	Former Employee (Store 7)
2	1550 Upper James Street Hamilton, Ontario	Glen Friday	Unknown
3	50 Dundurn Street South Hamilton, Ontario	Mike Cairns	Unknown
4	119 Osler Drive, Unit 7 Dundas, Ontario	Ashtar Abdulqader	Unknown
5	1250 Steeles Avenue East Milton, Ontario	Ashley Haugen	Unknown
6	300 King George Road Brantford, Ontario	William Duncan	Unknown
7	2180 Itabashi Way Burlington, Ontario	Tracey Watson	Former Store Operator - Severed Relationship -
8	220 North Service Road Oakville, Ontario	Karen Easlick	Former Employee
9	95 Saginaw Parkway, Unit 6 Cambridge, Ontario	Monica Cassan	Former Employee (Stores 6 and 20)
10	125 Queensway Etobicoke, Ontario	Jessica Camara	Unknown
11	132 Front Street East Toronto, Ontario	- Inactive -	- Inactive -
12	808 York Mills Road Toronto, Ontario	Chelcia Pratt	Former Employee
13	26-17 Worthington Avenue Brampton, Ontario	Anna Mifsud	Former Employee (Stores 2 and 3)
14	393 Danforth Avenue Toronto, Ontario	Sarah Hagen and James Lyavala	Former Employee at this Store.
15	1070 Major Mackenzie Drive East, Richmond Hill, Ontario	- Inactive -	- Inactive -
16	20-9200 Bathurst Street Thornhill, Ontario	Chelcia Pratt	Former Employee
17	285 Geneva Street St. Catharines, Ontario	Fabio Rogano	Unknown
18	565 Woodlawn Road West Guelph, Ontario	Nataly Silberberg	Unknown
19	1865 Lakeshore Road West Mississauga, Ontario	Jaffer Sheikh	Former Employee (Store 13)
20	1319 Commissionaires Road London, Ontario	William Duncan and Don Backwell	Also operator at Store 6.

Note: The use of the term "Employee" in this chart may refer to either an independent contractor or an employee, and is not intended to express a particular view of the Receiver in that regard.

F

**In the Matter of the Receivership of Great Glasses et al.
Summary of Eyelagic Systems Inc. Rental Agreements**

Store #	Date of Rental Agreement	Customer	Rental Agreement Signed By	Store for which Equipment was Rented	Term of Agreement	Standard		Software		Promissory Note Signed By	Guarantee Signed By
						License Agreement Signed By	Maintenance Commitment Signed By				
1	September 18, 2001	Great Glasses, 1025 Plains Road, Burlington, ON	Bruce Bergez, Owner	Great Glasses, 1025 Plains Road, Burlington, ON	60 Months	No document in package	No document in package	No document in package	No document in package	No document in package	No document in package
2	March 15, 1998	Great Glasses / Bruce Bergez, 154 James St. South, Hamilton, ON	Bruce Bergez, Owner	Great Glasses, 1550 Upper James Street, Hamilton, ON	March 1, 1998 to Feb 28, 2003	No document in package	No document in package	No document in package	No document in package	No document in package	No document in package
3	Undated (Signed July 24, 2001 and November 28, 2000)	Great Glasses, Dundurn St. S., Hamilton, ON	Bruce Bergez, Owner	50 Dundurn Street South, Hamilton, ON	60 Months	No document in package	No document in package	No document in package	No document in package	No document in package	No document in package
4	April 9, 2005	Great Glasses, 7- 119 Osler Drive, Dundas, ON	Bruce Bergez, Owner	Great Glasses, 7- 119 Osler Drive, Dundas, ON	60 Months	Bruce Bergez, President	No document in package	No document in package	No document in package	Bruce Bergez	Bruce Bergez
5	May 21, 2005	1200-1350 Steeles Avenue East, Milton, ON	Bruce Bergez, Owner	1200-1350 Steeles Avenue East, Milton, ON	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez	Bruce Bergez
6	December 10, 2005	King George Road, Brantford, ON	Bruce Bergez, Optician	King George Road, Brantford, ON	60 Months	Bruce Bergez, Optician	Bruce Bergez, Optician	Bruce Bergez, Optician	Bruce Bergez	Bruce Bergez	Bruce Bergez
7	November 30, 2004	Great Glasses, c/o Appleby Common, Itabashi Way, Burlington, ON	Bruce Bergez, Owner	Great Glasses, c/o Appleby Common, Itabashi Way, Burlington, ON	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez	Bruce Bergez
7	October 26, 2009	Appleby Optical, Zarkys Plaza, 2180 Itabashi Way, Burlington, ON	Tracey Watson, Owner	Appleby Optical, Zarkys Plaza, 2180 Itabashi Way, Burlington, ON	October 26, 2009 to October 26, 2014	No document in package	No document in package	No document in package	No document in package	No document in package	No document in package
8	November 30, 2004	Great Glasses, 200- 240 North Service Road, Oakville, ON	Bruce Bergez, Owner	Great Glasses, 200-240 North Service Road, Oakville, ON	60 Months	Bruce Bergez, President	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez

**In the Matter of the Receivership of Great Glasses et al.
Summary of Eyelogic Systems Inc. Rental Agreements**

Store #	Date of Rental Agreement	Customer	Rental Agreement Signed By	Store for which Equipment was Rented	Term of Agreement	Standard			Software		
						License Agreement Signed By	Commitment Signed By	Promissory Note Signed By	Guarantee Signed By		
9	July 15, 2005	95 Saginaw Parkway, Cambridge, ON	Bruce Bergez, Owner	95 Saginaw Parkway, Cambridge, ON	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez		
10	December 10, 2005	125 The Queensway, Etobicoke, ON	Bruce Bergez, Optician	125 The Queensway, Etobicoke, ON	60 Months	Bruce Bergez, Optician	Bruce Bergez, Optician	Bruce Bergez	Bruce Bergez		
11	March 21, 2007	132 Front Street E., Toronto, ON	Bruce Bergez, CFO	Great Glasses store no longer in operation	60 Months (dates TBA)	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez		
12	December 10, 2005	808 York Mills Road, Toronto, ON	Bruce Bergez, Optician	808 York Mills Road, Toronto, ON	60 Months	Bruce Bergez, Optician	Bruce Bergez, Optician	Bruce Bergez	Bruce Bergez		
13	November 30, 2004	Great Glasses, 17 Worthington Ave, Brampton, ON	Bruce Bergez, Owner	Great Glasses, 17 Worthington Ave, Brampton, ON	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez		
14	May 18, 2007	Great Glasses, 393 Danforth Ave., Toronto, ON	Bruce Bergez, CFO	Great Glasses, 393 Danforth Ave., Toronto, ON	Approximately June 1, 2007 to May 31, 2012	Bruce Bergez, CFO	No document in package	Bruce Bergez, CFO	Bruce Bergez		
16	August 1, 2009	Great Glasses, 9200 Bathurst Street, Thornhill, ON	Bruce Bergez, Owner	Great Glasses, 9200 Bathurst Street, Thornhill, ON	August 1, 2009 to August 1, 2014	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez		
17	June 3, 2005	Fairview Mall, St. Catharines, ON	Bruce Bergez, Owner	Fairview Mall, St. Catharines, ON	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez		
18	July 15, 2007	Great Glasses, 565 Woodlawn Rd. W., Guelph, ON	Bruce Bergez, CFO	Great Glasses, 565 Woodlawn Rd. W., Guelph, ON	August 1, 2007 for 5 years	Bruce Bergez, CFO	No document in package	Bruce Bergez, CFO	Bruce Bergez		
19	September 6, 2006	1865 Lakeshore Rd. W., Mississauga, ON	Bruce Bergez, CFO	1865 Lakeshore Rd. W., Mississauga, ON	60 Months	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez		

**In the Matter of the Receivership of Great Glasses et al.
Summary of Eyelogic Systems Inc. Rental Agreements**

Store #	Date of Rental Agreement	Customer	Rental Agreement Signed By	Store for which Equipment was Rented	Term of Agreement	Standard License Agreement Signed By	Software Maintenance Commitment Signed By	Promissory Note Signed By	Guarantee Signed By
20	September 20, 2008	Great Glasses c/o 286 York Road, Dundas, Ontario, Canada	Bruce Bergez, CFO	1319 Commissioners Road, London, ON	60 Months starting on or about January 10, 2008	No document in package	No document in package	No document in package	No document in package
Unknown	November 30, 2004	135 Upper Centennial Parkway, Hamilton, ON	Bruce Bergez, Owner	Great Glasses store no longer in operation	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez
Unknown	May 21, 2005	Great Glasses, 5-483 Highway 8, Stoney Creek, ON	Bruce Bergez, Owner	Great Glasses store no longer in operation	60 Months	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez, Owner	Bruce Bergez
Unknown	December 11, 2007	Great Glasses, 286 York Rd. Dundas, ON	Bruce Bergez, CFO	Not specified	Jan 1, 2008 to December 31, 2013	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez
Unknown	March 1, 2008	Great Glasses, 286 York Rd. Dundas, ON	Bruce Bergez, CFO	Not specified	60 Months	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez, CFO	Bruce Bergez
Unknown	December 20, 2008	Great Glasses, 286 York Rd. Dundas, ON	Bruce Bergez, CFO (document not signed)	Not specified	60 Months - on or about January 10, 2008	No document in package	No document in package	No document in package	No document in package

G

APPENDIX G

Summary of the Assets and Liabilities of the Debtors

<u>SHS Optical Ltd.</u>	CDN
Assets	
Real property leases for 14 operating Great Glasses locations.	\$0
Liabilities	
CRA assessed liability against SHS Optical Ltd. for non-remittance of GST for the periods ended December 31, 2002 to 2006 and the period ended November 17, 2008. ⁸	\$494,904
CRA assessed liability against SHS for non-payment of income taxes for the period December 31, 2002 to 2006. ⁸	\$427,944
Estimated Value of Property after Liabilities (SHS Optical Ltd.)	<u>\$0</u>
<u>Dundurn Optical Ltd.</u>	
Assets	
Account balance.	\$368
Liabilities	
CRA assessed liability against Dundurn Optical Ltd. for non-remittance of GST for the periods ended December 31, 2002 to 2006 and January 1 to February 28, 2009. ⁸	\$541,739
CRA assessed liability against Dundurn Optical Ltd. for non-payment of income taxes for the period December 31, 2002 to 2006. ⁸	\$506,666
Court imposed fine against Dundurn Optical Ltd. In relation to WSIB litigation. ⁹	\$20,000
Estimated Value of Property after Liabilities (Dundurn Optical Ltd.)	<u>\$0</u>

⁸ Assessment is currently under appeal.

⁹ Not including the 25% victim surcharge.

Bruce Bergez¹⁰

Assets

Real property leases for 3 Great Glasses locations.	\$0
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Liabilities

Assessed liability to the CRA for non-remittance of GST collected personally.	\$44,903
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Assessed liability to the CRA for non-payment of personal income taxes.	\$768,441
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Supplier debt	\$50,000
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Credit card debt	\$3,000
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Unpaid legal fees to Gowling Lafleur Henderson LLP	\$300,000
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Estimated Value of Property after Liabilities (Bruce Bergez)	<u>\$0</u>
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Joanne Marie Bergez¹⁰

Assets

Property at 286 York Road, Dundas, Ontario	\$500,000
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Automobiles	\$60,000
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Liabilities

Mortgage liability	\$34,917
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Automobile loans	\$75,000
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Credit card debt	\$11,100
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Estimated Value of Property after Liabilities (Joanne Marie Bergez)	<u>\$438,983</u>
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¹⁰ Based on an unsworn Statement of Net Worth.

Summary of the Assets of the Debtors available to Creditors

SHS Optical Ltd.	\$0
Dundurn Optical Ltd.	\$368
Bruce Bergez	\$0
Joanne Marie Bergez	\$560,000
<hr/>	
TOTAL KNOWN ASSETS OF THE DEBTORS	<u>\$560,368</u>

H

APPENDIX H

Summary of PPSA and Land Registry Office Registrants

PPSA Registrations – File Currency of August 4, 2010

Debtor Name	Registrant Name	File Number	Registration Date	Collateral Boxes Checked	General Collateral Description
Dundurn Optical Ltd. - and - Great Glasses	Her Majesty in Right of Ontario represented by the Minister of Revenue	655168014	2009/07/27	I, E, A, O	
Great Glasses - and - Glen Friday	National Leasing Group Inc.	635936373	2009/06/04	E	All industrial equipment, optical edging systems, edgers, adapters of every nature or kind described in lease number 2460240 between the secured party, as lessor, and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - William W. Duncan	National Leasing Group Inc.	651244599	2009/01/28	E	All industrial equipment, optical edging systems, edgers, adapters of every nature or kind described in lease number 2447927 between the secured party, as lessor, and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - William W. Duncan	Leasebank Credit Corporation	651015486	2009/01/14	E, O	Equipment.
Great Glasses - and - Linda Silberberg	VW Credit Canada Inc.	639803979	2007/01/11	CG, O, MV VIN#: 3VWRF71K67M096204	
Great Glasses - and - Natali Silberberg	VW Credit Canada Inc.	639601713	2007/10/03	CG, E, O, MV VIN#: WVWTK93C07E008243	
Great Glasses - and - Rami Silberberg	VW Credit Canada Inc.	639601713	2007/10/03	CG, E, O, MV VIN#: WVWTK93C07E008243	
Great Glasses - and - Linda Silberberg	Indcom Leasing Inc.	637787691	2007/08/01	E, O	Alta XL centering device, deluxe voltage stabilizer, with accessories and attachments.

Debtor Name	Registrant Name	File Number	Registration Date	Collateral Boxes Checked	General Collateral Description
Great Glasses - and - Linda Silberberg	National Leasing Group Inc.	637713027	2007/07/30	E	All edgers of every nature or kind described in lease number 2385573 between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - Donna M. Osborne - and - Michael R. Figliola	National Leasing Group Inc.	622119249	2006/01/19	E	All drill of every nature or kind described in lease number 2325072 between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - FMM Optical - and - Michael R. Figliola - and - Donna M. Osborne	Northstar Leasing Corporation	622053018	2006/01/17	E	
Great Glasses - and - Spectacle One - and - Christopher M. Borgerink - and - Chris M. Borgerink - and - Kimberly A. Borgerink	National Leasing Group Inc.	619349643	2005/09/30	E	All barcode readers, translator simplex of every nature or kind described in lease number 2312040, between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - Spectacle One - and - Kimberly A. Borgerink - and - Christopher M. Borgerink	Northstar Leasing Corporation	619228035	2005/09/27	E	
Great Glasses - and - 1655128 Ontario Limited	National Leasing Group Inc.	618389982	2005/08/30	E	All edger drills of every nature or kind described in lease number 2307833, between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.

Debtor Name	Registrant Name	File Number	Registration Date	Collateral Boxes Checked	General Collateral Description
Great Glasses - and - 1655128 Ontario Limited - and - Fabio Rogano	Northstar Leasing Corporation	618410619	2005/08/30	E	
Great Glasses - and - Glen J. Friday - and - GMC Friday	Northstar Leasing Corporation	616081221	2005/06/14	E	
Great Glasses - and - Kevin H. Brittain - and - Rainbow Optics	Northstar Leasing Corporation	615333141	2005/05/20	E	
Great Glasses - and - Kevin H. Brittain	National Leasing Group Inc.	615187008	2005/05/17	E	All optical drills of every nature or kind described in lease number 2300419, between the secured party, as lessor and the debtor as lessee, as amended from time to time, together with all attachments, accessories and substitutions.
Great Glasses - and - Scott J. Arsenaault	The Toronto-Dominion Bank	613663452	2005/03/29	I, E, A, O, MV	
Bruce Bergez	Her Majesty the Queen in Right of Canada as represented by the Minister	662983551	2010/07/15	CG, I, E, A, O	
Bruce Bergez - and - Joanne Bergez	Nomis Corporation	661590171	2010/05/25	CG, I, MV VIN#: 2DBTK75G05T051217	2005 Convertible Mercedes CLK.
Bruce Bergez - and - Joanne Bergez	Nomis Corporation	661590441	2010/05/25	CG, I, MV VIN#: WDBUH83J75X182984	2005 Mercedes E500 wagon.
Joanne M. Bergez	Porsche Financial Services Canada	647635329	2008/08/11	CG, MV VIN#: WP0CD29958S708095	

Land Registry Office Registrations (286 York Road, Dundas Ontario) – File Currency of August 3, 2010

Encumbrance Type	Registrant Name	File Number	Registration Date	Amount
Bylaw		HL109987	1959/11/23	
Charge	The Effort Trust Company	LT602453	2000/05/26	\$200,000
Notice of Security Interest	Nomis Corporation	WE702927	2010/07/13	\$74,500

COLLEGE OF OPTOMETRISTS OF ONTARIO	-and-	SHS OPTICAL LTD., DUNDURN OPTICAL LTD. and JOHN DOE, all carrying on business under the name of GREAT GLASSES; JOANNE MARIE BERGEZ and BRUCE BERGEZ	-and-	COLLEGE OF OPTICIANS OF ONTARIO	-and-	THE ATTORNEY GENERAL FOR ONTARIO
Applicant		Respondents		Intervenor		Intervenor

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDINGS COMMENCED AT HAMILTON

**FIRST REPORT TO COURT OF THE
RECEIVER**
(Dated 13 August 2010)

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