

**DISTRICT OF: NOVA SCOTIA**

**DIVISION NO: 01 – HALIFAX**

**COURT NO: 2023-521470**

**ESTATE NO'S: 51-126400/51-126401/51-126414**

**THIRD REPORT OF DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS RECEIVER OF  
MERIDIEN ATLANTIC FISHING LTD.,  
ROCKY COAST SEAFOODS LTD. AND 9514228 CANADA INC.**

**JULY 19, 2023**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

1. On March 9, 2023 (the "**Appointment Date**"), upon application by TD Bank ("**TD**"), the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") granted an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as receiver (the "**Receiver**") without security, of all the assets, undertakings and properties of Meridien Atlantic Fishing Ltd. ("**Meridien**") and Rocky Coast Seafoods Ltd. ("**Rocky Coast**").
2. On April 14, 2023, upon application by TD, the Receivership Order was amended (the "**Amended Receivership Order**") appointing Deloitte as Receiver without security, over the assets, undertakings and properties of 9514228 Canada Inc. ("**951**") (Meridien, Rocky Coast and 951 are collectively referred to herein as the "**Meridien Group**").
3. Additionally, on April 14, 2023, the Court granted an order approving the proposed sale and investment solicitation process (the "**SISP**") (the "**SISP Order**") as outlined in the Receiver's first report dated April 5, 2023 (the "**First Report**").
4. On July 4, 2023, the Court granted an order approving proposed amendments to the SISP as outlined in the Receiver's second report (the "**Second Report**"), approving an increase to the Receiver's borrowing charge from \$250,000 to \$350,000 and approving the activities of the Receiver.
5. The purpose of this third report of the Receiver (the "**Third Report**") is to provide information to the Court with respect to:
  - a) the Receiver's request that the Court issue a sale approval and vesting order (the "**Sale Approval and Vesting Order**") pertaining to the sale of undeveloped real property located in Church Point, Nova Scotia (the "**Church Point Property**") pursuant to an agreement of purchase and sale dated June 30, 2023 (the "**APS**") among Daniel LeBlanc ("**Mr. LeBlanc**"), as purchaser, and the Receiver, as vendor; and
  - b) the Receiver's request that certain aspects of the Church Point Property transaction, mainly (i) a copy of the APS, (ii) the details of the offers received for the Church Point Property, and (iii) an appraisal of the Church Point Property, be provided to the Court in a confidential supplemental report (the "**Confidential Supplement**") and that the Court issue an order (the "**Confidentiality Order**") restricting access to the Confidential Supplement until such a time as the transaction is closed, or upon further order of this Court if the transaction does not close.

## TERMS OF REFERENCE

6. In preparing this Third Report, Deloitte has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Meridien Group's books and records, discussions with management, and information from third-party sources (collectively, the "**Information**"). Except as described in this Third Report:
  - a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Audit Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, Deloitte expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
  - b) Deloitte has prepared this Third Report in its capacity as Receiver to provide background to the Court for its consideration of the relief being sought. Parties using this Third Report

other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

7. Unless otherwise stated, all dollar amounts contained in this Third Report are expressed in Canadian Dollars.
8. Documents pertaining to the administration of the estate can be found on the Receiver's website at [www.insolvencies.deloitte.ca/MeridienGroup](http://www.insolvencies.deloitte.ca/MeridienGroup).

#### **SALE APPROVAL AND VESTING ORDER AND CONFIDENTIALITY ORDER**

9. The Receiver is seeking the Court's approval to complete a transaction pertaining to the Church Point Property. To protect sensitive information relating to the proposed transaction, the Receiver has provided the Court with a Confidential Supplement to the Third Report.
10. The Confidential Supplement provides an overview of offers received and the appraised value of the Church Point Property. A copy of the APS is also included in the Confidential Supplement. The Receiver is seeking the Confidentiality Order regarding the Confidential Supplement until such a time as the transaction is closed, or upon further order of this Court if the transaction does not close. A copy of the proposed Confidentiality Order is filed with the Receiver's motion materials.
11. The intent of the Confidentiality Order is to maintain confidentiality regarding the offers and the appraised value until such time as the Receiver can complete a sale of the Church Point Property, as contemplated by the Sale Approval and Vesting Order. The Receiver is of the view that there is risk that public disclosure of this information could negatively impact realization if the transaction contemplated by the APS does not close, and the Receiver is required to re-market the Church Point Property.
12. The Receiver has discussed the transaction with both TD and Ernst & Young Inc., financial advisor to the guarantors of the Meridien Group, and both parties are supportive of the proposed transaction. For these reasons set out in the Confidential Supplement, the Receiver is of the opinion that the transaction with Mr. LeBlanc is commercially reasonable and should be accepted. Accordingly, the Receiver recommends that the Court grant the Sale Approval and Vesting Order and the Confidentiality Order.
13. Should this Court approve the Sale Approval and Vesting Order and the Confidentiality Order, and the sale of the Church Point Property close, the Receiver intends to hold the proceeds of sale in trust and utilize them to fund costs of the estate pending an order of this Court approving the distribution of proceeds.

#### **CONCLUSION**

14. The Third Report has been prepared to provide this Court with information regarding the Receiver's request that the Court approve the Sale Approval and Vesting Order and the Confidentiality Order.

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15. Based on the foregoing, the Receiver requests the Court grant the Sale Approval and Vesting Order and the Confidentiality Order in the form submitted by legal counsel.

All of which is respectively submitted on July 19, 2023.

**DELOITTE RESTRUCTURING INC.**

Acting in its capacity as  
Receiver of Meridien Atlantic Fishing Ltd.,  
Rocky Coast Seafoods Ltd. and 9514228 Canada Inc.  
and not in its personal capacity.

Per:



**James Foran**  
Senior Vice President

Per:



**Kurt MacLeod**  
Vice President