

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**BETWEEN:**

**HSBC BANK CANADA**

Applicant

- and -

**BLUE GOOSE PURE FOODS LTD. O/A TENDER CHOICE FOODS**

Respondent

**SECOND REPORT OF THE RECEIVER  
DATED MAY 18, 2018**

**INTRODUCTION**

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated December 21, 2017 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Blue Goose Pure Foods Ltd. o/a Tender Choice Foods (“**Blue Goose**” or the “**Debtor**”) acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (the “**Property**”).
2. The Debtor is a corporation formed pursuant to the *Canada Business Corporations Act* that processed turkey, chicken and fowl, among other carcasses, for sale to its customers in the food industry. The Debtor operated out of leased premises containing office space and a manufacturing facility comprising an area of approximately 225,000 square feet located at 4480 Paletta Court, Burlington, Ontario (the “**Leased Premises**”). The Debtor’s principal assets were machinery and equipment used in the processing of animal carcasses, inventory and accounts receivable. Blue Goose, a private company, is

indirectly owned by Dundee Corporation (“**Dundee**”), a publicly traded entity with offices in Toronto, Ontario.

3. On December 14, 2017, prior to the date of the Appointment Order, the Debtor was subject to an interim receivership proceeding. Deloitte was appointed as interim receiver (the “**Interim Receiver**”) with such appointment being terminated upon Deloitte’s appointment as Receiver in accordance with the Order appointing Deloitte as Interim Receiver.
4. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:
  - (a) without the approval of the Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (b) with the approval of the Court in respect of any transaction exceeding \$500,000.
5. On April 13, 2018, the Court issued an Order that, among other things:
  - (a) Approved certain fees of the Receiver (including the Receiver’s Insurance Advisory affiliate) to February 20, 2018 and the Receiver’s activities through March 30, 2018;
  - (b) Approved the fees and activities of the Receiver’s counsel, Goldman Sloan Nash & Haber LLP (“**GSNH**”) to March 27, 2018;
  - (c) Approved certain borrowings of the Receiver in addition to approving the repayment of same, *nunc pro tunc*; and
  - (d) Approved the distribution of funds to HSBC Bank Canada in the amount of up to \$30 million without further Order of the Court.

6. The Appointment Order, together with related Court documents, the Notice to Creditors issued pursuant to sections 245 and 246 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) the First Report (as defined herein) and this second report (the “**Second Report**”) are posted on the Receiver’s website at [www.insolvencies.deloitte.ca/en-ca/BlueGooseTenderChoice](http://www.insolvencies.deloitte.ca/en-ca/BlueGooseTenderChoice).
  
7. The purpose of this Second Report of the Receiver is to:
  - (a) Provide the Court with an update in respect of the results of the auction of Blue Goose’s mobile equipment (trucks, trailers, forklifts etc.) (the “**Mobile Auction**”);
  - (b) Advise the Court with respect to asset realization efforts currently being undertaken by the Receiver, including seeking Court approval to liquidate the remaining assets located within the Leased Premises;
  - (c) Seek approval from the Court in respect of the Receiver’s request to sell to a substantial portion of its inventory to Export Packers Company Ltd. (“**Export**”). Including the proceeds of the Mobile Auction, the expected proceeds from the sale to Export would exceed the threshold of \$500,000 for sales out of the ordinary course set out in the Appointment Order. Given the economically sensitive nature of this information, the Receiver is also seeking an Order from the Court allowing it to redact details in respect of the proposed Export Lot sale as described later herein;
  - (d) Seek approval from the Court to assign the Debtor into bankruptcy should the Receiver see fit to do so;
  - (e) Provide the Court with an updated statement of receipts and disbursements through May 11, 2018 (the “**R&D**”); and
  - (f) Seek approval of the Receiver’s activities and those of its counsel GSNH to date, including their professional fees and costs related thereto.

## TERMS OF REFERENCE

7. In preparing this Second Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Debtor's books and records, discussions with former management of the Debtor ("**Management**"), and information from third-party sources (collectively, the "**Information**"). Except as described in this Second Report:

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

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

8. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

9. Reference is made to the First Report of the Receiver dated April 5, 2018 (the "**First Report**"). Unless otherwise provided, all other capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Order or the First Report.

## RESULTS OF THE MOBILE AUCTION

10. As reported in the First Report, the Receiver entered into an auction agreement with Platinum Asset Services Inc. (“**Platinum**”) for the purposes of liquidating certain mobile equipment owned by Blue Goose.
11. The auction, which was conducted online after the bidders had an opportunity to inspect the assets, concluded on April 11, 2018. Proceeds to Blue Goose, net of Platinum’s expenses and commission, totalled approximately \$395,000 and were received by May 3, 2018.
12. Certain assets, which were not sold as part of the auction, will be liquidated by Platinum separately by public auction in due course as detailed herein.

## ASSET REALIZATION EFFORTS

13. As discussed later in this Second Report, the Receiver has been collecting the accounts receivable due to Blue Goose. This includes entering into a payment plan with a significant customer of Blue Goose. Such payment plan is expected to be completed by May 31, 2018.
14. Other than the balance due pursuant to the payment plan referred to above, the Receiver is of the view that a substantial portion of the balances appearing in Blue Goose’s receivables records are not collectible given that many customers are claiming offsets for quality or other reasons. The Receiver has satisfied itself that such offsets are appropriate in the circumstances.
15. As set out in the First Report, the Leased Premises suffered significant damage due to fire on December 6, 2017 (the “**Fire**”). Because of the Fire and related structural issues affecting the Leased Premises, the Receiver has had very limited access to Blue Goose’s assets and equipment. These restrictions are, for the most part, no longer preventing the Receiver from inspecting the assets and consequently the Receiver has inspected the Debtor’s assets.

16. Over the last several weeks, and as a consequence of the opportunity to properly inspect the Debtor's equipment, the Receiver has directed its liquidator, Platinum, to remove smaller pieces of equipment that are readily accessible and located in areas that allow for transport to the loading dock (the "**Moveable Equipment**"). Such equipment will be stored by Platinum until an auction is organized.
17. Other saleable equipment, which is not yet readily accessible or which is complicated to remove (the "**Production Equipment**"), will be left in place until an auction is organized and the equipment sold is removed by professional equipment movers.
18. The Receiver is now ready to direct Platinum to liquidate the Movable Equipment and the Production Equipment and has reached an agreement with Platinum to do so. The following points summarize the auction agreement with Platinum:
  - (a) The assets will be sold on an "as is, where is" basis by public auction with bidders being given an opportunity to inspect the assets prior to the sale. Platinum will ensure that the Leased Premises are appropriately safeguarded (providing lights, blocking off unsafe areas, etc.) in terms of personal security in order to facilitate such inspection;
  - (b) Platinum will be compensated on a commissioned basis; and
  - (c) Platinum will ensure that any preparatory and/or marketing costs do not exceed the proceeds realized.
19. The Receiver continues to advance insurance claims on behalf of the estate due to losses caused by the Fire.

#### **THE PROPOSED SALE TO EXPORT**

20. As reported in the First Report, the Receiver engaged the Debtor's former Divisional President, Paul Paletta, to act as its sales agent (the "**Sales Agent**") with respect to inventories of processed and unprocessed poultry stored in a number of offsite third-party freezer warehouses. Since the engagement of the Sales Agent, the Receiver has sold

approximately \$525,500 of inventory. The sale process conducted through the Sales Agent is continuing.

21. A significant proportion of the Debtor's offsite inventory is unprocessed whole turkeys. These turkeys comprise approximately 685,000 kilograms of product (the "**Whole Turkeys**").
22. Export (the prospective purchaser) has purchased other products from the Receiver and, as a result, became aware of the opportunity to purchase the Whole Turkeys and, in addition, the entirety of the Debtor's inventory of approximately 75,000 kilograms of turkey drumsticks (the "**Drumsticks**" and together with the Whole Turkeys, the "**Export Lot**").
23. The Receiver has determined that it would be advantageous to sell the Export Lot to Export. The significant terms of the transaction are as follows:
  - (a) Export will purchase all of the Export Lot on an "as is, where is" basis;
  - (b) A per kilogram price will be paid for each of the Drumsticks and Whole Turkeys; and
  - (c) Export will take over and pay for the storage of the Export Lot at each of the off-site cold storage facilities from June 1, 2018 onwards.
24. HSBC Bank Canada, the senior secured creditor having the sole economic interest in the sale supports the proposed sale of the Export Lot to Export.
25. The asset purchase agreement, which has been executed by Export, has been provided to the Court in an unredacted Appendix "A". Public versions of this Second Report contain a redacted Appendix "A". The redaction of the selling price is to ensure that while the sale remains uncompleted there can be no adverse information introduced to the market that might have the effect of diminishing the prices to be obtained for remaining inventory of fowl and poultry. The Receiver is prepared to disclose the redacted portions of the sale documents upon completion of the sale to Export and the sale of the remaining inventories.

## POTENTIAL BANKRUPTCY ASSIGNMENT ETC.

26. Based on the powers granted to it by the Appointment Order, the Receiver does not currently have the authority to file an Assignment in Bankruptcy or a proposal on behalf of the Debtor. The Receiver is seeking authority from the Court to do so. Such authority is being sought for the following reasons:

- (a) Prior to the Receiver's appointment, a number of payments were made to non-related parties of the Debtor. A trustee in bankruptcy or proposal trustee would have additional powers to investigate the nature of and reasons for such payments;
- (b) The Receiver's current estimate of recoveries suggests that HSBC, the senior secured lender will suffer a substantial shortfall and accordingly, the likelihood of the Debtor being able to satisfy its liabilities to creditors is very unlikely;
- (c) The trustee may wish to explore the possibility of selling tax losses in order to enhance recoveries to the estate;
- (d) A bankruptcy proceeding will place an element of finality upon the process and facilitate the crystallization of claims in the estate; and
- (e) Canada Revenue Agency ("CRA") has recently advised Receiver that there may be a substantial HST liability relating to insufficient documentation of input tax credits claimed and the prior use of the HST account by a related entity. The Receiver is currently reviewing the books in records of the Debtor to attempt to respond to CRA's request for additional documentation.

27. Based on the foregoing reasons, the Receiver is of the view that it may be advantageous to the Debtor's estate that it have the authority to file an assignment in bankruptcy or proposal on behalf of the Debtor. While the Receiver has not yet concluded that an assignment or proposal is necessary or warranted it is currently seeking this power from the Court for the sake of efficiency and to avoid another attendance should this course of action be selected.

## UPDATED STATEMENT OF RECEIPTS AND DISBURSEMENTS

28. Attached as Appendix “**B**” is an updated statement of receipts and disbursements from the date of the Appointment Order through May 11, 2018. As set out in Appendix “**B**”, the Receiver has received \$1,904,183, which includes advances to the estate from the Bank of \$472,928 and disbursed \$1,053,283, leaving a surplus of receipts of disbursement to date of \$850,900.

### **RECEIVER’S PROFESSIONAL FEES AND ACTIVITIES**

29. Since the First Report, the fees of the Receiver during the period from February 21, 2018 to March 20, 2018 amount to \$72,421, and together with expenses and disbursements in the sum of \$1,092 and HST in the amount of \$9,556, total \$83,070 (the “**Receiver’s Fees**”). In addition, the total insurance advisory fees incurred by the Receiver during the period from February 9, 2018 to April 2, 2018 for services provided by Deloitte’s Insurance Advisory practice amount to \$58,985, and together with GST in the amount of \$2,949, total \$61,934. The time spent by the Receiver is more particularly described in the affidavit of Paul Casey dated May 7, 2018 (the “**Casey Affidavit**”). The Casey Affidavit is attached as Appendix “**C**”.
30. The legal fees incurred by the Receiver during the period from March 28, 2018 to May 2, 2018 for services provided by GSNH amount to \$8,811, and together with disbursements in the amount of \$336 and HST in the amount of \$1,189, total \$10,336. The time spent by GSNH personnel is more particularly described in the Affidavit of Mario Forte of GSNH sworn May 18, 2018 (the “**Forte Affidavit**”) in support hereof and is attached hereto as Appendix “**D**”.

### **RECOMMENDATIONS**

31. For the reasons set out above, the Receiver respectfully requests that the Court approve the Receiver’s request for an Order:
- (a) Approving the sale of the Export Lot to Export and redacting Appendix “**A**” in publicly available versions of this Second Report;
  - (b) Authorizing the Receiver to liquidate the Moveable Equipment and the Production Equipment via a public auction;

- (c) Authorizing the Receiver to cause Blue Goose to make an assignment in bankruptcy; and
- (d) Approving the activities of the Receiver and the professional fees and disbursements, including its counsel GSNH, for the periods from February 21, 2018 to March 20, 2018, 2018 and March 28, 2018 to May 2, 2018, respectively.

All of which is respectfully submitted this 18<sup>th</sup> day of May, 2018.

**Deloitte Restructuring Inc.**

Solely in its capacity as the Court-appointed receiver of the assets, undertakings and properties of Blue Goose Pure Foods Ltd., and without personal or corporate liability



Per:

\_\_\_\_\_  
Paul Casey, CPA, CA, FCIRP, LIT  
Senior Vice-President

**TAB A**

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of May • , 2018

B E T W E E N:

**DELOITTE RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF CERTAIN PROPERTY OF BLUE GOOSE PURE FOODS LTD O/A TENDER CHOICE FOODS,**

(the “**Seller**”)

- and -

**EXPORT PACKERS COMPANY LTD. a corporation incorporated under the laws of the [Province of Ontario]**

(the “**Buyer**”)

### RECITALS:

- A. The Seller, was appointed receiver of certain property of Blue Goose Pure Foods Ltd. (“**Blue Goose**”). pursuant to the order of Mr. Justice Wilton-Siegel made December 21, 2017 in the Ontario Superior Court of Justice (the “**Court**”) (the “**Receivership Order**”).
- B. The Seller wishes to sell, and the Buyer wishes to purchase the Purchased Assets (as defined herein), subject to the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement,

- (a) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (b) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental

Authority, that applies in whole or in part to the Transaction, the Seller, the Buyer, the Business or any of the Purchased Assets;

- (c) “**Approval and Vesting Order**” means the form of Court order attached as Schedule “1.1(d)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (d) “**Bill of Sale**” means the document attached as Schedule 1.8 to this Agreement.
- (e) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (f) “**Closing**” means the completion of the Transaction at the Closing Time;
- (g) “**Closing Date**” means June 1, 2018, or such later date as the Parties may agree in writing, acting reasonably;
- (h) “**Closing Documents**” means the Bill of Sale drafted for this purpose;
- (i) “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (j) “**Encumbrance**” means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;
- (k) “**Governmental Authority**” means any domestic or foreign government, regulatory authority, governmental department, agency, ministry, commission, bureau, court (including the Court), tribunal, judicial body, arbitral body, commission, stock exchange, board or other law, rule or regulation-making entity:
  - (i) having jurisdiction over the Seller, the Buyer, the Transaction or the Purchased Assets on behalf of any country, province, state, municipality or other geographical or political subdivision thereof; or
  - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (l) “**Governmental Authorizations**” means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (m) “**HST**” means the sales tax payable under the HST Legislation;

- (n) “**HST Legislation**” means Part IX of the *Excise Tax Act* (Canada);
- (o) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (p) “**Parties**” means the Seller and the Buyer collectively, and “**Party**” means either the Seller or the Buyer, as applicable;
- (q) “**Purchase Price**” has the meaning given to such term in Section 3.1;
- (r) “**Purchased Assets**” has the meaning given to such term in Section 2.1;
- (s) “**Tax**” and “**Taxes**” means any and all:
  - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and
  - (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);
- (t) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);
- (u) “**Taxing Authority**” means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (v) “**Transaction**” means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (w) “**Transfer Taxes**” has the meaning given to such term in Section 7.3(a);

## 1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

| <u>Schedule</u> | <u>Description</u>                 |
|-----------------|------------------------------------|
| Schedule 1.1(c) | Form of Approval and Vesting Order |
| Schedule 1.8    | Bill of Sale                       |
| Schedule 2.1    | Asset Listing                      |

### **1.3 Statutes**

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

### **1.4 Headings and Table of Contents**

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

### **1.5 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

### **1.6 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

### **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

### **1.8 Entire Agreement**

This Agreement and the Bill of Sale required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

### **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.10 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the receivership proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.5 shall be deemed effective service of process on such Party.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement to Purchase and Sell Purchased Assets**

Upon and subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell, assign, transfer, convey and deliver, and the Buyer shall purchase, free and clear of all Encumbrances, all of the Seller's and Blue Goose's right, title and interest in, to and under, or relating to the Purchased Assets as more particularly identified on schedule 2.1 hereto.

### **2.2 "As is, Where Is"**

The Buyer acknowledges and agrees that all of the Purchased Assets are being purchased on an "as is, where is" basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, or similar legislation do not apply hereto and have been waived by the Buyer. This Section 2.2 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries. The Buyer hereby acknowledges that it has had the opportunity to inspect the Purchased Assets prior to Closing.

## **ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS**

### **3.1 Purchase Price**

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the "**Purchase Price**") shall be calculated in accordance with Schedule "2.1" hereof and adjusted either upwards or downwards when the Purchased Assets are collected, transported and weighed by the Buyer at its own facility. Claims for downward adjustment to the Purchase Price must be

made to the Seller no later than December 31, 2018 after which time the Purchase Price shall be deemed to be final and no further adjustment shall be made thereto.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

#### **4.1 Existence**

The Seller is duly incorporated, organized and existing under the laws of its jurisdiction of organization.

#### **4.2 Due Authorization and Enforceability of Obligations**

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Bill of Sale and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Bill of Sale will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

#### **4.3 Right to Sell, and Title to, Purchased Assets**

At the Closing, the Seller shall convey to the Buyer all of the Seller's and Blue Goose's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances.

#### **4.4 Approvals and Consents**

Except for Court Approval, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and the Bill of Sale to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

#### **4.5 Residence of the Seller**

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

#### **4.6 HST Registration**

The Seller is registered for purposes of HST Legislation and its HST number is 80618-6508-RT0002.

#### **4.7 Brokers**

Other than Paul Paletta, no broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller. The Seller is responsible for any relevant payment to Mr. Paletta in respect of the sale of goods contemplated herein.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

#### **5.1 Existence**

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

#### **5.2 Due Authorization and Enforceability of Obligations**

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyer will be duly executed and delivered by the Buyer and will constitute a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

#### **5.3 Approvals and Consents**

Except for Court Approval, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or the purchase of any of the Purchased Assets hereunder.

#### **5.4 Residence of the Buyer**

The Buyer is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

#### **5.5 HST Registration**

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of HST Legislation and will provide its registration numbers to the Seller.

#### **5.6 No Additional Due Diligence**

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all inspection and other due diligence regarding the Purchased Assets and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

#### **5.7 Brokers**

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

### **ARTICLE 6 CONDITIONS**

#### **6.1 Conditions for the Benefit of the Buyer and the Seller**

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions for their mutual benefit:

- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to this Agreement shall have been issued and in effect;
- (b) no motion, action or proceedings shall be pending to restrain or prohibit the completion of the Transaction; and
- (c) the Approval and Vesting Order shall have been issued and entered on or before June 1, 2018, or on or before such later date as the Parties agree to in writing.

If the conditions set out in this Section 6.1 are not satisfied, performed or mutually waived on or before the Closing Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

## **6.2 Conditions for the Benefit of the Buyer**

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Buyer shall have received on Closing the executed Bill of Sale; and
- (d) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances in accordance with the Approval and Vesting Order.

Any condition in this Section 6.2 may be waived by the Buyer in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Buyer may elect on written notice to the Seller to terminate this Agreement.

## **6.3 Conditions for the Benefit of the Seller**

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;

- (c) the Seller shall have received on Closing the executed Bill of Sale.

Any condition in this Section 6.3 may be waived by the Seller in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.3 is not satisfied, performed or waived on or prior to the date specified therefor, the Seller may elect on written notice to the Buyer to terminate this Agreement.

## **ARTICLE 7 ADDITIONAL AGREEMENTS OF THE PARTIES**

### **7.1 Access to Purchased Assets**

Until the Closing Time, and subject to the terms and conditions of this Agreement, the Seller shall make arrangements to give to the Buyer's personnel engaged in the Transaction during normal business hours reasonable access, subject to the agreement of the relevant cold storage warehouse, to such premises relating to the storage of the Purchased Assets, as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the business of the party offering access to the Buyer pursuant to these terms.

### **7.2 Further Assurances**

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

### **7.3 Tax Matters**

- (a) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any

consideration payable pursuant to this Agreement, and the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

- (b) The Buyer hereby waives compliance by the Seller with section 6 of the *Retail Sales Tax Act* (Ontario) and with any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

#### **7.4 Fees, Storage Fees and Expenses**

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses. Provided however, that from and after the Closing, the Buyer shall be solely responsible for all storage costs accruing from and after such time and hereby indemnifies the Seller in respect thereof. The Buyer shall confirm that it has transferred the inventory set out in Schedule 2.1 to its own storage accounts forthwith after Closing.

### **ARTICLE 8 COURT ORDERS**

#### **8.1 Court Orders**

As soon as reasonably possible after the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before June 1, 2018, subject to the availability of the Court.

### **ARTICLE 9 TERMINATION**

#### **9.1 Termination**

This Agreement may be terminated at any time prior to Closing upon the occurrence of any of the following:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) by either Party (provided such Party is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the other, if any condition in Section 6.1 is unsatisfied as of the Closing Date;
- (c) by the Seller (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Buyer, if any condition in Section 6.3 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Seller or cured by the

Buyer within three (3) Business Days after written notice thereof from the Seller to the Buyer; and

- (d) by the Buyer (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Seller, if any condition in Section 6.2 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Buyer or cured by the Seller within three (3) Business Days after written notice thereof from the Buyer to the Seller.

## **9.2 Effect of Termination**

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Section 9.2 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

## **ARTICLE 10 CLOSING**

### **10.1 Location and Time of Closing**

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of the Receiver, or at such other location as may be agreed upon in writing by the Parties hereto.

### **10.2 Closing Deliveries**

- (a) At the Closing, the Seller shall deliver to the Buyer:
  - (i) the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2;
  - (ii) the consents and approvals required to be obtained pursuant to Section 8.1;
  - (iii) the Bill of Sale with respect to the conveyance of the Purchased Assets executed by the Seller;
  - (iv) to the extent required to be executed by the Seller, an instrument of assumption of liabilities with respect to the Assumed Liabilities; and
  - (v) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

- (b) At the Closing, the Buyer shall deliver to the Seller:
  - (i) evidence of the satisfaction of the Purchase Price as provided for in Section 3.1, in the form of a bank draft or certified cheque;
  - (ii) the Bill of Sale with respect to the conveyance of the Purchased Assets executed by the Buyer; and
  - (iii) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

## **ARTICLE 11 GENERAL MATTERS**

### **11.1 Public Notices**

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.1, any Party may, without such consent, make such disclosure if the same is required by Applicable Law or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws; and (iii) the Seller may communicate freely with the Receiver as and to the extent required in connection with the receivership proceedings. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof, including for the purpose of obtaining the Court Orders; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the receivership proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

## **11.2 Survival**

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1).

## **11.3 Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

## **11.4 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's residency for Tax purposes and to the Buyer's status under the Investment Canada Act are references to the ultimate Buyer. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the third party beneficiaries of Section 11.3 hereof.

## **11.5 Notices**

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

- (a) If to the Buyer at:

Attention:  
Email:

with copies (which shall not in itself constitute notice) to:

•

Attention:  
Email:

(b) If to the Seller at:

Deloitte Restructuring Inc.  
8 Adelaide Street West  
Toronto, Ontario M5H 0A9

Attention: Paul Casey/ Todd Ambachtsheer  
Email: [paucasey@deloitte.ca](mailto:paucasey@deloitte.ca)/ [tambachtsheer@deloitte.ca](mailto:tambachtsheer@deloitte.ca)

with copies (which shall not in itself constitute notice) to:

Goldman Sloan Nash & Haber LLP  
480 University Ave Suite 1600  
Toronto, Ontario M5G 1V2

Attention: Mario Forte / Jennifer Stam  
Email: [forte@gsnh.com](mailto:forte@gsnh.com) / [stam@gsnh.com](mailto:stam@gsnh.com)

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

## 11.6 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

**[Remainder of page intentionally blank]**

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

**DELOITTE RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS RECEVEER  
OF CERTAIN PROPERTY OF BLUE  
GOOSE PURE FOODS LTD./O/A TENDER  
CHOICE FOODS, AND NOT IN ITS  
PERSONAL CAPACITY**

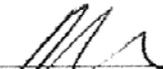
By: \_\_\_\_\_

Name: Paul Casey, CPA, CA, LIT, FCIRP  
Title: Senior Vice-President

**EXPORT PACKERS COMPANY LTD.**

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

Name: WALTER MIOR  
Title: EXECUTIVE VICE PRESIDENT -

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

Name: RALPH GOBBI  
Title: V.P. Commodity DIV.

Schedule 2.1

Purchased Assets

| Product           | Price per kilo | Estimated kilos | Extended price |
|-------------------|----------------|-----------------|----------------|
| Whole turkeys     |                |                 |                |
| Turkey drumsticks |                |                 |                |
| Total             |                |                 |                |

**TAB B**

**DELOITTE RESTRUCTURING INC., RECEIVER OF  
BLUE GOOSE PURE FOODS LTD. O/A TENDER CHOICE FOODS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD DECEMBER 21, 2017 TO MAY 11, 2018**

Receipts

|                                |    |                  |
|--------------------------------|----|------------------|
| Advance from secured creditor  | \$ | 472,928          |
| Account Receivable collections |    | 494,848          |
| Sale of Inventory              |    | 525,501          |
| Sale of Assets                 |    | 395,514          |
| HST Collected                  |    | 14,588           |
| Other                          |    | 805              |
| Total receipts                 | \$ | <u>1,904,183</u> |

Disbursements

|                           |    |                  |
|---------------------------|----|------------------|
| Warehouse storage costs   | \$ | 518,103          |
| Receiver's fees and costs |    | 121,884          |
| Insurance                 |    | 109,559          |
| Contract services         |    | 97,342           |
| Consulting services       |    | 57,443           |
| Equipment repairs         |    | 25,404           |
| Legal fees and costs      |    | 6,228            |
| Commissions               |    | 5,826            |
| Taxes paid                |    | 103,755          |
| Other                     |    | 7,739            |
| Total disbursements       | \$ | <u>1,053,283</u> |

|   |           |                       |
|---|-----------|-----------------------|
| <b>Excess of Cash Receipts over Disbursements</b> | <b>\$</b> | <b><u>850,900</u></b> |
|---|-----------|-----------------------|

**TAB C**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

BLUE GOOSE PURE FOODS LTD. O/A TENDER CHOICE FOODS

Respondent

AFFIDAVIT OF PAUL CASEY  
(Sworn May 7, 2018)

I, PAUL M. CASEY, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional and a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court-Appointed receiver (the "**Receiver**") of all of the assets, undertakings and properties of Blue Goose Pure Foods Ltd. o/a Tender Choice Foods (the "**Debtor**") acquired for, or used in relation to the Debtor's business (the "**Property**"), and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "**A**" is a schedule summarizing each invoice in Exhibit "**B**", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

3. Attached hereto as Exhibit "**B**" are true copies of the invoices for fees and disbursements incurred by Deloitte related to the administration of the Debtor's estate from

February 21, 2018 to March 20, 2018. Also included in Exhibit "B" is an invoice related to services performed by Deloitte LLP's Insurance Advisory practice. Such practice is an affiliate of the Receiver and has been engaged to assist with certain insurance matters related to the receivership. The Insurance Advisory invoice covers the period from February 9, 2018 to April 2, 2018.

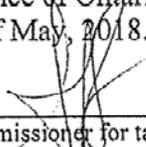
4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services, and are comparable to the hourly rates charged by Deloitte for services rendered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

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

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 7<sup>th</sup>  
day of May, 2018.

)  
)  
)  
)  
)

  
\_\_\_\_\_  
Paul M. Casey, CPA, CA, FCIRP, LIT

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

*Anna Koroneos, a Commissioner, etc.,  
Province of Ontario  
for Deloitte Restructuring Inc.,  
Licensed Insolvency Trustee.  
Expires June 3, 2019.*

**EXHIBIT "A"**

**REFERRED TO IN THE AFFIDAVIT OF PAUL M. CASEY**  
*(Sworn May 7, 2018)*

**EXHIBIT "A"**

This is Exhibit A  
in the Affidavit of Paul Casey  
Sworn before me this 7th day of  
May 2018  
A Commissioner, etc.

Anna Koroneos, a Commissioner, etc.  
Province of Ontario  
for Deloitte Restructuring Inc.  
Licensed Insolvency Trustee  
Expires June 3, 2019

**Calculation of Average Hourly Billing Rates of  
Deloitte Restructuring Inc.  
for the Receivership and Insurance Advisory periods from  
February 21, 2018 to March 20, 2018 and February 9, 2018 to April 2, 2018, respectively**

**Receivership**

| Invoice Date | Fees                 | Disbursements      | HST/GST             | Total Invoice Amount | Hours        | Average Hourly Fee Rate | Invoice Number |
|--------------|----------------------|--------------------|---------------------|----------------------|--------------|-------------------------|----------------|
| 4-Apr-18     | \$ 58,985.00         | \$ -               | \$ 2,949.25         | \$ 61,934.25         | 193.5        | \$ 304.83               | 8000067525     |
| 4-May-18     | \$ 72,421.50         | \$ 1,092.33        | \$ 9,556.80         | \$ 83,070.63         | 171.7        | \$ 421.79               | 8000102523     |
| <b>Total</b> | <b>\$ 131,406.50</b> | <b>\$ 1,092.33</b> | <b>\$ 12,506.05</b> | <b>\$ 145,004.88</b> | <b>365.2</b> | <b>\$ 359.82</b>        |                |

**EXHIBIT "B"**

**REFERRED TO IN THE AFFIDAVIT OF PAUL M. CASEY**  
*(Sworn May 7, 2018)*

This is Exhibit "B" in the Affidavit of Paul Casey Sworn before me this 7th day of May, 2018.  
 A Commissioner, etc.



**Invoice 8000067525**  
 Deloitte LLP  
 2800 - 1055 Dunsmuir Street  
 4 Bentall Centre  
 Vancouver BC V7X 1P4  
 Anna Koroneos, a Commissioner, etc.  
 Province of Ontario  
 for Deloitte Restructuring Inc.  
 Licensed Insolvency Trustee  
 Expires June 3, 2019

ATTN: Paul Casey, Senior Vice-President  
 Deloitte Restructuring Inc. - Court Appointed  
 Receiver of Blue Goose Pure Foods  
 8 Adelaide St. West Suite 200  
 Toronto ON M5H 0A9  
 Canada

Tel: (604) 669-4466  
 Fax: (778) 374-0507  
 www.deloitte.ca

Date: April 04, 2018  
 Client No.: 1136634  
 WBS#: HON00003  
 Engagement Partner: Craig Burkart

GST Registration: 133245290RT0001

**For professional services rendered**

**Fees**

o/a Tender Choice Foods  
 In accordance with our engagement letter dated January 3, 2018.  
 Professional fees for work done from February 9, 2018 to April 2, 2018.  
 Please see summary for details.

GST applicable 58,985.00

**Sales Tax**

GST at 5.00% 2,949.25

**Total Amount Due (CAD) 61,934.25**

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



Invoice Number 8000067525

April 04, 2018

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

| Client Name               | Client# | Invoice#   | Amount (CAD) | Comments                          |
|---------------------------|---------|------------|--------------|-----------------------------------|
| Deloitte Restructuring In | 1136634 | 8000067525 | 61,934.25    | Payment for invoice<br>8000067525 |

**Contact:**

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

## Payment Options

**1. EFT Payments(remittance email mandatory):****Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:****For USD Dollar (\$) Payments, pay:****ABA/Transit Routing:** 47696002**ABA/Transit Routing:** 47696002**Account Number:** 1590219**Account Number:** 1363514**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:****For USD Dollar (\$) Payments, pay:****Account Number:** 476961590219**Account Number:** 476961363514**Swift Code:** NOSCCATT**Swift Code:** NOSCUS33**3. Online Payment:**

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

Please note we do not accept Interac e-Transfers.

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

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

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

# Deloitte®

## Summary

| Resource Name    | Rate      | Hours         | Total               |
|------------------|-----------|---------------|---------------------|
| Burkart, Craig   | \$ 520.00 | 7.70          | \$ 4,004.00         |
| Robinson, David  | \$ 420.00 | 32.10         | \$ 13,482.00        |
| Keraiff, Kristen | \$ 270.00 | 131.00        | \$ 35,370.00        |
| Mah, Eric        | \$ 270.00 | 22.70         | \$ 6,129.00         |
|                  |           | <b>193.50</b> | <b>\$ 58,985.00</b> |

## Hours Details

| Work Date | Resource Name    | Hours | Timesheet Comments  |
|-----------|------------------|-------|---|
| 2/9/2018  | Keraiff, Kristen | 1.80  | Prepare business interruption estimate                                |
| 2/9/2018  | Mah, Eric        | 0.50  | Inventory analysis  |
| 2/12/2018 | Keraiff, Kristen | 1.50  | Review financial documentation  |
| 2/12/2018 | Mah, Eric        | 2.00  | Update Inventory model and assumptions                                |
| 2/12/2018 | Robinson, David  | 2.00  | Preparation of inventory claim; review BI calculation                 |
| 2/13/2018 | Mah, Eric        | 2.00  | Update Inventory analysis   |
| 2/13/2018 | Robinson, David  | 0.30  | Review inventory analysis   |
| 2/14/2018 | Mah, Eric        | 2.00  | Variable and fixed cost reconciliation                                |
| 2/14/2018 | Mah, Eric        | 1.00  | Update inventory analysis   |
| 2/14/2018 | Robinson, David  | 1.10  | Review BI methodology; finalize inventory report                      |
| 2/14/2018 | Burkart, Craig   | 0.60  | Prepare inventory claim schedules                                     |
| 2/15/2018 | Keraiff, Kristen | 6.60  | Meeting with client; cost of sales analysis; review subcategorization |
| 2/15/2018 | Mah, Eric        | 2.80  | Update Inventory report   |
| 2/15/2018 | Robinson, David  | 0.70  | Inventory claim; Review BI Claim                                      |
| 2/15/2018 | Burkart, Craig   | 1.50  | Prepare inventory loss schedules and report                           |
| 2/16/2018 | Keraiff, Kristen | 1.70  | Review categorization to determine cost and pricing                   |
| 2/16/2018 | Mah, Eric        | 0.30  | Update inventory report   |
| 2/21/2018 | Mah, Eric        | 2.00  | Draft report  |
| 2/21/2018 | Mah, Eric        | 0.60  | Update inventory report   |
| 2/21/2018 | Keraiff, Kristen | 2.50  | BI Analysis; Actual sales   |
| 2/21/2018 | Robinson, David  | 1.30  | Submission of Inventory Report; Preparation of BI Estimate            |
| 2/22/2018 | Mah, Eric        | 1.00  | Updates to BI schedules   |
| 2/22/2018 | Keraiff, Kristen | 4.90  | Analysis of sales; Call and correspondence with management of BG      |
| 2/22/2018 | Robinson, David  | 0.70  | Review BI Calculations  |
| 2/23/2018 | Mah, Eric        | 3.50  | Updates to BI model; product margin analysis                          |
| 2/23/2018 | Mah, Eric        | 0.50  | Update Inventory model  |
| 2/23/2018 | Keraiff, Kristen | 4.20  | Analysis of sales and inventory values; Call with management of BG    |
| 2/23/2018 | Robinson, David  | 1.00  | Review of margins   |
| 2/23/2018 | Burkart, Craig   | 1.40  | Prepare supporting documents for MDD; email correspondence            |
| 2/26/2018 | Keraiff, Kristen | 0.50  | Call with management of BG re: sales forecasts                        |
| 2/26/2018 | Robinson, David  | 0.80  | Calculation of product margins  |
| 2/27/2018 | Keraiff, Kristen | 6.40  | Analysis of product margins and categorization                        |
| 2/27/2018 | Robinson, David  | 0.40  | Preparation of business interruption calculations                     |
| 2/28/2018 | Keraiff, Kristen | 4.20  | Analysis of product costing; Margin reconciliation;                   |
| 2/28/2018 | Robinson, David  | 0.50  | Review of margin analysis   |
| 3/1/2018  | Keraiff, Kristen | 10.50 | Analysis of margin by customer, by product, by ssID                   |
| 3/1/2018  | Robinson, David  | 2.20  | Review of margin analysis   |
| 3/2/2018  | Mah, Eric        | 0.30  | Call to discuss inventory model with MDD                              |
| 3/2/2018  | Keraiff, Kristen | 7.20  | Margin analysis; P&L reconciliation                                   |
| 3/2/2018  | Robinson, David  | 1.50  | Phone call with MDD; Prep BI Loss                                     |

|           |                  |      |  |
|-----------|------------------|------|--|
| 3/5/2018  | Keraiff, Kristen | 8.30 | Analysis of sales and corresponding margin                           |
| 3/5/2018  | Robinson, David  | 1.10 | Discussion of equipment claim; preparation of BI loss                |
| 3/6/2018  | Keraiff, Kristen | 7.00 | Analysis of fixed costs and margins; Call with management of BG      |
| 3/6/2018  | Robinson, David  | 1.50 | Review business interruption   |
| 3/7/2018  | Keraiff, Kristen | 6.80 | Analysis of actual sales; Analysis of fixed costs                    |
| 3/7/2018  | Keraiff, Kristen | 4.30 | Reference check  |
| 3/7/2018  | Robinson, David  | 1.50 | Review BI Calculations   |
| 3/8/2018  | Keraiff, Kristen | 6.30 | Analysis of margins; Review volume/revenue based on ssID;            |
| 3/8/2018  | Mah, Eric        | 1.20 | Call with MDD to discuss Inventory file; Send info to MDD            |
| 3/8/2018  | Robinson, David  | 2.00 | Call with MDD; Review loss model                                     |
| 3/12/2018 | Robinson, David  | 1.60 | Review business interruption model                                   |
| 3/13/2018 | Keraiff, Kristen | 6.80 | Call with client; Analysis of chicken margins; Prepare draft report  |
| 3/13/2018 | Keraiff, Kristen | 2.10 | Reference check workbook   |
| 3/13/2018 | Robinson, David  | 0.70 | Review of product margins  |
| 3/14/2018 | Keraiff, Kristen | 4.20 | Update model for math and source check; Begin drafting report        |
| 3/14/2018 | Robinson, David  | 0.80 | Review draft BI calculation  |
| 3/15/2018 | Keraiff, Kristen | 3.00 | Analysis of opportunities; Reconciliation of product margins         |
| 3/16/2018 | Keraiff, Kristen | 4.50 | Draft report; update schedules; Review model methodology             |
| 3/16/2018 | Keraiff, Kristen | 0.90 | Reference check workbook   |
| 3/16/2018 | Robinson, David  | 2.00 | Meeting with client; review BI model                                 |
| 3/16/2018 | Burkart, Craig   | 2.60 | Call on BI and next steps; review BI model and loss calculations     |
| 3/19/2018 | Robinson, David  | 1.50 | Discuss next steps and reconciliation                                |
| 3/20/2018 | Keraiff, Kristen | 5.40 | Analysis of variable assumptions impacting loss calculation;         |
| 3/20/2018 | Robinson, David  | 0.50 | Review of BI analysis and list of questions                          |
| 3/21/2018 | Keraiff, Kristen | 2.70 | Analysis of impact of various assumptions;                           |
| 3/21/2018 | Robinson, David  | 1.10 | Review assumptions   |
| 3/21/2018 | Burkart, Craig   | 1.60 | Prepare BI loss model; review loss calculations                      |
| 3/22/2018 | Keraiff, Kristen | 3.10 | Preparation of BI loss schedules                                     |
| 3/26/2018 | Keraiff, Kristen | 1.10 | Preparation of BI loss schedules                                     |
| 3/26/2018 | Robinson, David  | 0.40 | Preparation of schedules   |
| 3/27/2018 | Keraiff, Kristen | 3.30 | Preparation of BI loss schedules                                     |
|           |                  |      | Review documents received and prepare questions regarding equipment  |
| 3/27/2018 | Mah, Eric        | 3.00 | claim  |
| 3/27/2018 | Robinson, David  | 0.40 | Preparation for client meeting                                       |
| 3/28/2018 | Keraiff, Kristen | 7.40 | Meeting with client; Preparation of correspondence; Update schedules |
| 3/28/2018 | Robinson, David  | 3.50 | Plan for attend meeting with Blue Goose Management                   |
| 3/29/2018 | Robinson, David  | 0.50 | Review notes from meeting with management                            |
| 4/2/2018  | Keraiff, Kristen | 1.80 | Update schedules for assumptions discussed in meeting with client    |
| 4/2/2018  | Robinson, David  | 0.50 | Work plan for revisions to BI report                                 |

193.50



**Invoice 8000102523**

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

HSBC Bank Canada c/o Deloitte Restructuring Inc.  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9  
Canada

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

Date: May 04, 2018  
Client No.: 1136634  
WBS#: HSBC0002  
Engagement Partner: Paul Casey  
HST Registration: 12289 3605

**For professional services rendered**

**Fees**

By Deloitte Restructuring Inc. ("Deloitte") as Court-appointed Receiver of Blue Goose Pure Foods Ltd, o/a Tender Choice ("Blue Goose" or the "Company") for the period from February 21 to March 20, 2018.

Please see the attached appendices for details.

**Expense**

**Sales Tax**

HST applicable 72,421.50

HST applicable 1,092.33

HST at 13.00% 9,556.80

**Total Amount Due (CAD) 83,070.63**

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



Invoice Number 8000102523

May 04, 2018

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

| Client Name   | Client# | Invoice#   | Amount (CAD) | Comments                          |
|---|---------|------------|--------------|-----------------------------------|
| HSBC Bank Canada c/o<br>Deloitte Restructuring Inc. | 1136634 | 8000102523 | 83,070.63    | Payment for Invoice<br>8000102523 |

**Contact:**

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

## Payment Options

**1. EFT Payments(remittance email mandatory):****Preferred Method**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:****For USD Dollar (\$) Payments, pay:****ABA/Transit Routing:** 47696002**ABA/Transit Routing:** 47696002**Account Number:** 1590219**Account Number:** 1363514**2. Wire Payment:**

The Bank of Nova Scotia

Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

**For CAD Dollar (\$) Payments, pay:****For USD Dollar (\$) Payments, pay:****Account Number:** 476961590219**Account Number:** 476961363514**Swift Code:** NOSCCAT**Swift Code:** NOSCUS33**3. Online Payment:**

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

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

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

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

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



## Appendix # 1

| Summary of Fees                   |                       |              |           |              |
|-----------------------------------|-----------------------|--------------|-----------|--------------|
| Professional                      | Position              | Hours        | Rate      |              |
| Paul Casey, CPA, CA, FCIRP        | Senior Vice-President | 18.6         | \$650.00  | \$ 12,090.00 |
| Hartley Bricks, MBA, CA, CIRP     | Senior Vice-President | 1.5          | \$550.00  | 825.00       |
| Anna Koroneos, CIRP               | Senior Manager        | 27.0         | \$470.00  | 12,690.00    |
| Todd Ambachtsheer, CPA, CA, CIRP  | Senior Manager        | 81.7         | \$470.00  | 38,399.00    |
| Brian Casey                       | Manager               | 2.0          | \$425.00  | 850.00       |
| Stacey Greenbaum                  | Senior                | 1.0          | \$375.00  | 375.00       |
| Jonathan Chu                      | Analyst               | 15.9         | \$200.00  | 3,180.00     |
| Naveen Venugopal                  | Analyst               | 13.5         | \$200.00  | 2,700.00     |
| Rose Brown                        | Trust Administrator   | 10.5         | \$125.00  | 1,312.50     |
| Total Professional hours and fees |                       | <u>171.7</u> |           | \$ 72,421.50 |
| <u>Out of Pocket Expenses</u>     |                       |              |           |              |
|                                   | AFT Hosting           |              | \$200.00  |              |
|                                   | mailings and courier  |              | 345.47    |              |
|                                   | meals                 |              | 9.58      |              |
|                                   | miscellaneous         |              | 0.28      |              |
|                                   | online research       |              | 12.00     |              |
|                                   | printing and copying  |              | 525.00    | 1,092.33     |
|                                   |                       |              |           | \$ 73,513.83 |
|                                   |                       |              | HST @ 13% | 9,556.80     |
| Amount Payable (CAD)              |                       |              |           | \$ 83,070.63 |



## Appendix # 2

| Date      | Professional       | Description   | Hours |
|-----------|--------------------|---|-------|
| 2/21/2018 | Ambachtsheer, Todd | Draft First Report of the Receiver; communications regarding insurance status; discussions with insurance advisory group about claim to be filed.   | 6.8   |
| 2/21/2018 | Casey, Paul        | Review final inventory claim report and instructions; review email from T. Ambachtsheer regarding the bulk inventory offer; meetings with T. Ambachtsheer; other receivership correspondence.   | 1.2   |
| 2/21/2018 | Koroneos, Anna     | Receivership administration; review and respond to mail redirection; calls and emails with creditors and former employees; team discussions.  | 2.5   |
| 2/22/2018 | Ambachtsheer, Todd | Discussion re: CRA audit; finalize auction agreement; discussion regarding server backups; court report drafting; review financial results; correspondence regarding the building demolition status; calls with I. Brosbell regarding insurance.                                      | 2.0   |
| 2/22/2018 | Ambachtsheer, Todd | Discussion regarding the potential bulk inventory sale; check on status of Freshouse weekly receivable payment; calls and emails to P. Paletta; discussion regarding Court attendance; follow up on claim and calls with I. Brosbell; discussions with Platinum regarding asset sale. | 3.2   |
| 2/22/2018 | Brown, Rose        | Update employee claims; scan invoices and Service Canada letters.   | 0.6   |
| 2/22/2018 | Casey, Brian       | Project management regarding the data transfer and document search; Quality review; meetings.   | 0.5   |
| 2/22/2018 | Casey, Paul        | Review and execute auction proposal; teleconference with HSBC Bank Canada ("HSBC") regarding the equipment; draft en bloc inventory sale recommendation; teleconference P. Paletta; email to HSBC; meeting with T. Ambachtsheer.  | 2.5   |
| 2/22/2018 | Koroneos, Anna     | Teleconference with creditors and former employees review of mail; update information and draft statement of receipts and disbursements ("R&D")   | 4.0   |
| 2/22/2018 | Venugopal, Naveen  | Forensic imaging for data transfer.   | 2.5   |
| 2/23/2018 | Ambachtsheer, Todd | Follow up calls; calls regarding the Business Interruption claim ("BI claim"); Court Report drafting; discussions with Platinum; calls to ClaimsPro; respond to creditor inquiries.   | 4.5   |
| 2/23/2018 | Casey, Brian       | Project management regarding the data transfer; meetings; discovery support.  | 0.5   |
| 2/23/2018 | Venugopal, Naveen  | Forensic imaging for data transfer.   | 2.5   |

| Date      | Professional       | Description  | Hours |
|-----------|--------------------|--|-------|
| 2/26/2018 | Ambachtsheer, Todd | deal with Blue Goose audit request; follow up on hard drive scan; correspondence with Vision re invoice; deal with Platinum Assets re: auction; correspondence with First Response; call with Paul Paletta re: inventory; discussions re: court report; calls with ClaimsPro; discussions with J. Stam at GSNH re: Vision; discussions re: Erie offer.   | 5.7   |
| 2/26/2018 | Casey, Brian       | Project management; QA; meetings.  | 0.5   |
| 2/26/2018 | Chu, Jonathan      | Supervised PWC auditors and Jeff Van Pelt during Blue Goose audit; coordinated with J. Dusome to retrieve boxes; sent information to auditors and J. Van Pelt as required  | 11.0  |
| 2/26/2018 | Koroneos, Anna     | Review and update the Wage Earner Protection Program ("WEPP") documents; with J. Fiesta, former employee on her Record of Employment ("ROE"); with Service Canada on ROE and request for form to submit a new document; with J. Kaur on missing cheque and with ADP on same; review of email from Penta Properties; with T. Ambachtsheer on same; call to Canada Revenue Agency ("CRA") regarding the contact for Blue Goose Capital ("BGC"); email to B. Hill and Landon Roedding of BGC. | 1.0   |
| 2/26/2018 | Venugopal, Naveen  | Forensic imaging of the servers and laptop for data transfer.  | 2.5   |
| 2/27/2018 | Ambachtsheer, Todd | Discussions re: Erie sale; follow up on A/R receipts; follow up on audit request from Blue Goose Capital; discussions with J. Van Pelt re: financials; follow up on BGPFL lease and discuss same; calls re: product liability lawsuit; discussions with J. Stam; draft first report of the Receiver; review lease documentation; calls with ClaimsPro; follow up on IT access  | 4.2   |
| 2/27/2018 | Casey, Paul        | Meeting T. Ambachtsheer regarding insurance and inventory sale; review and edit First Report to Court.   | 2.0   |
| 2/27/2018 | Koroneos, Anna     | Draft letter to Penta regarding the internet cancellation; with T. Ambachtsheer on various outstanding matters; look for Assignment of Landlord to Penta Properties from Paletta Four Bros for transfer; teleconference with L. Klingensmith of Blank Rome LLP, legal counsel on a litigation matter in Texas.   | 2.0   |
| 2/27/2018 | Venugopal, Naveen  | Forensic imaging for data transfer.  | 0.5   |
| 2/28/2018 | Ambachtsheer, Todd | Discussions re: Erie transaction, discussions with ClaimsPro; respond to creditor queries; discussions re: lien claims; discussions with A. Milazzo re: lease; discussions re: chillers on roof of 4480; discussions with Bob Hill re: lease; discussions re: HST audit; review payments made after November 10, 2017; respond to creditor queries.  | 3.9   |
| 2/28/2018 | Casey, Paul        | Discussions T. Ambachtsheer regarding the draft Court Report, Erie transaction and Bill of Sale, Penta Properties sublease status.   | 1.0   |
| 2/28/2018 | Venugopal, Naveen  | Forensic imaging and troubleshooting for data transfer.  | 4.0   |

| Date     | Professional       | Description  | Hours |
|----------|--------------------|--|-------|
| 3/1/2018 | Ambachtsheer, Todd | Discussions with P. Paletta re: Erie transaction; analysis of payments made after shutdown, drafting Receiver's report; discussions with credit insurer re: Freshouse; correspondence re: Willard order; call with GSNH re: report; discussions re: CRA audit; review of asset list from Platinum; communications with First Response re: building access; review and comment on Erie APA. | 3.1   |
| 3/1/2018 | Brown, Rose        | Confirm mailing address for employees; mailing of T4s to all 2017 employees.   | 4.0   |
| 3/1/2018 | Koroneos, Anna     | Creditor and former employee inquiries; respond to team emails; instructions to team. With J. Park of CRA on audit; email to L. Roedding of BGC on same; discussion with T. Ambachtsheer.  | 2.0   |
| 3/1/2018 | Venugopal, Naveen  | Forensic imaging for data transfer.  | 1.0   |
| 3/2/2018 | Ambachtsheer, Todd | Discussions re: business interruption claim; discussions re: lease; discussions re: inventory valuation; discussions re: payment on chiller removal; review GSNH changes to report and discuss same; correspondence re: freezer costs; review vesting order  | 3.3   |
| 3/2/2018 | Brown, Rose        | Banking administration; continue T4 mailing and address confirmation to all 2017 employees.  | 1.9   |
| 3/2/2018 | Casey, Paul        | Review Erie sale documents; emails T. Ambachtsheer; other outstanding matters.   | 1.0   |
| 3/2/2018 | Koroneos, Anna     | Meeting with T. Ambachtsheer on status update; with former employees on T4s.   | 2.5   |
| 3/5/2018 | Ambachtsheer, Todd | Discussions re: chillers; discussions with S. Greenbaum re: outstanding storage invoices; review Platinum Assets invoice; discuss Erie transaction with P. Paletta; discussions on vesting order; calls re: advance to First Response; review box listings.  | 4.1   |
| 3/5/2018 | Brown, Rose        | Review of incoming redirected mail; scan Service Canada letters.   | 0.2   |
| 3/5/2018 | Casey, Paul        | Meeting T. Ambachtsheer regarding the potential sale of inventory to Erie Meats, Court Report; access to the premises from the insurance adjuster; other receivership matters.   | 0.2   |
| 3/5/2018 | Chu, Jonathan      | Calls to former employees regarding their T4s.   | 0.1   |
| 3/6/2018 | Ambachtsheer, Todd | Discussions with P. Paletta re: Erie sale; discussions on other sale opportunities; deal with PwC on audit request; respond to creditor queries; deal with interested parties for assets; schedule update call; discussions re: insurance claim; review and update R&D; call with Adam Moskowitz; discussion with A. Milazzo at BLG; review blackline to report.                           | 6.9   |
| 3/6/2018 | Brown, Rose        | Scan Proofs of Claims ("POC") and Service Canada letters; update Employee WEPP claims; issue R&D to March 2, 2018.   | 0.7   |
| 3/6/2018 | Casey, Paul        | Meeting T. Ambachtsheer regarding various matters; set up status call with HSBC and counsel; further review of Draft Court Report; distribute to team.   | 2.5   |

| Date      | Professional       | Description   | Hours |
|-----------|--------------------|---|-------|
| 3/7/2018  | Ambachtsheer, Todd | update call with HSBC and TGF; work on report; respond to creditor inquiries; discussion re: sales opportunities; draft affidavit of fees; discussion with Erie counsel re: transaction; calls with P. Paletta; discussions with GSNH re: materials; update appendices for Court; discussions with Platinum re: assets for auction; | 3.9   |
| 3/7/2018  | Brown, Rose        | Update employee creditor claim amounts with Service Canada payment letters received; review online banking report confirm deposit.  | 0.2   |
| 3/7/2018  | Casey, Brian       | Project management; meetings regarding data transfer.   | 0.5   |
| 3/7/2018  | Casey, Paul        | Attend conference call with HSBC and counsel; update Court Report and affidavit; meeting with T. Ambachtsheer, email to counsel.  | 2.0   |
| 3/7/2018  | Chu, Jonathan      | Enter WEPP updates; call employees regarding T4s; check books and records for personal folder for P. Paletta; finalize draft invoice for Blue Goose audit.  | 1.7   |
| 3/8/2018  | Ambachtsheer, Todd | Discussions re: Erie transaction; calls from contractors; correspondence with ClaimsPro; review changes to report; follow up on freezer charges; review of box listings; further discussions on Erie transaction.   | 4.2   |
| 3/8/2018  | Brown, Rose        | Banking administration: review invoice, prepare disbursement cheques.   | 0.5   |
| 3/8/2018  | Casey, Paul        | Discussion T. Ambachtsheer; emails regarding the draft Court Report; sign estate cheques.   | 0.2   |
| 3/8/2018  | Chu, Jonathan      | Order books and records; call with ex-employees.  | 0.2   |
| 3/8/2018  | Venugopal, Naveen  | Data imaging and transfer admin.  | 0.5   |
| 3/9/2018  | Ambachtsheer, Todd | Discuss Erie transaction; respond to creditor inquiries; follow up with ClaimsPro on status of stock; follow up on cheques to issue; responses re: chiller removal costs.   | 2.9   |
| 3/9/2018  | Bricks, Hartley    | QA Review of First Report and disc. with T. Ambachtsheer re comments.   | 1.5   |
| 3/9/2018  | Brown, Rose        | Trust banking administration: deposit.  | 0.3   |
| 3/9/2018  | Chu, Jonathan      | Call with ex-employees.   | 0.1   |
| 3/9/2018  | Greenbaum, Stacey  | Coordination of payables payment; update payable files.   | 1.0   |
| 3/9/2018  | Koroneos, Anna     | Emails and responding to employees; with J. Chu on T4s, mail and WEPP throughout the week.  | 1.0   |
| 3/12/2018 | Ambachtsheer, Todd | Discussions re: proposed Erie transaction; correspondence re: work to be done as part of building demolition; drafting First Report; correspondence re: damaged equipment; review TGF comments on Court materials.  | 4.2   |
| 3/12/2018 | Brown, Rose        | Trust administration: scan and save Service Canada letters.   | 0.3   |
| 3/12/2018 | Casey, Paul        | Meeting T. Ambachtsheer re Erie, Court Report; access; other receivership matters.  | 2.0   |

| Date      | Professional       | Description   | Hours |
|-----------|--------------------|---|-------|
| 3/12/2018 | Chu, Jonathan      | Receivership administration.  | 0.8   |
| 3/12/2018 | Koroneos, Anna     | General emails and calls from employees regarding T4s, WEPP and missing cheques; review of payroll; respond to emails and telephone calls; enter updated WEPP payments.   | 1.5   |
| 3/13/2018 | Ambachtsheer, Todd | Drafting First Report; correspondence re: missing files; follow up on business interruption claim; drafting fee affidavit; calls and emails re: APA and Erie requirements; follow up on other sales opportunities; discussions with GSNH re: Erie transaction; correspondence with contractors; correspondence with Insurance Advisory re: claim; calls with D. Publow from ClamsPro. | 5.1   |
| 3/13/2018 | Brown, Rose        | Update creditor claims on Ascend; trust banking administration: disbursement cheques.   | 0.8   |
| 3/13/2018 | Casey, Paul        | Review and edit affidavit; discussion T. Ambachtsheer regarding the Erie sale; other matters.   | 1.0   |
| 3/13/2018 | Chu, Jonathan      | Index records retrieved from the Blue Goose Human Resources office.   | 1.5   |
| 3/13/2018 | Koroneos, Anna     | With Service Canada and former employees; review of redirected mail; with T. Ambachtsheer on several matters; commission Affidavit of Fees.   | 1.0   |
| 3/14/2018 | Ambachtsheer, Todd | Calls with ClaimsPro; work on First Report; discussions with Erie re: sale; correspondence with warehouses re: access; discussions with Platinum re: assets; calls with contractors.  | 3.8   |
| 3/14/2018 | Casey, Paul        | Receivership administration; discussions with T. Ambachtsheer regarding the draft Court Report.   | 0.2   |
| 3/14/2018 | Koroneos, Anna     | Work on Sofina memo; review of redirected mail; emails and calls from employees on WEPP and T4; discussion with T. Ambachtsheer.  | 1.5   |
| 3/15/2018 | Ambachtsheer, Todd | Multiple calls with Erie re: transaction; review comments; discussions with ClaimsPro re: facility and product in freezers, discussions with Platinum to attend at facility for the morning.  | 5.8   |
| 3/15/2018 | Koroneos, Anna     | Draft memo regarding the Sofina transactions; review of redirected mail; emails and calls from employees on WEPP and T4s; review of McMillan letter, counsel to Sofina, and draft response; with A. Karim on T4 and send.   | 2.5   |
| 3/16/2018 | Ambachtsheer, Todd | Transition meeting with A. Koroneos; discussions with Erie; calls with P. Paletta; discussions with GSNH; update call.  | 4.1   |
| 3/16/2018 | Casey, Paul        | Attend conference call with Deloitte Insurance; meetings and emails regarding Erie Meats bulk sale issues; review Maple Leaf Foods letter.  | 1.5   |
| 3/16/2018 | Koroneos, Anna     | Review of memo; call with T. Ambachtsheer regarding status; call re: Erie Meats; review of letter from Miller Thomson for Maple Leaf Foods and product liability on CFIA recall; review of emails; with former employees on T4s and locate for new address.   | 1.5   |
| 3/17/2018 | Casey, Paul        | Review emails from team and draft reporting email to HSBC.  | 0.7   |

| Date      | Professional   | Description  | Hours |
|-----------|----------------|--|-------|
| 3/19/2018 | Brown, Rose    | Estate administration: scan and save Service Canada letters; update amount and admit claims for employee creditors; review employee address and re-send out T4 Slip to new address.  | 1.0   |
| 3/19/2018 | Casey, Paul    | Correspondence and attend to other receivership matters.   | 0.1   |
| 3/19/2018 | Chu, Jonathan  | HST netfile for the Receiver for December 2017 through to February 2018.   | 0.5   |
| 3/19/2018 | Koroneos, Anna | With T. Ambachtsheer regarding the CFIA contact; with J. Chu on ownerships of vehicles and requirement for transfer; instruct to attend Service Ontario; instruct to attend Service Ontario; email to R. MacDonald of CFIA regarding the renewal of the Blue Goose licence; update First Report of the Receiver. | 2.0   |
| 3/20/2018 | Casey, Paul    | Email Paletta; email Erie Meats; discussion A. Koroneos.   | 0.5   |
| 3/20/2018 | Koroneos, Anna | Review redirected mail and respond where required; enter Service Canada payment information for WEPP; review of HST audit letter from CRA and contact J. Van Pelt to assist with collection of information; contact Dundee regarding its prior use of the HST account.   | 2.0   |
|           |                |  | 171.7 |

**TAB D**

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

**HSBC BANK CANADA**

Applicant

-and-

**BLUE GOOSE PURE FOODS LTD. O/A TENDER CHOICE FOODS**

Respondent

**AFFIDAVIT OF MARIO J. FORTE  
(sworn May 18, 2018)**

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

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP (“**GSNH**”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. **GSNH** are lawyers of record for the receiver, Deloitte Restructuring Inc. (“**Deloitte**”) in these proceedings.
3. Attached as **Exhibit “A”** to this affidavit is are copies of two accounts of **GSNH** for fees and disbursements incurred by **GSNH** in the course of this proceeding for the period from March 28, 2018 to May 2, 2018.
4. The average hourly rate charged for the invoices set out in Exhibit “A” is \$456.55. That is comprised of hours docketed by the following timekeepers at **GSNH** with the corresponding hourly rates:

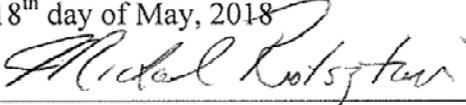
|                |          |
|----------------|----------|
| Mario J. Forte | \$585.00 |
|----------------|----------|

|               |          |
|---------------|----------|
| Jennifer Stam | \$585.00 |
| Katie Parent  | \$250.00 |

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

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

7. I make this affidavit in support of a motion by the Receiver for, among other things, approval of the fees and disbursements of GSNH as its counsel for the period from March 28, 2018 to May 2, 2018.

SWORN before me at the City of Toronto, )  
in the Province of Ontario )  
this 18<sup>th</sup> day of May, 2018 )  
 )  
\_\_\_\_\_)  
A Commissioner for taking oaths, etc.

  
\_\_\_\_\_  
MARIO J. FORTE



**GOLDMAN SLOAN NASH & HABER LLP**  
BARRISTERS & SOLICITORS

This is Exhibit "A" to the Affidavit of  
Mario Forte sworn before me  
this 18th day of May, 2018.  
Michael Rotzler  
A Commissioner, etc.

Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

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

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

Billing Lawyer Mario Forte  
Invoice No. 167461  
HST # 12233 6290 RT0001  
Invoice Date April 26, 2018

Attention: Paul Casey

Client ID: 010004 Matter ID: 0005

RE: Blue Goose

**FOR PROFESSIONAL SERVICES RENDERED for the period March 28, 2018 to April 15, 2018**

| Date     | Professional | Narrative  | Hours | Rate   | Amount |
|----------|--------------|--|-------|--------|--------|
| 03/28/18 | MJF          | Discussions and advising on revisions to Erie doc(s); discussions with counsel to Galicon re: process issues;  | 0.70  | 585.00 | 409.50 |
| 04/03/18 | MJF          | Discussions and preparations for report and motion materials to approve activities and possible settlement;  | 0.30  | 585.00 | 175.50 |
| 04/04/18 | MJF          | Discussions re: finalization of aspects of court materials;  | 0.20  | 585.00 | 117.00 |
| 04/05/18 | JS           | Reviewing draft report; conversation with T. Ambachtsheer re same; internal discussions re same;   | 0.80  | 585.00 | 468.00 |
| 04/05/18 | KP           | Revising Notices of Motion regarding approval of fees and activities and Vision Truck motions; correspondence with M. Forte regarding same; scheduling motion date with Commercial List for Friday April 13, 2018; revising service list; revising motion records; correspondence with Receiver regarding final report; correspondence with M. Forte and J. Stam regarding same; | 3.80  | 250.00 | 950.00 |



**ACCOUNTS ARE DUE WHEN RENDERED**

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

| Date     | Professional | Narrative   | Hours | Rate   | Amount |
|----------|--------------|---|-------|--------|--------|
| 04/05/18 | MJF          | Review final report and discuss motion and review motion materials; discuss and advice on sales process matters;  | 0.50  | 585.00 | 292.50 |
| 04/06/18 | KP           | Revising and finalizing motion records returnable April 16, 2018; preparing draft service emails for same; serving motion record re: approval of fees on service list; serving motion record re: vision truck on service list and Mr. Steve Fretz; preparing and swearing affidavit of service; attendance at Commercial List to file motion records; | 3.00  | 250.00 | 750.00 |
| 04/09/18 | JS           | Conversation with T. Ambachsteer re Vision release; drafting release for payout of repair invoices; correspondence re same;   | 1.00  | 585.00 | 585.00 |
| 04/09/18 | MJF          | Advising on procedural matters and other relief;  | 0.20  | 585.00 | 117.00 |
| 04/09/18 | MJF          | Discussions with Maple Leaf counsel on procedural issues and discussions of resolution of issues;   | 0.50  | 585.00 | 292.50 |
| 04/10/18 | JS           | Correspondence re Vision release and related matters;   | 0.30  | 585.00 | 175.50 |
| 04/10/18 | MJF          | Advising on enquiries and response from receiver's perspective;   | 0.30  | 585.00 | 175.50 |
| 04/11/18 | KP           | Updating service list and forwarding same to Deloitte for posting on website;   | 0.20  | 250.00 | 50.00  |
| 04/11/18 | MJF          | Negotiating settlement of Vision dispute and advising thereon;  | 0.60  | 585.00 | 351.00 |
| 04/12/18 | JS           | Preparing release re Truck 2304; correspondence with B. Arnold re same; correspondence with Deloitte re same; preparing for April 13 motion;  | 1.50  | 585.00 | 877.50 |
| 04/12/18 | MJF          | Completion of discussions with Maple Leaf counsel;  | 0.30  | 585.00 | 175.50 |
| 04/13/18 | KP           | Preparing copies of Order for Court attendance; circulating order and endorsement to service list;  | 0.40  | 250.00 | 100.00 |
| 04/13/18 | JS           | Attending Court re motion for approval of activities and fees; correspondence re Vision matter; working on same.  | 1.50  | 585.00 | 877.50 |

**Sub-Total Fees:** 6,939.50

**HST on Fees:** 902.14

**SUMMARY OF PROFESSIONAL SERVICES**

| PROFESSIONAL | HOURS | HOURLY RATE | AMOUNT   |
|--------------|-------|-------------|----------|
| Katie Parent | 7.40  | 250.00      | 1,850.00 |

**SUMMARY OF PROFESSIONAL SERVICES**

| PROFESSIONAL  | HOURS        | HOURLY<br>RATE | AMOUNT          |
|---------------|--------------|----------------|-----------------|
| Jennifer Stam | 5.10         | 585.00         | 2,983.50        |
| Mario Forte   | 3.60         | 585.00         | 2,106.00        |
|               | <u>16.10</u> |                | <u>6,939.50</u> |

**DISBURSEMENTS**

|              |        |
|--------------|--------|
| Photocopies  | 2.50   |
| Laser Copies | 333.50 |

**Sub-Total Disbursements:** 336.00  
Disbursements marked with \* indicate exempt

**HST on Disbursements:** 43.68

**TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$945.82 HST):** \$ 8,221.32

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.



Suite 1600  
480 University Avenue  
Toronto, Ontario  
M5G1V2

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

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

Billing Lawyer Mario Forte  
Invoice No. 167719  
HST # 12233 6290 RT0001  
Invoice Date May 3, 2018

Attention: Paul Casey

Client ID: 010004 Matter ID: 0005

RE: Blue Goose

**FOR PROFESSIONAL SERVICES RENDERED for the period April 19, 2018 to May 2, 2018**

| Date     | Professional | Narrative  | Hours | Rate                   | Amount          |
|----------|--------------|--|-------|------------------------|-----------------|
| 04/19/18 | MJF          | Discussions concerning sale of equipment;  | 0.20  | 585.00                 | 117.00          |
| 04/25/18 | MJF          | Review lease interests and prepare to advise on fixture/tenant units etc.; discussions and advice on sale issues;          | 2.10  | 585.00                 | 1,228.50        |
| 04/26/18 | MJF          | Review correspondence re: order concerning Texas matter;   | 0.10  | 585.00                 | 58.50           |
| 04/27/18 | MJF          | Discussions re: Palletta issues and lease matters;   | 0.30  | 585.00                 | 175.50          |
| 04/30/18 | MJF          | Review lien issues;  | 0.10  | 585.00                 | 58.50           |
| 05/02/18 | MJF          | Discussions concerning sales process matters and advise thereon; discussions with Maple Leaf counsel on statement of claim | 0.40  | 585.00                 | 234.00          |
|          |              |  |       | <b>Sub-Total Fees:</b> | <b>1,872.00</b> |
|          |              |  |       | <b>HST on Fees:</b>    | <b>243.36</b>   |



**ACCOUNTS ARE DUE WHEN RENDERED**

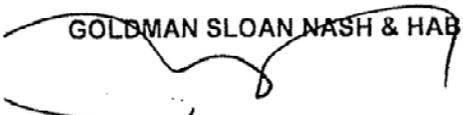
Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

**SUMMARY OF PROFESSIONAL SERVICES**

| PROFESSIONAL | HOURS       | HOURLY<br>RATE | AMOUNT          |
|--------------|-------------|----------------|-----------------|
| Mario Forte  | <u>3.20</u> | 585.00         | <u>1,872.00</u> |
|              | <u>3.20</u> |                | <u>1,872.00</u> |

**TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$243.36 HST):**                    \$    2,115.36

THIS IS OUR ACCOUNT HEREIN

  
GOLDMAN SLOAN NASH & HABER LLP

Per: Mario Forte

E. & O. E.

HSBC BANK CANADA and BLUE GOOSE PURE FOODS LTD.  
O/A TENDER CHOICE FOODS

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceeding commenced TORONTO**

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**AFFIDAVIT OF MARIO J. FORTE**  
(sworn May 18, 2018)

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**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto ON M5G 1V2  
Fax: 416-597-3370

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

Lawyers for the Receiver