

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

and

DRYTECH INTERNATIONAL INC. AND 6892639 CANADA INC.

Respondent

FIRST REPORT OF THE RECEIVER

DATED MAY 20, 2016

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EXHIBITS

- A** Appointment Order and Endorsement of Justice Hackland of the Ontario Superior Court of Justice dated April 11, 2016
- B** Notice and Statement of the Receiver
- C** Statement of Receipts and Disbursements for the period April 12 to May 20, 2016
- D** Affidavit of John Saunders of Deloitte Restructuring Inc. sworn May 20, 2016
- E** Affidavit of Lorne Segal of Gowling WLG sworn May 19, 2016

INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated April 11, 2016 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Drytech International Inc. (“**Drytech**”) and 6892639 Canada Inc. (“**689**”, and collectively with Drytech the “**Debtors**”) acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof (the “**Property**”). Copies of the Appointment Order and the Endorsement of Justice Hackland of the Ontario Superior Court of Justice, dated April 11, 2016, are attached hereto as **Exhibit “A”**.
2. The Appointment Order authorizes 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 is authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course of business:
 - (a) without the approval of the Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and
 - (b) with the approval of the Court in respect of any transaction exceeding \$500,000 or exceeding \$750,000 in the aggregate.
3. Shortly following the issuance of the Appointment Order, the Receiver issued a Notice and Statement of the Receiver (“**Notice to Creditors**”) pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) for Drytech and for 689.
4. The Appointment Order, together with related Court documents, the Notice to Creditors and this First Report have been posted on the Receiver’s website at <http://www.insolvencies.deloitte.ca/en-ca/drytech>.

PURPOSE OF REPORT

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- (a) provide a summary of the Receiver’s activities to date;
 - (b) provide details of the marketing activities undertaken by the Receiver with respect to the sale of the assets owned or used by Drytech in its Certified Restoration Drycleaning Network LLC (“**CRDN**”) franchised restoration dry-cleaning operation (the “**CRDN Business**”); and
 - (c) provide the Court with the evidentiary basis to make an Order:
 - (i) authorizing and directing the Receiver to enter into and carry out the terms of the asset purchase and sale agreement dated May 20, 2016 between the Receiver as vendor and a purchaser (the “**Purchaser**”) (the “**Purchase and Sale Agreement**”) together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting in the Purchaser title to the assets located at or relating to the CRDN Business as more particularly set out in the Purchase and Sale Agreement, or as it may further direct in writing, upon closing of the Purchase and Sale Agreement;
 - (ii) amend sub-paragraph 3(k) of the Appointment Order to allow the Receiver to list the real property owned by the Debtors for sale with one or more real estate agents acceptable to the Receiver in order to solicit offers to purchase the real property;
 - (iii) approving the activities of the Receiver as described in this First Report including, without limitation, the steps taken by the Receiver pursuant to the marketing and sale process of the CRDN Business;
 - (iv) approving the Receiver’s Statement of Receipts and Disbursements for the period from April 12, 2016 to May 20, 2016;
 - (v) approving the professional fees of the Receiver and its independent legal counsel set out herein, and authorizing the Receiver to pay all such fees and disbursements from available funds; and
 - (vi) during the hearing at which the Receiver will present the First Report to the Court, the Receiver will request that the Court accept and review a first supplemental

report (“**First Supplemental Report**”) to the First Report which the Receiver will request be subject to a Sealing Order permanently sealing the document. The First Supplemental Report to the First Report will contain details of the transaction involving the sale of the CRDN Business assets which, if disclosed publicly, could prejudice future sales efforts as well as the competitive position of the Purchaser.

TERMS OF REFERENCE

6. In preparing this First Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Debtors’ books and records, discussions with former management of the Debtors, and information from third-party sources (collectively, the “**Information**”). Except as described in this First 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 First Report in its capacity as a Court-appointed officer to support the Court’s approval of the Purchase and Sale Agreement and the other relief being sought. Parties using the First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.
8. Unless otherwise provided, all other capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

BACKGROUND

9. Drytech is an Ontario corporation which operated as a provider of disaster support services, including the restoration and dry-cleaning of textiles, the restoration of other items damaged by flood or fire, and the rental of drying equipment. Drytech's owns more than 4,000 pieces of equipment which are located in several locations across Canada and the United States. Drytech's head office and main warehouse is located at 1670 Vimont Court, Ottawa, ON, K4A 3M3.
10. The CRDN Business, the restoration dry-cleaning operation, operates as a division of the legal entity Drytech. The CRDN Business operates pursuant to a franchise agreement between Drytech and the CRDN franchisor, who is located in Detroit, MI (the "**Franchisor**"). The CRDN Business is operationally independent from the other business, operations and assets of Drytech, although, the accounting records were held at Drytech's head office.
11. 689 is a corporation registered pursuant to the laws of Canada and its registered office address is the same as Drytech's. 689 is the owner of the property where Drytech's head office is located, and is the owner of two pieces of vacant land.
12. As at May 16, 2016, Philip Amyot and Patrick Dooley were Drytech's directors. As at May 16, 2016, the sole director of 689 was Kevin Dooley.
13. Drytech had ceased operating in the ordinary course prior to the date of the Appointment Order with the exception of the CRDN Business. Serious interest had been expressed by at least two (2) parties to purchase the CRDN Business as a going concern before the Receiver was appointed. Therefore, and as encouraged by management of Drytech, the Receiver decided to maintain the operations of the CRDN Business to determine whether it could be sold as a going concern, consistent with the Receiver's overall objective of preserving its value and maximizing the realization of the assets.
14. With the exception of the employees at the CRDN Business, almost all of Drytech's remaining employees were terminated upon the issuance of the Appointment Order.

TAKING POSSESSION AND SAFEGUARDING ASSETS

15. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
- (a) Retained Gowling WLG (Canada) LLP (“**Gowlings**”) as its independent legal counsel;
 - (b) Continued its efforts to preserve and maintain the CRDN Business. In furtherance of the foregoing, the Receiver, among other things,:
 - (i) retained all of the employees of the CRDN Business (16 employees);
 - (ii) communicated with key suppliers;
 - (iii) communicated with the Franchisor;
 - (iv) established new access to the software used in the CRDN Business for employees retained;
 - (v) reviewed purchase orders;
 - (vi) reviewed CRDN payroll;
 - (vii) made payroll every two weeks;
 - (viii) issued cheques to honour services rendered in the normal course of business after the issuance of the Appointment Order; and
 - (ix) met with employees to provide status update;
 - (c) Established the Receiver’s website and issued the Notices to Creditors (attached as **Exhibit “B”**) for Drytech and 689;
 - (d) Retained a few key employees at Drytech’s head office to assist the Receiver with its administration and to collect accounts receivables;
 - (e) Terminated all remaining employees upon the issuance of the Appointment Order;
 - (f) Reviewed available books and records;
 - (g) Arranged for the backing up of all electronic hard drives;
 - (h) Arranged for a locksmith to change locks at all Drytech’s premises located in Ottawa, and changed security alarm codes;
 - (i) Attended at third party warehouses located in Toronto, Winnipeg and Calgary to serve the Appointment Order, inspect Drytech’s equipment that was stored at the warehouses, and make arrangements with the warehouse owner/operator to ensure that the

equipment was kept secure. Two (2) of the warehouses initially resisted the Receiver's efforts as they were owed storage and other arrears, but they eventually allowed the Receiver access. Drytech had also stored equipment at a warehouse in Richmond, B.C., but the Receiver was advised by Drytech personnel that this equipment had been moved by Patrick Dooley to an unknown location prior to the receivership due to disputes with the Richmond warehouse regarding storage arrears. As noted below, this equipment was subsequently located and secured by the Receiver.

- (j) Attempted to communicate with Kevin Dooley and Patrick Dooley several times in order to obtain additional information on equipment that appeared to have been moved from their last known locations. Due to a lack of timely responses, the Receiver instructed its counsel, Gowlings to write to both parties demanding immediate information on the status and location of this equipment be provided without delay. Information was eventually received, but the Receiver has still not been able to account for all equipment identified in Drytech's records;
- (k) Attended at a third party warehouse located in Langley, B.C. (identified by Patrick Dooley) to serve the Appointment Order, inspect Drytech's equipment that was stored at the warehouse, and make arrangements with the warehouse owner/operator to ensure that the equipment was kept secure.
- (l) Worked with Drytech former employees to prepare a detailed list of equipment (including leased assets) located at each warehouse used by Drytech across Canada and the United States, based on available records. Drytech had not previously maintained such a list, but had been working on one just prior to the receivership;
- (m) Attended at a third party warehouse located in Ocala, Florida to inspect and count Drytech equipment being stored there, with assistance from an external firm. Drytech personnel advised us that there had been a second warehouse used by Drytech in the United States, located in Gulfport, Mississippi; but that the equipment in the Gulfport warehouse had been moved to an unknown location.
- (n) Arranged for an external firm specializing in inventory counts to attend at a warehouse located in Louisiana, on the Receiver's behalf, to inspect and count Drytech equipment being stored there. Kevin Dooley provided the address for this previously unknown

- location. The external firm identified several large pieces of equipment which appear to be property of Drytech. There did not appear to be any small equipment at that location. Drytech personnel had advised us that there were originally over 400 smaller pieces of equipment at the Gulfport location, which are currently missing.
- (o) Arranged for external firms specializing in inventory counts to perform detailed asset counts at Drytech's premises in Ottawa, and at the four (4) third party warehouses used by Drytech in Canada. The Receiver is currently attempting to reconcile all of the asset counts across Canada and the United States to Drytech's records.
 - (p) Provided notice of the Receiver's appointment to the Debtors' broker, Rhodes and Williams Insurance, who arranged for the insurance coverage to continue through Intact Insurance and Aviva Insurance. Rhodes and Williams Insurance informed the Receiver that both Intact Insurance and Aviva Insurance would continue to offer the existing coverage for the Receiver. Based on the advice of an independent insurance consultant, the Receiver has requested an increase in commercial general liability coverage (from \$2 million to \$5 million), and has applied for pollution insurance for the CRDN Business;
 - (q) Requested that Drytech's cash balance held at an account with Bank of Montreal ("**BMO**") be directed to the Receiver and obtained same;
 - (r) Communicated with the payroll company, Ceridian, to coordinate the last pay under the name of Drytech. Deloitte is still in communication with Ceridian to transfer the current information of the retained employees to the Receiver's name (if possible) in order to expedite the processing of payroll going forward. Since the Appointment Order, the Receiver has been processing the payroll for the retained employees using its own accounting technicians.
 - (s) Made inquiries with several commercial real estate agents regarding the marketing and sale of the real property owned by 689. The Receiver has not yet made a decision on the marketing strategy to sell the property at 1670 Vimont Court and the other pieces of land owned by 689;

- (t) Made inquiries of all the secured lenders of Drytech in order to assess the security position of, and amount owed by each Debtor to, each secured lender, namely, among others:
 - (i) Royal Bank of Canada;
 - (ii) VW Credit Canada;
 - (iii) Donnelly Ford Lincoln Ltd;
 - (iv) Enterprise Fleet Management Canada Inc.
 - (v) Ford Credit Canada Leasing;
 - (vi) Business Development Bank of Canada;
 - (vii) RCAP Leasing Inc;
 - (viii) National Leasing Group Inc.;
 - (ix) Addision Leasing;
 - (x) De Lage Landen Financial Services Canada Inc.;
 - (xi) Canadian Dealer Lease Services Inc.;
 - (xii) Innercity Estates Ltd.; and
 - (xiii) Browns Cleaners.
- (u) Made inquiries of various other parties connected to the business of Drytech;
- (v) Took initial steps to coordinate with customers and third parties the retrieval of their many goods that had been provided to Drytech for restoration or other purposes;
- (w) Contacted the Canada Revenue Agency to obtain new payroll and HST numbers for the Receiver;
- (x) Followed up on the processing of ROE and T4 slips for the former employees of the Debtors; and
- (y) Communicated with the Great-West Life Assurance Company with respect to the group insurance program.

MARKETING AND SALE PROCESS OF CRDN BUSINESS

16. In collaboration with the retained employees and as empowered and authorized by the Court, the Receiver initiated a formal call for tenders' process on April 19, 2016 to sell the assets

of the CRDN Business (“**CRDN Process**”). The deadline to submit an offer was May 3, 2016 at 4:00 p.m. (EDT).

17. As mentioned above, the CRDN Business unit has been in operation since the Appointment Order. The Receiver decided to keep operating the business in order to preserve its value and maximize its realization.
18. The Receiver was of the opinion that the CRDN Process had to be relatively short to preserve the value of the CRDN Business and minimize any business disruption due to the receivership. It is the Receiver’s view that the issuance of the Appointment Order and the related insolvency and sales processes creates uncertainty for clients, key suppliers and employees and there is a serious risk that the value of the business could decline if the marketing process was not expedited.
19. The Receiver undertook the following steps during the CRDN Process:
 - (a) Developed a list of parties potentially interested in purchasing the assets of the CRDN Business. The Receiver contacted twenty-two (22) companies or individuals mainly in the restoration business, including the two previous owners of the CRDN Business and the Franchisor. The primary list of companies was developed based on discussion with Drytech’s management. The Receiver obtained an understanding of the CRDN Business’ direct competitors in the National Capital Region (“**NCR**”), as well as, a list of entities that had expressed an interest in the CRDN Business in the past. In addition, the Receiver scanned the local market place for other similar companies in the NCR, not previously identified, that had similar or complimentary service offerings to the CRDN Business. This additional list was compiled based on internet searches.
 - (b) Prepared a cover letter along with a document presenting the terms and conditions of the CRDN Process (“**Teaser**”). The Teaser was distributed to all twenty-two (22) companies and individuals.
 - (c) Prepared a virtual data room to which an interested party was granted access, upon signing a non-disclosure agreement (“**NDA**”) with the Receiver.
 - (d) The virtual data room contained general and financial information about the assets for sale and the CRDN Business, among others, namely:

- (i) Most recent list of accounts receivable;
 - (ii) Most recent list of accounts payable;
 - (iii) List of the assets for sale;
 - (iv) Historical financial results;
 - (v) Historical sales by customer;
 - (vi) List of employees of the CRDN Business;
 - (vii) Appointment Order;
 - (viii) Copy of the franchise agreement;
 - (ix) Copy of all the vehicle, equipment and property leases; and
 - (x) A draft Purchase and Sale Agreement;
- (e) Coordinated the interested party inspections of the assets for sale;
- (f) Communicated and answered interested parties' inquiries;
- (g) Reviewed the proposals received. Details of these proposals have been included in the sealed First Supplemental Report;
- (h) Communicated with the Franchisor; and
- (i) Negotiated and finalized with the Purchaser the Purchase and Sale Agreement, which is only conditional upon the approval of this Court, the issuance of an order vesting the CRDN Business assets in the Purchaser, and landlord consent, in addition to standard conditions relating to accuracy of representations and warranties, compliance with covenants and no injunctive relief.
20. During the CRDN Process, eight (8) companies or individuals signed the NDA and were granted access to the virtual data room.
21. On May 3 2016, the Receiver received four (4) offers, as further detailed in the First Supplemental Report.
22. On May 10, 2016, the Receiver accepted the offer of the Purchaser to acquire all of the assets of the CRDN Business (the "**Proposed Transaction**").
23. As contemplated in the terms and conditions of the CRDN Process, the Receiver received an initial deposit of 10% of the accepted offer. The Proposed Transaction was conditional on

certain conditions as further detailed in the First Supplemental Report. As a further condition of the Receiver applying to court for approval of the Purchase and Sale Agreement, the Purchase deposited in trust with the Receiver's legal counsel the balance of the purchase price.

24. The Receiver recommends that the Court authorize and direct the Receiver to accept and complete the Purchase and Sale Agreement for the following reasons:
 - (a) the realization value of the assets of the CRDN Business being sold as a going concern pursuant to the Purchase and Sale Agreement (the "**CRDN Purchased Assets**") is higher than its liquidation value as further detailed in the First Supplemental Report;
 - (b) the Purchase and Sale Agreement is in a form acceptable to the Receiver and its legal counsel; and
 - (c) The Proposed Transaction is, in the view of the Receiver, superior to other options available to the Receiver.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

25. Attached as **Exhibit "C"** is the Statement of Receipts and Disbursements for the receivership of Drytech for the period April 12, 2016 to May 20, 2016 (the "**Receivership Period**"). As at May 20, 2016, the closing cash balance was approximately \$183,210. There have been no receipts or disbursements yet for the receivership of 689.
26. Total receipts totaled \$353,734 for the Receivership Period mainly composed of:
 - (a) \$234,426 of accounts receivable collections, of which \$120,656 related directly to the CRDN Business; and
 - (b) \$119,168 from the seized BMO account.
27. Total cash disbursements for the Receivership Period were \$170,524 and primarily composed of:
 - (a) direct labor expenses of \$114,817 of which \$79,073 related directly to the CRDN Business;
 - (b) \$23,765 of insurance expenses;

- (c) \$6,856 of other supplies and services for the CRDN Business; and
- (d) \$5,440 of royalties paid to the Franchisor on the Receiver's sales.

PROFESSIONAL FEES

- 28. The Receiver, and its legal counsel, Gowlings, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraph 21 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
- 29. The total fees of the Receiver during the period from April 4, 2016 to April 22, 2016, amount to \$153,876.00 plus harmonized sales tax ("HST") of \$20,003.88, totalling \$173,879.88 (the "**Receiver's Fees**"). The time spent by the Receiver is more particularly described in the Affidavit of John Saunders of Deloitte, sworn May 20, 2016 (the "**Saunders Affidavit**") in support hereof and attached hereto as **Exhibit "D"**.
- 30. The total legal fees incurred by the Receiver during the period April 1, 2016 to May 12, 2016, for services provided by Gowlings amount to \$32,878.00 together with disbursements in the sum of \$743.38 and HST in the amount of \$4,358.13 totalling \$37,979.51. The time spent by Gowlings personnel is more particularly described in the Affidavit of Lorne Segal, a partner of Gowlings, sworn May 19, 2016 (the "**Segal Affidavit**") in support hereof and attached hereto as **Exhibit "E"**.
- 31. The Receiver is of the view that the fees and disbursements set out in the fee affidavits are reasonable in the circumstances.

AMENDMENT OF THE APPOINTMENT ORDER

- 32. As is noted above, the Receiver made inquiries with several commercial real estate agents regarding the marketing and sale of the real property owned by 689. While the Receiver has not yet made a decision on the marketing strategy it wishes to employ to sell the real property owned by 689, it is contemplating entering into agreements with one or more real estate agents to list the real property owned by 689 for sale and soliciting offers to purchase the

real property from interested purchasers. In order to do so, the Receiver has determined that it needs to amend sub-paragraph 3(k) of the Appointment Order to read as follows (the proposed changes to the text of the Appointment Order are underlined):

- (k) to sell, including, without limiting the foregoing, by means of listing the real property whose ownership is registered in the name of one or both of the Debtors with one or more real estate agents acceptable to the Receiver, to convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- 1) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and
 - 2) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario Personal Property Security Act, or section 31 of the Ontario Mortgages Act, as the case may be, shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.

RECEIVER'S RECOMMENDATIONS

33. For the reasons set out above, the Receiver recommends that the Court make an Order:

- (a) authorizing and directing the Receiver to enter into and carry out the terms of the Purchase and Sale Agreement, together with any amendments thereto deemed necessary by the Receiver in its sole opinion and vesting title in the CRDN Purchased Assets in and to the Purchaser upon closing of the Purchase and Sale Agreement;
- (b) amending sub-paragraph 3 (k) of the Appointment Order to read as follows:
 - (k) to sell, including, without limiting the foregoing, by means of listing the real property whose ownership is registered in the name of one or both of the Debtors with one or more real estate agents acceptable to the Receiver, to convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- 1) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and
- 2) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (c) approving the activities of the Receiver as described in this First Report including, without limitation, the steps taken by the Receiver pursuant to the sale of the CRDN Business assets;
- (d) approving the Receiver's Statement of Receipts and Disbursements for the period from April 12 to May 20, 2016; and
- (e) approving the professional fees and disbursements of the Receiver and its legal counsel set out in the Fee Affidavits, and authorizing the Receiver to pay all such fees and disbursements from available funds.

All of which is respectfully submitted at Ottawa, Ontario this 20th day of May, 2016.

DELOITTE RESTRUCTURING INC.,

solely in its capacity as the Court-appointed Receiver of Drytech International Inc. and 6892639 Canada Inc., and without personal or corporate liability

Per:



John Saunders, CPA, CA, CIRP, LIT
Vice-President

Exhibit “A”

Appointment Order and Endorsement of Justice Hackland of the
Ontario Superior Court of Justice dated April 11, 2016

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
) MONDAY, THE 11th DAY
JUSTICE HACKLAND) OF APRIL, 2016

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

DRYTECH INTERNATIONAL INC. AND 6892639 CANADA INC.

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte Restructuring Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Drytech International Inc. and 6892639 Canada Inc. (hereinafter the "**Debtors**") acquired for, or used in relation to the business carried on by the Debtors, was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.

ON READING the affidavit of Vitaly Kormakov sworn on March 30, 2016 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for Drytech International Inc. and Philip Amyot, counsel for 6892639 Canada Inc. and Kevin Dooley and counsel for the Business Development Bank of Canada, no one else appearing from the Service List although duly served as appears from the affidavit of service of Maryiam Khoury sworn on April 7, 2016 and on reading the consent of Deloitte Restructuring Inc. dated March 29, 2016, to act as the Receiver in respect of the assets of the Debtors referred to herein,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

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

1) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and

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

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor is hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at _____) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: _____.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by

forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis

to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

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

Hackel J.

ENTERED AT OTTAWA	
INSCRIT A OTTAWA	
ON/LE	AVR 12 2016 APR
DOCUMENT #	0411
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc. the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the _____ day of _____, 2016 (the "Order") made in an application having Court file number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated a and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Ottawa, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

[_____]

By:

Name:

Title:

Company/Firm:

THE TORONTO-DOMINION BANK
Applicant

-and- Respondents

DRYTECH INTERNATIONAL INC. and 6892639 CANADA INC.

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 3.02, 14.05(2) and (3) (g) of the *Rules of Civil Procedure*

Court File No. 16-68152

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

ORDER

BORDEN LADNER GERVAIS LLP

Barristers & Solicitors
1300 - 100 Queen Street
Ottawa, ON K1P 1J9

Karen Perron (#49100C)

613-237-5160 telephone
613-230-8842 facsimile

Lawyers for the Applicant, The Toronto-Dominion Bank
OTT01: 7551885: v1

THE TORONTO-DOMINION BANK
Applicant

-and- DRYTECH INTERNATIONAL INC. and 6892639 CANADA INC.
Respondents

APPLICATION UNDER s. 101 of the Courts of Justice Act, R.S.O. 1990, c.C43 and s. 243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the Personal Property Security Act, R.S.O. 1990, c. P.10 and Rules 3.02, 14.05(2) and (3) (g) of the Rules of Civil Procedure

Court File No. 16-68152

Having consulted Mr. Kornetkov's affidavit and submissions of counsel I am satisfied that the applicant TD Bank's motion for the appointment of a receiver herein is justified in order to gather the necessary information concerning the secured equipment and to properly address the secured creditor's respective priorities and to deal with the secured assets as may be required.

I acknowledge the submissions of counsel for Drytech and for BSI. Can. Inc. that the financial situation appears to have stabilized and that Kevin Doherty requires time to buy out the interests of the other shareholders and to pay out the TD Bank in respect of its \$4.0 million debt. At this point it is not certain that this will occur. This is a highly dynamic situation and with very recently, highly artificial, in my view the interests of all the secured lenders would best be served by a court appointed receiver. DeLoche is appointed for that purpose. An order will issue in the form which I have signed this date.

Haddock J.
April 11 2016

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT OTTAWA

FACTUM AND AUTHORITIES OF THE APPLICANT

BORDEN LADNER GERVAYS LLP
Barristers & Solicitors
1300 - 100 Queen Street
Ottawa, ON K1P 1J9
Karen Perron (#491000)
613-237-5160 telephone
613-230-8842 facsimile

FILED SUPERIOR COURT OF JUSTICE AT OTTAWA
APR 07 2016
DÉPOSÉ À LA COUR
SUPERIEURE DE JUSTICE A OTTAWA

Counsel:
Ms. Karen Perron for applicant.
Mr. M. Haldin for Drytech.
Mr. P. Thompson for 6892639 Canada Inc.
Mr. A. DuCasse for BDB.

Exhibit “B”

Notice and Statement of the Receiver



Deloitte Restructuring Inc.
1600 - 100 Queen Street
Ottawa ON K1P 5T8
Canada
Tel: (613) 236-2442
Fax: (613) 563-2244
www.deloitte.ca

District of Ottawa
Division No. 12 – Ottawa
File No. 33-165531

NOTICE AND STATEMENT OF THE RECEIVER
(Subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

The receiver gives notice and declares that:

1. On April 12, 2016, the undersigned, Deloitte Restructuring Inc., (the “**Receiver**”) became the receiver in respect of all the assets, undertakings and properties (the “**Property**”) of Drytech International Inc. (“**Drytech**”).
2. As of the date of this notice, the Property of Drytech includes notably the following:

Assets	Book Value (\$)
Accounts receivable	1,283,128
Inventory	258,302
Other current assets	112,302
Automobiles	128,773
Computer equipment	43,889
Office equipment and furniture	37,774
Leasehold improvements	32,902
Shop equipment	907,627
Capital leases	2,159,808

3. The undersigned became a receiver by virtue of being appointed by the Ontario Superior Court of Justice, pursuant to an order dated April 11, 2016 (but effective April 12, 2016).
4. The undersigned took possession or control of the Property described above on April 12, 2016.
5. The following information relates to the receivership:
 - (a) The head office and principal place of business of the insolvent person are located at 1670 Vimont Court, Ottawa, ON, K4A 3M3.
 - (b) Principal line of business:

Disaster restoration support services, rental equipment, textile dry-cleaning, document drying and technical consulting.
 - (c) Amount owed by insolvent person to each creditor who holds a security interest on the Property is described on **Appendix A**.

- (d) The list of other creditors of Drytech is presented in **Appendix B**. The amount of those creditors as well as the total amount owed by Drytech remain to be verified.
- (e) The intended plan of action of the Receiver, where the Receiver considers it necessary, during the receivership is as follows (please note that this plan of action is subject to change from time to time according to the circumstances):
- Locate and identify equipment that is stored in different locations across Canada and the United States;
 - Conduct a tender sale of the Property making up the textile dry-cleaning division, which continues to operate as a going concern;
 - Determine best approach to realize on the remaining Property of Drytech for the benefit of creditors;
 - Market and sale the remaining Property; and
 - Distribute net proceeds of realization to creditors in order of priority.

6. Contact person for Receiver:

Adina Bochis
Tel: (514) 393-5282
abochis@deloitte.ca

Dated at Ottawa, this 22nd day of April 2016

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver of Drytech International Inc.
and not in its personal capacity

Per:



John Saunders, CPA, CA, CIRP, LIP
Vice-President

Creditor Mailing List

In the matter of the receivership of
 Drytech International Inc.
 of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Secured	Addison Leasing			3,243.75
	Banque de Développement du Canada		a/c 084981-01	279,102.82
	Banque de Développement du Canada		a/c 084981-02	244,206.07
	Browns Cleaners			3,417.12
	De Lage Landen RLS			5,116.41
	Donnelly Ford Lincoln			941.00
	EFM Canada Inc. RLS			9,769.41
	Ford Credit			5,156.88
	Innercity Estates Ltd.			1,014.09
	Kal Tire			1,453.46
	National Leasing			23,360.14
	RCAP			4,500.70
	Royal Bank of Canada		L# 108280321678 BUS	26,582.70
	Royal Bank of Canada		L# 108280327896 BUS	14,406.36
	Royal Bank of Canada		L# 201000001792 BUS	7,344.06
	TD Commercial Banking		229701/02/03/04/05/06/07/08	2,050,809.43
	TD Equipment Finance RLS			99,323.49
	Tricor RLS			11,628.18
	VW Credit Can Loan			2,240.80

Creditor Mailing List

In the matter of the receivership of
 Drytech International Inc.
 of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	*CJL Logistics			1,950.00
	1239366 Ontario Inc.			2,861.54
	2182513 Ontario Inc.			500.00
	730 Permits			415.25
	Abatement Technologies Inc.			3,194.97
	Advanced Business Interiors			4,224.04
	Advanced HVAC Inc.			172.33
	Algonquin College			406.80
	AMB Lift Inc.			3,158.08
	Andrews & Company Chartered Accountant			13,190.00
	Apache Plastics Limited			4,385.76
	Aramark			155.92
	Aviva Insurance			6,814.71
	Bank of Nova Scotia			
	Barrhaven Moving & Storage			264.42
	Battlefield Equipment Rentals			7,137.20
	Bell Canada			1,448.96
	Bell Mobility			106.87
	Bios Techniciens Ing.			101.70
	Bollea Logistics Inc.			6,973.84
	Brampton Hydro			212.68
	Brown's Cleaners and Tailors Limited			
	Bryan Guzman c/o M&N Services			94.50
	CAFO Insurance Inc.			1,592.56
	Callture-Telcan			33.05
	Canadian Dealer Lease Services Inc.			
	Cantwell Air Inc.			1,121.53
	Capital Textile Restoration Inc.			125.40
	Carl's Waste Services			10,002.45
	Cartier Supply			1,288.79
	CBNP Electric Inc.			1,627.33
	CDIMS - Concepts & Designs			300.00
	Centrum Glass			491.55
	Chubb Edwards			330.53
	Cinnamon Toast			18,889.00
	City of Ottawa			444.00
	City of Ottawa - Revenue Branch			13,913.00
	City of Ottawa Parking			80.00
	CJL Logistics			31,518.60
	Contractor Connection			1,442.19

* Amount is stated in US dollars

Creditor Mailing List

In the matter of the receivership of
Drytech International Inc.
of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	CRA - Canada Revenue Agency - Tax - Ontario	c/o London Taxes Services Office Division Regional Intake Centre for Insolvency	Fax: (519) 645-5397	
	CRDN of Canada Inc.			0.33
	CRS - Contractors Rental Supply			602.29
	CYR Distribution			423.75
	Dalex Canada Inc.			62.38
	Desjardins (Staples)			1,244.13
	Desjardins Insurance			13,771.95
	DLAC MSP			2,332.44
	DNT Consulting			1,067.85
	Donnelly Ford Lincoln (Ottawa)			
	Driver Check			79.12
	Dumpy'z			280.67
	Employees			
	Enbridge			5,633.25
	Enterprise Fleet Management Canada Inc.			
	Eric Saumier			2,674.71
	Esso			6,027.70
	ExcelHR			9,040.00
	FaxSipit			67.80
	FCi Security			610.20
	Fibernetics			949.91
	Fine Line Black Top			565.00
	Fire-Alert 2003			806.93
	First General Enterprises			1,966.20
	First General Services Pembroke			1,202.28
	Ford Credit Canda Leasing (Division of Canadian Road Leasing Company)			
	Gem Con Group Inc.			16,060.80
	Gervais Electronics			37.74
	Gervais Towing & Recovery			84.75
	Glass Menders			339.00
	Gourlay Robert Equipment Rentals			1,567.88
	Great West Life Assurance Company			876.40
	Hertz Equipment Rental - Edmonton			3,070.78
	Hire Performance			406.80
	Hockey Wash			96.05
	Home Depot #2545			2,664.74
	Hydro One			2,193.33
	IMI Manufacturing Inc.			13,983.75
	Injectidry Systems			1,130.26

Creditor Mailing List

In the matter of the receivership of
Drytech International Inc.
of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	iXCEED Packaging Solutions			982.17
	Jerry Kofsky*			23.27
	Johnson Training Inc.			163.74
	Kal Tire			
	Labortek Personnel Services			818.69
	Livingston International Inc. CANADA			320.42
	Mair Oriental Rug Services			1,084.40
	Marc Lennox*			3,390.00
	Martercard		2150 - Wayne	93.79
	Martercard		2160 - #16- Germain	1,037.15
	Martercard		0165 - #18 - Patrice	921.84
	Martin			11,716.62
	Minister of Finance - MTO			-755.00
	Mr. Gas			2,244.86
	Mr. Gas			10,899.26
	Naipaul Contracting Services			1,412.50
	NEBS Business Products			280.67
	Nerds on Site			33.90
	Newt			2,336.82
	Nexcent Strategic Business Relations			14,375.00
	Norton Rose Fulbright			57,464.40
	Novatech DKI			372.90
	Ontario Court of Justice			100.00
	Orleans Bowling			339.00
	Paracel Laboratories Ltd.			843.61
	Patafie's Moving Supplies & Rental			10.44
	Petty Cash-Drytech			668.80
	Pinchin Ltd			4,350.50
	Pitney Bowes			516.89
	PricewaterhouseCoopers LLP			31,650.27
	Progressive Waste Solutions			127.13
	R.E.M. Charette Ltd.			0.27
	Rasmussen Starr Ruddy, LLP			3,923.26
	Receiver General			90,007.77
	Rene Paquette			1,779.98
	Rideau Social Enterprises			13,489.68
	Robert Riddell			734.50
	Rogers			15,698.79
	Royal - McGoun			10,650.30
	Safety Express			2,757.20
	Safety-Kleen			629.69
	Scaffold Fast			646.61
	Skynet Terminals Inc.			2,021.25

Creditor Mailing List

In the matter of the receivership of
Drytech International Inc.
of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Spofford Automotive			819.40
	Stericycle Inc.			4,086.65
	Stinsons			
	Suedemaster Leather Cleaners			2,444.21
	Superior Blinds Cleaning Ultrasonic			1,375.79
	Superior Propane			-4,449.28
	Taxitab			1,246.70
	TD Visa		#1712	-25,000.00
	TD Visa		#8566	
	TD Visa		#5789	
	TD Visa		#0287	433.60
	TD Visa		#0337	2,236.33
	TD Visa		#0402	
	TD Visa		#0510	1,428.47
	TD Visa		#2459	932.65
	TD Visa		#6864	3,380.83
	TD Visa		#2780	1,064.53
	TD Visa		#3744	1,915.94
	TD Visa		#3872	2,192.44
	TD Visa		#4778	
	TD Visa		#6444	1,666.20
	TD Visa		#7065	1,108.70
	TD Visa		#3429	4,071.58
	TD Visa		#7109	
	TD Visa		#7117	56.19
	TD Visa		#6082	1,252.63
	TD Visa		#7844	25,908.28
	TD Visa		#7869	2,437.58
	TD Visa		#7885	2,554.48
	TD Visa		#8463	11,246.22
	TD Visa		#8525	572.84
	TD Visa		#8541	1,813.49
	TD Visa		#8558	259.07
	TD Visa		#8590	
	TD Visa		#1298	
	TD Visa		#8735	81.88
	TD Visa		#8776	1,135.04
	TD Visa		#8797	208.92
	TD Visa		#8811	1,020.01
	TD Visa		#8805	2,503.08
	TD Visa		#6510	4,192.12
	TD Visa		2200A	-149.70

Creditor Mailing List

In the matter of the receivership of
Drytech International Inc.
of the City of Ottawa, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Technical Security Solutions			809.38
	Tel-Harmonics Telecom			1,044.12
	Telus Mobility			59.61
	The Bookkeeping Bureau (Byward) Ltd.			14,791.64
	The Toronto Dominion Bank (Branch #0533)			
	TML Electric			277.35
	Tomlinson Environmental Services Ltd.			703.99
	Toromont Industries Ltd.			34,891.42
	Two Amigos/Alero			1,464.76
	Tyco Integrated Security			96.62
	ULine			997.48
	Unifirst Canada Ltd.			4,186.80
	United Rentals			9,184.01
	VCM Solutions			339.00
	Walmart			606.27
	Welch LLP			971.80
	Workplace Safety and Insurance Board	c/o Collection Services		
			Fax: (905) 521-4203	
	XACTWARE			125.00
	Young Carpets Inc.			6,473.77



Deloitte Restructuring Inc.
1600 - 100 Queen Street
Ottawa ON K1P 5T8
Canada
Tel: (613) 236-2442
Fax: (613) 563-2244
www.deloitte.ca

District of Ottawa
Division No. 12 – Ottawa
File No. 33-165532

NOTICE AND STATEMENT OF THE RECEIVER
(Subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

The receiver gives notice and declares that:

1. On April 12, 2016, the undersigned, Deloitte Restructuring Inc., (the “**Receiver**”) became the receiver in respect of all the assets, undertakings and properties (the “**Property**”) of 6892639 Canada Inc. (the “**Insolvent person**”).
2. As of the date of this notice, the Property of the Insolvent person includes notably the following:

Assets	Book Value (\$)
GIC to secure letter of guarantee	33,563
Office furniture	33,106
1045 Dairy Drive	1,422,356
1670 Vimont Court	2,160,314
1661 Vimont Court	213,769

3. The undersigned became a receiver by virtue of being appointed by the Ontario Superior Court of Justice, pursuant to an order dated April 11, 2016 (but effective April 12, 2016).
4. The undersigned took possession or control of the Property described above on April 12, 2016.
5. The following information relates to the receivership:
 - (a) The head office and principal place of business of the insolvent person are located at 1670 Vimont Court, Ottawa, ON, K4A 3M3.
 - (b) Principal line of business:
Real estate holding company.
 - (c) Amount owed by insolvent person to each creditor who holds a security interest on the Property is described on **Appendix A**.
 - (d) The list of other creditors of the Insolvent Person is presented in **Appendix B**. The amount of those creditors as well as the total amount owed by the Insolvent Person remain to be verified.

(e) The intended plan of action of the Receiver, where the Receiver considers it necessary, during the receivership is as follows (please note that this plan of action is subject to change from time to time according to the circumstances):

- Assess the value of Property;
- Determine the best approach to realize on the Property for the benefit of creditors;
- Market and sell the Property; and
- Distribute net proceeds of realization to creditors in order of priority.

6. Contact person for Receiver:

Adina Bochis
Tel: (514) 393-5282
abochis@deloitte.ca

Dated at Ottawa, this 22nd day of April 2016

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver of 6892639 Canada Inc.
and not in its personal capacity

Per:



John Saunders, CPA, CA, CIRP, LIP
Vice-President

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Secured	BDC		a/c 049736-04	1,014,483.00
	TD Commercial Banking		0533/9219938-03 et 04	2,035,537.32

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$	
Unsecured	Bell Canada				
	Bell Mobility				
	Brampton Hydro				
	City of Ottawa				
	City of Ottawa - Revenue Branch				
	City of Ottawa Parking				
	CRA - Canada Revenue Agency - Tax - Ontario	c/o London Taxes Services Office Division Regional Intake Centre for Insolvency		Fax: (519) 645-5397	
	Enbridge				
	Great West Life Assurance Company				
	Hydro One				
	Minister of Finance - MTO				
	Rogers				
	Workplace Safety and Insurance Board	c/o Collection Services		Fax: (905) 521-4203	

Exhibit "C"

Statement of Receipts and Disbursements for the period April 12 to May 20, 2016

In the Matter of the Receivership of Drytech International Inc. and 6892639 Canada Inc.
 In the City of Ottawa, in the Province of Ontario
 Receiver's Interim Statement of Receipts and Disbursements

As at May 20, 2016

Drytech International Inc. ("Drytech")

Receipts

Cash in bank (Bank of Montreal)		\$ 119,168
Collection of accounts receivable:		
Drytech (excluding CRDN Business)		113,770
CRDN Business (division of Drytech operated in receivership)		120,656
Other		140
	Total Receipts	\$ 353,734

Disbursements

Wages and benefits of temporary employee - post receivership			
Drytech (excluding CRDN Business)		\$ 35,744	
CRDN Business		79,073	
Other		2,924	<i>Note 1</i>
Insurance		23,765	
Fuel		1,371	
Rent		4,052	
Other supplies and services for CRDN Business		6,856	
Lease payment for equipment/vehicles used by Receiver		3,385	
CRDN Business franchise royalties on Receiver's sales		5,440	
Repairs and maintenance		149	
Miscellaneous expenses		300	
Asset Count - labour		1,536	
Storage and moving charges		2,243	
Changing locks		858	
HST exclusive of professional fees		2,714	
Filing fees - Official Receiver		70	
Bank Charges		45	
	Total Disbursements	\$ 170,524	

Net receipts over disbursements \$ 183,210

Notes

- 1 Vacation pay owed to employees for pre-receivership period (which is a priority secured claim)

Exhibit "D"

Affidavit of John Saunders of Deloitte Restructuring Inc. sworn May 20, 2016

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

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

DRYTECH INTERNATIONAL INC. AND 6892639 CANADA IN.

Respondent

**AFFIDAVIT OF JOHN SAUNDERS
(Sworn May 20, 2016)**

I, **JONH SAUNDERS**, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario, and am a Vice-President of Deloitte Restructuring Inc. (“**Deloitte**”), the Court-Appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Drytech International Inc. and 6892639 Canada Inc. (the “**Debtors**”) acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof. 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.

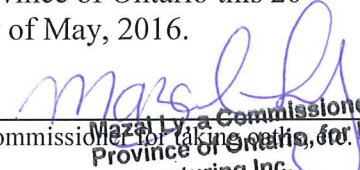
3. Attached hereto as Exhibit "B" is a true copy of the invoice for fees and disbursements incurred by Deloitte in the course of the receivership administration of the Company from April 4, 2016 to April 22, 2016.


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 Ottawa 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.

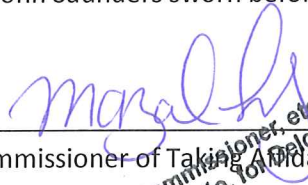
SWORN BEFORE ME

at the City of Ottawa, in the
Province of Ontario this 20th
day of May, 2016.


Mazal Ly, a Commissioner, etc.,
Province of Ontario, for Deloitte
Restructuring Inc.
Expires May 30, 2018.

)
)
)
)
)

John Saunders

This is Exhibit "A" referred to in the Affidavit
of John Saunders sworn before me on May 20, 2016



Commissioner of Taking Affidavits (or as may be)

Mazal Ly, a Commissioner, etc.,
Province of Ontario, 101
Restructuring Inc.
Expires May 30, 2018.

EXHIBIT "A"

**Calculation of Average Hourly Billing Rates of
Deloitte Restructuring Inc.
for the period April 4, 2016 to April 22, 2016**

Invoice #	Fees	Disbursements	HST	Total Invoice Amount	Hours	Average Hourly Fee Rate
4057206	\$ 153,876.00	\$ -	\$ 20,003.88	\$ 173,879.88	495.1	\$ 310.80
Total	\$ 153,876.00	\$ -	\$ 20,003.88	\$ 173,879.88	495.1	\$ 310.80

This is Exhibit "B" referred to in the Affidavit
of John Saunders sworn before me on May 20, 2016



~~Michael Lyer~~ Commissioner, etc.,
Province of Ontario, for Deloitte
Restructuring Inc.
Commissioner of Making Affidavits (or as may be)
Expires May 30, 2018.



Deloitte Restructuring Inc.
1600 - 100 Queen Street
Ottawa, ON K1P 5T8
Canada
Telephone: (613) 236-2442
Facsimile: (613) 236-2195
www.deloitte.ca

Deloitte Restructuring Inc., in its capacity as
Receiver of Drytech International Inc. and
6892639 Canada Inc.
1600-100 Queen Street,
Ottawa, ON K1P 5T8

Date: April 29, 2016
Invoice No: 4057206
Client No: 824874
Billing Partner: Martin Franco
HST Registration no: 133245290

Attention: John Saunders

Invoice

Fee for professional services rendered from April 4 to 22, 2016 with respect to the receivership of Drytech International Inc. and 6892639 Canada Inc., pursuant to the Court Order dated April 11, 2016.

Our Fee (see attached details):

Level	Hours	Hourly Rate	Fees
Sr. Vice-President	9.5	\$475	\$ 4,512.50
Vice-President	264.5	\$400	\$ 99,250.00
Manager	22.8	\$350	\$ 7,980.00
Senior	136.2	\$225	\$ 30,645.00
Analyst	62.1	\$185	\$ 11,488.50
	<u>495.1</u>		<u>\$ 153,876.00</u>

\$153,876.00

HST at 13%

\$20,003.88

Amount payable

\$173,879.88

See remittance information on last page

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.

Client: 824874

Mandate: 1001434 - Receivership of Drytech and 6892639

Date	TKPR Name	Level	Hours	Fee Amt	Narrative
4/12/2016	Ajram,Andrew	Manager	4.0		Travel to and from Ocala, Florida from Orlando to visit site where equipment may be located (with Amanda Murray)
		Subtotal	4.0	\$ 1,400.00	
4/13/2016	Brown,Rose M	Analyst	0.8		Create Website page, Save documents and update the page with Overview and documents.
4/22/2016	Brown,Rose M	Analyst	0.4		Update website the Tender documents.
		Subtotal	1.2	\$ 222.00	
4/19/2016	Davis,Dominic Angelo	Senior	6.2		Taking possession of assets in Langley and drafting of memo on outcome.
		Subtotal	6.2	\$ 1,395.00	
4/13/2016	Fielding,Jillian	Analyst	9.0		With employees at CRDC creating and filling out employee contracts
4/14/2016	Fielding,Jillian	Analyst	9.2		Review DryTech AP and create creditors' list
4/15/2016	Fielding,Jillian	Analyst	8.0		Review DryTech AP and create creditors' list
4/18/2016	Fielding,Jillian	Analyst	5.5		DryTech - gather documentataion required for receivership
4/19/2016	Fielding,Jillian	Analyst	9.0		Vehicle leases and paperwork
4/20/2016	Fielding,Jillian	Analyst	7.7		Drytech Vehicle documents - leases, permits and ownerships
4/21/2016	Fielding,Jillian	Analyst	6.5		DryTeck group meeting; Follow up on issues
4/22/2016	Fielding,Jillian	Analyst	6.0		Dryteck - Invoices, Third Party Goods, coordinating with Val and Caroline
		Subtotal	60.9	\$ 11,266.50	
4/20/2016	Forget,Karine	Manager	2.0		Courriels et aller bureau de poste pour redirection de courriel. Diverses question dans la semaine
4/21/2016	Forget,Karine	Manager	3.0		Réimportation de la liste de créancier, préparation de la lettre pour l'avis (Mail merge)
4/22/2016	Forget,Karine	Manager	1.0		Finaliser les listes, divers courriel/Skype avec David
		Subtotal	6.0	\$ 2,100.00	
4/7/2016	Franco,Martin	Sr. Vice-President	1.0		Planning receiverhsip with John and David
4/10/2016	Franco,Martin	Sr. Vice-President	0.7		Review internal memo and analysis
4/11/2016	Franco,Martin	Sr. Vice-President	0.4		Numerous calls and emails with John on receivership planning
4/12/2016	Franco,Martin	Sr. Vice-President	0.7		Status call with TD and BLG
4/13/2016	Franco,Martin	Sr. Vice-President	0.6		Calls and emails - discuss issues
4/14/2016	Franco,Martin	Sr. Vice-President	0.8		Status call with team. Planning sale process
4/15/2016	Franco,Martin	Sr. Vice-President	1.0		Numerous phone calls on status, planning, insurance issues, trust account issues
4/18/2016	Franco,Martin	Sr. Vice-President	1.0		planning of the call for tender
4/19/2016	Franco,Martin	Sr. Vice-President	1.0		Review call for tender documents
4/21/2016	Franco,Martin	Sr. Vice-President	0.8		Conference call with TD and Call with John on key items
4/22/2016	Franco,Martin	Sr. Vice-President	0.2		Review notice of the receiver
		Subtotal	8.2	\$ 3,895.00	
4/12/2016	Fritz,John Robert	Manager	2.0		Attendance at Alero Moving, meeting with contact: refused access, reviewed order and acknowledgement with contact. Attempted to gain supervisor to gain access and explain process. Various calls, mails, etc. to arrange for access.
4/13/2016	Fritz,John Robert	Manager	3.0		Attendance, photographs, securing and count of assets at 2190 Notre Dame Avenue. Summary memo. Follow up with Alero.
4/14/2016	Fritz,John Robert	Manager	3.0		Follow up with Alero regarding missing items, attendance at 2190 Notre Dame to review and secure additional items discovered. Update of memo and other correspondence with Ottawa office.
		Subtotal	8.0	\$ 2,800.00	
4/12/2016	Leung,Warren	Manager	2.0		Attended the premises of CJL Logistics where the Company's assets were held, served the Receivership Order, observed and inspected the assets held at the premises, drafted summary of findings to J. Saunders.

Date	TKPR Name	Level	Hours	Fee Amt	Narrative
			Subtotal	2.0 \$ 700.00	
4/19/2016	Margulis,Ilya	Manager	2.8		On-site at storage facility, review and edit memo
			Subtotal	2.8 \$ 980.00	
4/15/2016	McKenna,James Daniel	Senior	4.0		Work on Teaser and search databases to create buyers list
4/20/2016	McKenna,James Daniel	Senior	2.0		data room logistics
4/21/2016	McKenna,James Daniel	Senior	2.5		Working on Notices
			Subtotal	8.5 \$ 1,912.50	
4/21/2016	Moldoveanu-Bochis SR,Adina	Senior	6.0		Vérifier les listes des créanciers pour les deux entités; révision correction avis et déclaration du séquestre pour Drythec; révision vérification lettre employés en français; nombreuses échanges avec John Saunders, Karine, David, etc.
4/22/2016	Moldoveanu-Bochis SR,Adina	Senior	1.8		Finalisation documents pour mailing, échanges avec l'équipe d'Ottawa
			Subtotal	7.8 \$ 1,755.00	
4/12/2016	Murray,Amanda	Senior	4.0		Property visit: North East 27th terrace in Ocala, Florida with Andrew Ajram
			Subtotal	4.0 \$ 900.00	
4/4/2016	Peloquin,David	Vice-President	4.0		Discussion with Martin, discussion with John Saunders about the file, review of files on the network
4/8/2016	Peloquin,David	Vice-President	5.5		Meeting with the company, visit of the offices, discussion with Nisha, locksmiths, coordination of the IT guy, coordination of the Florida guys,
4/11/2016	Peloquin,David	Vice-President	6.0		Gathering all the information, discussion with employees, internal discussions, asset listing
4/12/2016	Peloquin,David	Vice-President	12.0		Asset protection, locksmith, alarm system, discussion with employees, asset listing, external inventory count firm, internal discussion
4/13/2016	Peloquin,David	Vice-President	11.0		Asset protection, locksmith, alarm system, discussion with employees, asset listing, external inventory count firm, internal discussion, termination letters and employment agreement with employees
4/14/2016	Peloquin,David	Vice-President	9.5		discussion with employees, asset listing, external inventory count firm, internal discussion, inventory count coordination
4/15/2016	Peloquin,David	Vice-President	6.0		Asset listing, discussion with employees, discussion with inventory external firms, keys, alarm, etc
4/17/2016	Peloquin,David	Vice-President	2.5		Review to do list, respond to emails, asset listing, secured creditors
4/18/2016	Peloquin,David	Vice-President	6.0		payroll, staff, inventory count, asset listing, 3rd party goods, secured creditors
4/19/2016	Peloquin,David	Vice-President	7.0		creditor's list, payroll, staff, inventory count, asset listing, 3rd party goods, secured creditors
4/20/2016	Peloquin,David	Vice-President	9.0		CRDN (emails, dataroom, visit) - 1.5 hrs, creditor's list, payroll, staff, inventory count, asset listing, 3rd party goods
4/21/2016	Peloquin,David	Vice-President	9.0		creditor's list, payroll, staff, inventory count, asset listing, 3rd party goods, secured creditors
4/22/2016	Peloquin,David	Vice-President	6.5		creditor's list, payroll, staff, inventory count, asset listing, 3rd party goods, secured creditors, 10 day notice, termination letters
			Subtotal	94.0 \$ 37,600.00	
4/7/2016	Saunders,John	Vice-President	4.0		Planning for receivership - Prepare list of initial steps and discuss with Martin and David; Contact offices across Canada to make arrangements to take possession of assets in depots upon issuance of receivership order; Follow up on Drytech's IT info and follow up with IT group re taking possession of electronic books and records and possibly taking mirror image of all computer files; Update from Nisha; Follow up on addresses for all creditors; Discuss Nisha's inspection of CRDN operation, staff to retain in a receivership, etc. Review Notice of Motion received; Update Gowlings.
4/8/2016	Saunders,John	Vice-President	4.1		Review new A/P list - follow up on addresses; Review vehicle list; Follow up with David re IT systems; Follow up with Todd for any docs on potential purchasers; Initial review of 6 week cash flow to estimate cost of running CRDN division; Follow up on Florida depot location and Deloitte staff to inspect; Coordinate potential depot inspections across Canada; Follow-up on locks and security issues for Monday; Call to BDC to advise of receivership application; Review CRDN equipment list and estimate total FMV and liquidation value that may be available to Receiver after specific leases; Call with Karen to prepare for Court hearing; Discuss possible operation of CRDN division by Receiver; Follow up on options to deal with missing US assets in a receivership - contact Deloitte US rep.
4/9/2016	Saunders,John	Vice-President	7.3		Follow up with Mazal to (1) set up trust accounts for receivership (if order is received), (2) open new estate accounts on Ascend software, and (3) input creditors list. Review e-mails; Review info, schedules and docs provided by Nisha; Review franchise agreement to identify terms that have, or will be, breached, and to identify royalty requirements; Review latest CRDN cashflow, monthly sales projections, and additional CRDN cost estimates provided by Caroline; Review recent invoices to confirm certain costs; Estimate allocation of insurance and other common charges between divisions; Estimate weekly costs and Receiver fees to operate CRDN division; Prepare memo and analysis of costs versus benefits of operating - forward to team for comments
4/10/2016	Saunders,John	Vice-President	6.4		Respond to Martin's comments on CRDN analysis - update information and forward to TD and BLG for comment; Call with Karen to discuss debtors' request for monitor, and consider other possible options - discuss with Martin; Planning for receivership; Work on detailed list of actions to take upon receivership

Date	TKPR Name	Level	Hours	Fee Amt	Narrative
4/11/2016	Saunders,John	Vice-President	10.7		E-mails with BLG; Prepare for and attend at Court hearing for receivership application; Update team and TD on status; Coordinate with Deloitte personnel across Canada ("Deloitte Canada") to serve order (when received) on warehouses and requirements to inspect and secure assets; Discuss taking possession issues with Ottawa team, such as employees, payroll, CRDN operations, etc.; Review and finalize letters required to set up new trust accounts; Follow up on preparation of an acknowledgement of Receiver appointment for depot owners/operators to sign; Discuss potential operating issues with David; Discuss preliminary list of employees to be retained with David; Received and reviewed endorsement from Court; Update Martin and Gowlings; Prepare a draft letter to BMO to freeze bank account; Provide additional details to Deloitte Canada on how Drytech assets in warehouses are normally stored; Follow up on setting up Deloitte website page for Drytech court documents; Update list of issues to deal with Day 1 and forward to team; Line up additional staff member to oversee continued operation of CRDN Division
4/12/2016	Saunders,John	Vice-President	11.6		Prepare to take possession and control of Drytech and 689 property and assets; Review recent payments made through BMO account; Meeting with team to review urgent issues; Review upcoming payroll details; Receive Court Order and circulate to team and Deloitte Canada; Follow up on possible Florida location; Send letter freezing bank account to BMO and follow up with phone call; Correspondence to Pat and Kevin Dooley to immediately provide location and access to missing equipment; Review list of employees to be retained and follow up with Gowlings to prepare termination and temporary employment letters; Respond to, or forward, numerous inquires from lessors, creditors, Drytech management, potential purchasers, etc. Request Gowlings to register Order on title of properties; Respond to issues arising at warehouses refusing entry by Deloitte Canada - follow up with Gowlings; Discuss with team changing locks on all 3 Ottawa buildings and security alarm info; Prepare guardianship agreement for certain employees to hold keys; Issue letters to open new trust accounts; Discuss CRDN operating issues with David and Eric; Update Martin and Gowlings; Review proposed employee agreements with Gowlings and team and make edits; Issue instructions for website page; Follow up on inconsistencies in A/P list; Follow up on getting heater unit back from job site
4/13/2016	Saunders,John	Vice-President	11.5		Review revised employee letters and forward to team; Follow up on status of new trust accounts and releasing payroll from BMO account; Respond to inquiries from potential purchasers; Follow up with Gowlings on an NDA for potential purchasers to sign; Follow up on CRDN financial info to provide to potential purchasers in a datya room; Call to Franchisor's lawyer to assess position of franchisor re possible transfer to a purchaser; Follow up again with Pat and Kevin Dooley re missing assets; Follow up on blanket insurance coverage under insolvency insurance program - pull together information required by broker; Respond to Donnelly Ford's request; Follow up on new codes for security system; Attend at site and meet with COO to review possible assistance going forward; Dicused CRDN vehicles and other info required for a sales package; Obtain names of other possible prospective purchasers for the CRDN division; Meet with other key employees to discuss specific concerns regarding employment terms going forward; Sign employee letters; Review list of employees that were previously laid off (temporarily). Meet with team to discuss status of critical issues and next steps; Review information from Gowlings re properties; Review status reports from Deloitte Canada on other Canadian locations and possible Florida location; Follow up on info for 689 properties; Send NDAs to 2 prospective purchasers who previously expressed interest in CRDN division; Discuss urgent issues with Gowlings; Follow up with Eric to prepare info for tender call
4/14/2016	Saunders,John	Vice-President	9.7		Follow up on trust account issues with Mazal; Follow up with Nisha re financial and other CRDN info required for due diligence; Prepare disclaimer for all information; Discuss tracking of new sales for CRDN division; Follow up on possible missing equipment at Winnipeg depot; Review initial draft teaser for CRDN division; Respond to additional info requests from insurer; Discuss ESA requirements with Gowlings if mass termination; Discuss urgent issues with team, Requests by employees for changesto termination and employment letters; Review report on Calgary depot equipment; Instruct Gowlings to request security docs and outstanding balances from all secured creditors registered on PPSA; Review and send out NDA to 2 potential purchasers; Review correspondence; Review list of registrations on real property; Notes to file; Prepare memo setting out proposed steps for CRDN sale - discuss with Gowlings and Martin; Line up M&A staff member to prepare CIM for CRDN; Respond to, or forward, inquires from creditors, employees, and potential purchasers
4/15/2016	Saunders,John	Vice-President	8.2		Follow-up on employment letter changes for Annette and Wayne; Follow up again on new trust accounts with bank; Discuss details of tender call and P&S Agreement with Gowlings; Discuss CIM requirements and local search for prospective purchasers with James - locate and forward key docs to James; Follow up on insurance with Drytech's broker and Deloitte's broker - provide additional information; Respond to inquiries from potential purchasers; Review CRDN Work Order; Review BDC notice of sale; Follow up on creditor lists with Nisha; Review financial info provided by Nisha; Discuss possible missing expenses on CRDN P&L with Nisha and Eric; Update Martin on critical issues; Follow up with TD Bank to determine if it has any insurance coverage in a receivership; Follow-up with Gowlings re Kevin's correspondence on missing equipment; Follow up on limited response from Pat; Review and sign Acknowledgement and Direction for property registrations; Update from insurance broker; Update on security issues from Nisha
4/16/2016	Saunders,John	Vice-President	1.2		E-mails with team re CRDN information and sale process; Review draft tender call documents - provide comments and suggested edits to Gowlings
4/17/2016	Saunders,John	Vice-President	4.2		Review Florida equipment info from Phil; Discuss tender calls terms and conditions with Lorne; Review and respond to correspondence from secured creditors, potential purchasers and others; Follow up on property leases required by Gowlings; Review revised terms and conditions and PSA in detail - provide comments and suggested edits - discuss with Lorne; Follow up with team for price allocation schedule

Date	TKPR Name	Level	Hours	Fee Amt	Narrative
4/18/2016	Saunders,John	Vice-President	9.6		Inquiry from Pat Dooley re leased car; Review updated version of tender call documents - discuss issues with Lorne; Follow up on data room with James, Bruce and Lorne; Team meeting to review critical issues for the day and week; Follow up on identifying leases for vehicles used by CRDN Division; Inquiry from employee to change terms of employment agreement; Follow up with Gowlings on inadequate response from Kevin Dooley to our request for equipment locations; Follow up on arranging for manual payroll in the event we can't switch Ceridian to Receiver fast enough; Follow up with 2 brokers on insurance; Rec'd and reviewed registration of Court Order on properties; Follow up on registering receiverships with OSB; Follow up on opening bank accounts Pacific Western Bank since TD accounts not yet open; Follow up with BDC re specific equipment financed; Call from Enterprise Fleet re leased vehicles; Work on teaser/cover letter; Review list of potential purchasers with James and arrange to follow up on missing information; Follow up on staffing; Discuss CRDN issues with Eric; Review newly updated tender call documents and forward to team with explanations; Respond to BLG's queries
4/18/2016	Saunders,John	Vice-President	1.4		Correspondence to Pat Dooley requesting return of Audi; Review storage invoices submitted by Pat; Advise Pat that Deloitte will inspect Langley warehouse tomorrow where equipment is stored; Update team on scheduling; Correspondence from lessors - forward docs to Gowlings for review; Inquiry from realtor; Review updated buyer's list provided by James; Respond to inquiries from potential purchaser; Follow up on customer's request for return of documents; Respond to issue re Drytech's current collection agency
4/19/2016	Saunders,John	Vice-President	10.9		Make arrangements for Deloitte Vancouver to attend at Langley warehouse and secure/inspect equipment - provide listing and other details; E-mail from Kevin re return of Ottawa equipment; Advise team to be ready for delivery; Call from Meghan who was dropping off equipment; Report from team that only handful of items delivered; Correspondence from broker re insurance; Follow up with TD re GIC for 689; Follow up with James to set up data room for potential purchasers; Review all documents proposed for data room - follow up on missing documents and o/s asset count; Review and follow up with Gowlings on comments provided by team on tender call docs - discuss issues with Lorne - agree on changes; Follow up with BMO for bank draft; Follow up on o/s creditor info required for statutory notice; Follow up with Mazal re ability to cut cheque before deposits may have cleared; Follow up on redirection of mail from CRDN; Edit and finalize e-mail teaser to be sent to potential purchasers; Review updated tender docs and make final edits; Review redacted copies of franchise agreement and leases for inclusion in data room; Review CRDN detailed asset count; Reviewed vehicle lease and updated vehicle listing; Arrange for James to upload all docs into data room; Issue teaser, tender terms, and NDA to numerous parties; Sign into data room and grant access to parties that signed NDA; Review and update tracking schedule; Follow up on e-mail bounce backs; Respond to auctioneers and others interest
4/19/2016	Saunders,John	Vice-President	0.6		Review and organize docs
4/20/2016	Saunders,John	Vice-President	10.8		Follow up with Mazal re Notice of Receiver and depositing cheques that are payable to CRDN or Capital Textiles instead of Drytech; Follow up on data room issues; Respond to employee inquiry re WEPPA; Follow up on critical payment for chemical supplies; Follow up with Kevin Dooley for 689 books and records; Attend at Drytech premises to deal with critical employee issue - negotiate new arrangement; Met with Todd and Rachelle to discuss her possible purchase of CRDN Division; Meet with Phil to discuss sale process; Respond to inquiry from lessor; Review comments from Gowlings on previous appraisal - discuss whether we could use same appraiser to update report; Confirm insurance coverage; Review updated payables listing; Respond to inquiry from Ministry of Labour; Review Gowlings assessment of storage liens in other provinces; Follow up on inquiries from potential purchasers; Attend at CRDN Division to inspect operation and meet key staff; Follow up on Rogers; inquiry re arrears; Review draft notice prepared by James; Review list of cheques received to date; Meet with Eric to review CRDN results for last week and projected sales and costs for next few weeks; Review storage invoice from BC warehouse; Line up admin staff to prepare for mail out of statutory notices on Friday; Follow up on termination letters for laid off staff; Follow up with Deloitte US re inspection of Louisiana location - provide background and details of assets allegedly on site; Follow up with Pat Dooley re assets located in Florida - provide list of assets
4/21/2016	Saunders,John	Vice-President	10.3		Follow up on urgent payments for CRDN; Follow up on mail out of 180 notices with Jacqui; Review status update from Gowlings on secured creditors who provided documentation; Update listing of o/s receivership issues; Team meeting to review status of issues and priority items; Respond to inquiries from bank; Review updated asset listing - forward details of additional missing assets to Pat and to Deloitte US; Prepare release and indemnity for 3rd party goods; Update from Nisha on 689 available financial information; Review and edit Notice of Receiver - follow up on o/s creditor information with Nisha and Adina; Follow up again with BDC for details of equipment financed; Follow up with CRDN Franchisor for contacts to change access to CRDN system and to change banking information; Review and respond to Gowlings analysis of process for dealing with secured creditors who want to retrieve collateral; Follow up on the additional asset categories listed on 689 balance sheet; Respond to BC warehouse inquiries; Provide Gowlings with list of items Kevin brought back and those still missing; Respond to inquiry from realtor; Review revised notices and creditors' list - Edit notices and follow up on errors in creditors' lists with Karine - forward to Nisha and David for review; Draft letter requesting Enbridge and other services to continue providing services as required by Court Order.
4/22/2016	Saunders,John	Vice-President	8.5		Call with Gowlings to discuss next steps to recover missing assets; Send Tender docs to potential purchaser and arrange to post tender docs on website; Follow up on problem depositing cheques payable to CRDN or Capital Textiles; Call with Deloitte US re inspection of Louisiana; Review and edit statutory notices of Receiver; Review and follow up on edits required to lists of creditors; Respond to parties claiming 3rd party goods; Follow up on info required by Franchisor to collect royalty fees; Review James' memo on search he did for potential purchasers; Rec'd docs from RCAP lessor; Inquiry from realtor; Review comments on statutory notices and make final edits; Respond to Todd's e-mail re CRDN's attempt to withdraw funds from frozen bank account; Make arrangements to mail out about 180 Receiver notices to creditors, and to OSB; Review and execute termination letters for employees laid off prior to receivership; Review payroll for next week - follow up with Deloitte's bookkeeping service; Call from RBC's lawyer - refer to Gowlings; Respond to Kevin's inquiry re potential renter of equipment; Review legal action against Drytech US in Florida rec'd in mail - forward to Gowlings; Respond to further inquiries from Kevin
		Subtotal	131.0	\$ 45,850.00	
4/8/2016	Sharma,Nisha	Senior	4.5		Discussions regarding depot addresses, working with Annette on obtaining Pat's home address; going to CRDN and discussing receivables and payables and meeting team there; discussions with David and John regarding next steps and additional information needed; working on receivables listing

Date	TKPR Name	Level	Hours	Fee Amt	Narrative
4/9/2016	Sharma,Nisha	Senior	4.0		Discussions on various issues. Follow up on additional information needed; working on receivables listing
4/11/2016	Sharma,Nisha	Senior	9.5		Getting CRDN sales; obtaining sales information for other divisions; responding to emails; discussions about Depots and their layouts; discussions with management regarding Bassi deal, CRDN, payroll, requesting list for number of employees, vacation owed; reviewing BMO statement; discussions regarding equipment
4/12/2016	Sharma,Nisha	Senior	10.8		Discussions with Phil regarding Ocala, calling Ocala contact -- Ocala equipment; speaking with John West - regarding Ocala; obtaining information regarding CRDN; obtaining information regarding payroll; next step discussions with David and John; discussions with John, Eric and David; update on equipment with Caroline; changing locks and CRDN and changing locks at Liverpool; discussions with Rachelle and Ginette; reviewing BMO statement; sending Eric payables information and sending John financial information from Caroline; responding to emails - John, Eric, David
4/13/2016	Sharma,Nisha	Senior	11.0		Obtaining information for CRDN; discussions with John, David, Jillian, Eric; getting security system changed; travelling to Drytech; emails; discussions with Drytech employees (Caroline, Annette, Todd)
4/14/2016	Sharma,Nisha	Senior	9.0		Obtaining information for CRDN; discussions with John, David, Jillian, Eric; obtaining Balance Sheet; reviewing AR; following up with Winnipeg depot equipment; obtaining credit card balances; reviewing vehicle listings; obtaining list of temporary layoffs;
4/15/2016	Sharma,Nisha	Senior	8.5		getting keys cut, organizing keys; discussions with Rachelle regarding CRDN and expenses not included in CRDN PnL; obtaining lease information for CRDN; payables listing; discussions with John, Eric, Jillian and David; collecting cheques and POs; giving cheques to John
4/18/2016	Sharma,Nisha	Senior	9.5		discussions with John, Eric, David, Jillian; determining if any safety deposit boxes; discussions with Ginette regarding CRDN invoices and missing cheques; reviewing payables listing to ensure employees and credit cards included; discussions regarding collection agency; determining which vehicles are associated with CRDN, finding leases to those vehicles; mail redirect; obtaining template for inventory count; updating equipment listing with which equipment is owned by Drytech; finding lease of biosweep machine potentially leased at CRDN; discussions with staff at Drytech; finding original Sheffield place rental agreement with landlord; emails
4/19/2016	Sharma,Nisha	Senior	12.0		discussions with David, Jillian, getting mail, providing John with cheques to deposit; finding mail redirect header for Montreal office; finding vehicle leases for CRDN; discussions with Caroline regarding Drytech US balance sheet; receiving missing equipment from Kevin, matching the returned equipment against what Caroline had identified as missing; discussions with Eric regarding CRDN invoices, POs and Esso receipts, compiling CRDN info to send to Eric; reading BDC leases where Rachelle said CRDN was used as collateral
4/20/2016	Sharma,Nisha	Senior	10.5		reviewing PPSAs for secured creditor addresses to be included in notice for Drytech and 689; discussions with John, David, Eric and Jillian; looking into Great West Life benefits; drafting letters to landlords; looking for landlords contact info; reviewing cheques received spreadsheet prepared by Jillian; reviewing payroll; emails; Caroline informed us of last day on Friday - discussions with her and John and David; speaking with employee regarding WEPP process; emails; calling Ceridian regarding changing payroll
4/21/2016	Sharma,Nisha	Senior	9.5		discussions with Caroline regarding 689 records; providing David with 689 records; looking for GIC information pertaining to City of Ottawa agreement; Ceridian discussions; discussions with Eric regarding payroll; working on completing payroll information
4/22/2016	Sharma,Nisha	Senior	9.0		finalizing payroll figures; discussions with Caroline, Val and Wayne; discussions with David, Eric, John and Jillian; following up on barista machine with Val and Caroline; William Young release form; sorting through mail; visiting CRDN; dropping off cheques and documents to Ottawa office in morning and afternoon; emails; setting up next steps meeting
		Subtotal	107.8	\$ 24,255.00	
4/12/2016	Sithole,Joseph	Senior	1.9		Onsite at Bollea logistics in Calgary, discussions with J Molenaar, review and taking pictures of Drytech equipment, summarizing results of visit to J Saunders.
		Subtotal	1.9	\$ 427.50	
4/12/2016	St-Pierre,Eric	Vice-President	5.0		CRDN
4/13/2016	St-Pierre,Eric	Vice-President	7.0		CRDN - employees
4/14/2016	St-Pierre,Eric	Vice-President	8.0		CRDN - leases, employees, PO, teaser
4/15/2016	St-Pierre,Eric	Vice-President	7.5		leases, POs,
4/18/2016	St-Pierre,Eric	Vice-President	3.0		Meetings with Martin, David, discussion Nisha, update call team, discussion John (bank account & other)
4/20/2016	St-Pierre,Eric	Vice-President	4.5		CRDN cash flow, presence at CRDN, discussion David, John, Nisha
4/21/2016	St-Pierre,Eric	Vice-President	3.0		discussion David, John, Nisha, call status update, call suppliers (Roger, Esso, CRDN)
4/22/2016	St-Pierre,Eric	Vice-President	1.5		discussion David, John, Nisha, call status update, call suppliers (Roger, Esso, CRDN)
		Subtotal	39.5	\$ 15,800.00	
4/12/2016	Warga,Brent M	Sr. Vice-President	1.0		Discussions with J. Fritz re: day one procedures, discussions with J. Saunders re: lack of cooperation in Winnipeg, calls with John Fritz while on-site, voicemails and e-mails to Alero re: access to premises
4/13/2016	Warga,Brent M	Sr. Vice-President	0.3		Various e-mail correspondence with Kathy (Alero), J. Saunders, and J. Fritz re: physical inventory count
		Subtotal	1.3	\$ 617.50	
Total Fees for Mandate			495.1	\$ 153,876.00	



** Please note our banking information has changed **

Payment instructions:
Please use 1 of the 4 payment methods 1, 2, 3 or 4 below.

For all 4 payment types below, ensure you complete and send back your payment details as follows (example):

Client name	First 6 digits of client #	Invoice Number	Invoice Amount	Comments
John&Jane Doe Ltd.	123456	78910111	\$ 1,000.00	Full pay for invoice "78910111"
John&Jane Doe Ltd.	123456	78910112	\$ 2,000.00	Full pay for invoice "78910112"

** Please send details of your payment (per the above table format) by email to:

receivablesdebiturs@deloitte.ca **

Payment methods:

1. Electronic Funds Transfer Information: PREFERRED METHOD

The Bank of Nova Scotia,
Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

To pay invoices in CAD\$:

Transit-Institution #: 47696-002
Account#: 1590219

To pay invoices in USD\$:

Transit-Institution #: 47696-002
Account#: 1363514

2. Wire Payment Information:

The Bank of Nova Scotia,
Business Service Centre, 20 Queen Street West, 4th Floor, Toronto, Ontario M5H 3R3

To pay invoices in CAD\$:

Account#: 476961590219
Swift code: NOSCCATT

To pay invoices in USD\$:

Account#: 476961363514
Swift code: NOSCUS33

3. Online Payment Information:

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the first 6 digits of your client number.

4. When paying by Cheque (indicate invoice # / client # on cheque) please mail your payment to:

For Canadian 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

Please note we do not accept Interac e-Transfers.

Exhibit "E"

Affidavit of Lorne Segal of Gowling WLG sworn May 19, 2016

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

DRYTECH INTERNATIONAL INC. AND 6892639 CANADA IN.

Respondent

AFFIDAVIT OF LORNE SEGAL
(Sworn May 19, 2016)

I, **LORNE SEGAL**, of the City of Ottawa, in the Province of Québec, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario, and am a partner with Gowlings WLG (Canada) LLP ("**Gowlings**"), lawyers for Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as the Court-Appointed receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Drytech International Inc. and 6892639 Canada Inc. (the "**Debtors**") acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof. 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" is a true copy of the invoice for fees and disbursements incurred by Gowlings in the course of the receivership administration of the Company from April 1, 2016 to May 12, 2016.

4. To the best of my knowledge, the rates charged by Gowlings throughout the course of these proceedings are comparable to the rates charged by other law firms in the Ottawa market for the provision of similar services.

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 Ottawa, in the
Province of Ontario this 19th
day of May, 2016.

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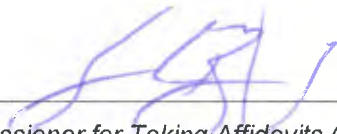
Lorne Segal



A commissioner for taking oaths, etc.

Julian Bourgeois, Lawyer 665734

This is Exhibit "A" referred to
in the Affidavit of Lorne Segal
sworn before me on May 19, 2016



Commissioner for Taking Affidavits (or as may be)

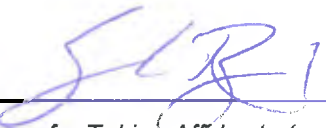
Julian Bourgeois, Lawyer: 665-736

EXHIBIT "A"

Calculation of Average Hourly Billing Rates of
Gowling WLG
for the period April 1, 2016 to May 12, 2016

Invoice #	Fees	Disbursements	HST	Total Invoice Amount	Hours	Average Hourly Fee Rate
18449206	\$ 32,878.00	\$ 743.38	\$ 4,358.13	\$ 37,979.51	111.0	\$ 296.20
Total	\$ 32,878.00	\$ 743.38	\$ 4,358.13	\$ 37,979.51	111.0	\$ 296.20

This is Exhibit "B" referred to
in the Affidavit of Lorne Segal
sworn before me on May 19, 2016

A handwritten signature in blue ink, appearing to read "J. Bourgeois", written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Julian Bourgeois, Lawyer 665456

Invoice

Deloitte Restructuring Inc.
 ATTN: John Saunders
 Vice-President
 100 Queen Street
 Suite 1600
 Ottawa ON K1P 5T8

May 16, 2016
 INVOICE: 18449206

Our Matter: 02390854 / 204696
 RE: Receivership - Drytech International Inc. and 6892639 Canada Inc.

		HST (13.0%)
Fees for Professional Services	\$33,269.50	
Adjustment	<u>(391.50)</u>	
Total Fees	32,878.00	4,274.14
Disbursements (Taxable)	646.03	
Disbursements (Non-Taxable)	<u>97.35</u>	
Total Disbursements	743.38	83.99
Total Fees and Disbursements	33,621.38	
Total Taxes	4,358.13	4,358.13
Total Invoice	37,979.51	
Please remit balance due:	In Canadian Dollars	\$37,979.51

Lorne W. Segal

Signed for & on behalf of Gowling WLG (Canada) LLP

Our services are provided in accordance with our Standard Terms of Business (www.gowlingwlg.com/TermsOfBusiness), subject to any other written engagement agreement entered into between the parties.

GOWLING WLG (CANADA) LLP
 160 Elgin Street, Suite 2600,
 Ottawa, Ontario, K1P 1C3, Canada

T +1 (613) 233 1781
www.gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at www.gowlingwlg.com/legal



Deloitte Restructuring Inc.
Our Matter: 02390854
Receivership - Drytech International Inc. and 6892639
Canada Inc.

PROFESSIONAL SERVICES

01/04/2016	Received instructions; reviewed and obtained subsearches of four properties and title instruments;			
	Janie Blyth	0.50	160.00/hr	80.00
01/04/2016	Receive instructions from client; instruct clerk re file and subsearch; review subsearch; conference call with client re new mandate;			
	Wayne Kerrick	1.00	525.00/hr	525.00
01/04/2016	Telephone call with John Saunders re Drytech and review of debtor's business and related issues including location of assets and secured creditor claims; review of draft Order and Bank affidavit;			
	Lorne W Segal	0.90	500.00/hr	450.00
04/04/2016	Review of emails and documents regarding receivership;			
	Gordon Douglas	0.40	415.00/hr	166.00
07/04/2016	Review of franchise agreement;			
	Gordon Douglas	0.30	415.00/hr	124.50
08/04/2016	Review of draft order regarding receivership and corporate Drytech documents;			
	Gordon Douglas	0.50	415.00/hr	207.50
08/04/2016	Various telephone calls with John Saunders re timing of Court Appointment; approach to franchised business and leased premises; review of landlord distraint notice;			
	Lorne W Segal	1.00	500.00/hr	500.00
11/04/2016	Reviewing draft court order; drafting employee termination letter; email to L. Segal re same; letter to L. Segal re search result summary report; email to M. Hung re PPSA searches;			
	Julien Bourgeois	1.50	220.00/hr	330.00
11/04/2016	Summarizing corporate search results for Drytech International Inc. and 6892639 Canada Inc.;			
	Garrett Hamel	0.90	145.00/hr	130.50
11/04/2016	Conducting verbal PPSA search in Ontario with respect to DRYTECH INTERNATIONAL INC. and 6892639 CANADA INC.; email to J. Bourgeois re same;			
	Mabel Hung	0.10	150.00/hr	15.00
11/04/2016	Review correspondence and draft order and supporting documents from client;			
	Wayne Kerrick	1.00	525.00/hr	525.00
11/04/2016	Review of correspondence from John Saunders including report on approach to franchised business, offer and related correspondence on franchised business; review of endorsement of Mr. Justice Hackland;			
	Lorne W Segal	0.80	500.00/hr	400.00
12/04/2016	Reviewed correspondence received from W. Kerrick re registration of court order on title to the properties; prepared draft application to register court order;			

May 16, 2016
 INVOICE: 18449206

	Janie Blyth	0.60	160.00/hr	96.00
12/04/2016	Reviewing corporate search summary; email to L. Segal re same; call from L. Segal re access to Alero Moving storage unit; drafting letter re same; email to Alero Moving re same; call from L. Segal re employee termination letters; correspondence re same; drafting employee termination letter and temporary employment offer; email to L. Segal re same; incorporating comments of L. Segal to draft documents; email to M. Polowin and J. Saunders re draft employee termination letter and temporary employment offer; email to G. Douglas re date of order;			
	Julien Bourgeois	5.50	220.00/hr	1,210.00
12/04/2016	Review of inventory documents;			
	Gordon Douglas	0.30	415.00/hr	124.50
12/04/2016	Receive instructions re registration of order; review order; instruct clerk re file and documents; correspondence to client;			
	Wayne Kerrick	0.40	525.00/hr	210.00
13/04/2016	Interoffice consultation re draft notice of option and municipal addresses;			
	Janie Blyth	0.20	160.00/hr	32.00
13/04/2016	Call from M. Polowin re draft template temporary employment offer; revising same; email to J. Saunders re final drafts for employee documents; preparing termination letters and temporary employment offers for head office employees; email to D. Peloquin re same; drafting template non-disclosure agreement; email to L. Segal re same; translating employee termination letter and temporary employment offer into French; email to E. St-Pierre re same; email to J. Saunders re date of order;			
	Julien Bourgeois	5.20	220.00/hr	1,144.00
13/04/2016	Review correspondence from client; review and revise documents; instruct clerk re file;			
	Wayne Kerrick	0.30	525.00/hr	157.50
13/04/2016	Reviewing file materials; conferring with J. Bourgeois; reviewing template termination letter; reviewing and revising temporary employment agreement;			
	Melanie Polowin	0.50	415.00/hr	207.50
13/04/2016	Review of and preparation of amendments to NDA; review of correspondence from Deloitte to Mr. Dooley re access to property and records; Telephone call with John Saunders re status update			
	Lorne W Segal	1.00	500.00/hr	500.00
14/04/2016	Received instructions regarding list of security on title to the four properties included in the application to register the court order; prepared and amended the draft list of security documentation;			
	Janie Blyth	2.20	160.00/hr	352.00
14/04/2016	Correspondence re employee termination and obligations under the ESA; preparing termination letter for laid off employees; email to L. Segal re same; drafting letter to secured creditors re request for security documents and statement of accounts; drafting letter to K. Dooley re compliance with order; email to L. Segal re same; preparing letters to secured creditors; email to K. Dooley;			
	Julien Bourgeois	4.40	220.00/hr	968.00
14/04/2016	Review correspondence from client; instruct clerk re file; review and revise documents and			

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	instruct clerk re registration and list of security; review subsearch and title documents; review and revise list of security ; review certificate of pending litigation; instruct clerk re same and title;			
	Wayne Kerrick	1.20	525.00/hr	630.00
14/04/2016	Conferring with J. Bourgeois and L. Segal; exchanging e-mails with J. Saunders and J. Bourgeois (copied to L. Segal); preparing updated termination letter; preparing amended termination letter and amended employment offer;			
	Melanie Polowin	1.10	415.00/hr	456.50
14/04/2016	Telephone call with John Saunders re sale process; termination of employees on temporary layoff; preparation of correspondence to Mr. Dooley, preparation of letter to PPSA secured creditors, and approach to leased vehicles; review of letters to PPSA secured creditors; review of letter to Mr. Dooley; review of status of and priority of vehicle leases; and follow up call with John Saunders re sale process;			
	Lorne W Segal	2.20	500.00/hr	1,100.00
15/04/2016	Reviewed correspondence received from J. Saunders re signed acknowledgement re order; correspondence to J. Saunders re same;			
	Janie Blyth	0.10	160.00/hr	16.00
15/04/2016	Drafting terms and conditions of sale process; drafting sale process timeline summary document; drafting form of asset purchase and sale agreement; email to L. Segal re same; drafting letter to P. Dooley re compliance with order; email to P. Dooley re same; email to and from K. Dooley re delivery of equipment;			
	Julien Bourgeois	7.70	220.00/hr	1,694.00
15/04/2016	Instruct clerk re file; correspondence to client;			
	Wayne Kerrick	0.20	525.00/hr	105.00
15/04/2016	Conferring with J. Bourgeois and L. Segal; exchanging e-mails with J. Saunders and D. Peloquin (copied to J. Bourgeois and L. Segal); reviewing file materials; preparing amended employment offer;			
	Melanie Polowin	0.30	415.00/hr	124.50
15/04/2016	Review of and preparation of comments on draft CIM and sale process; various telephone calls with John Saunders on sale process; conference with J. Bourgeois on preparation of tender materials including terms and condition of sale and draft purchase agreement;			
	Lorne W Segal	1.50	500.00/hr	750.00
16/04/2016	Incorporating comments from L. Segal to form of asset purchase and sale agreement and terms and conditions of sale process; call with L. Segal re same; email to J. Saunders re same; drafting form of receipt of closing payment;			
	Julien Bourgeois	1.70	220.00/hr	374.00
16/04/2016	Reviewing form of asset purchase and sale agreement;			
	Garrett Hamel	1.20	145.00/hr	174.00
16/04/2016	Review of and preparation of comments on and amendments to draft Term and Conditions of Sale, Purchase Agreement and Time line; review of correspondence from John Saunders comments on draft documents and sale process;			
	Lorne W Segal	2.50	500.00/hr	1,250.00
17/04/2016	Call with L. Segal re terms and conditions of sale and draft form of asset purchase agreement;			

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	revising same; email to J. Saunders re revised terms and conditions of sale and draft form of asset purchase agreement;			
	Julien Bourgeois	1.10	220.00/hr	242.00
17/04/2016	Review of revised sale process documents; preparation of correspondence to and review of correspondence from John Saunders; telephone call with John Saunders;			
	Lorne W Segal	1.50	500.00/hr	750.00
18/04/2016	Reviewed email correspondence received from J. Saunders enclosing the signed acknowledgement authorizing the registration of the court order; attended to registration of the court order; paid registration fee; correspondence to J. Saunders enclosing a copy of same; correspondence to L. Segal confirming registration of the court order;			
	Janie Blyth	0.90	160.00/hr	144.00
18/04/2016	Drafting form of approval and vesting order; email to L. Segal re same; reviewing promissory note re Gemcon Group Inc.; email to L. Segal re same; incorporating comments of J. Saunders and L. Segal to form of Asset Purchase and Sale Agreement and terms and conditions of sale; email to L. Segal and J. Saunders re same; email to J. Forsyth re delivery of vehicles;			
	Julien Bourgeois	3.10	220.00/hr	682.00
18/04/2016	Review of emails; review of draft approval and vesting order;			
	Gordon Douglas	0.50	415.00/hr	207.50
18/04/2016	Summarizing relevant assignment provisions in the CRDN franchise agreement as well as the Sheffield and Liverpool property leases; reviewing the same to identify any personal information that requires redaction;			
	Garrett Hamel	1.50	145.00/hr	217.50
18/04/2016	Review correspondence from client; attend to electronic registration; instruct clerk re same;			
	Wayne Kerrick	0.30	525.00/hr	157.50
18/04/2016	Exchanging e-mails with D. Peloquin and J. Bourgeois (copied to J. Saunders and L. Segal); reviewing file materials; preparing amended employment offer;			
	Melanie Polowin	0.30	415.00/hr	124.50
18/04/2016	Review of revised sale process documents; preparation of correspondence to and review of correspondence from John Saunders; various telephone calls with John Saunders; preparation of correspondence to and review of correspondence from Kevin Dooley re assets located in Canada and in the US; review of correspondence from Patrick Thompson; review of and preparation of comments on correspondence to the Bank and to prospective purchasers on sale process documents;			
	Lorne W Segal	2.50	500.00/hr	1,250.00
19/04/2016	Revising form of asset purchase and sale agreement re intangibles and comments of E. St-Pierre to terms and conditions of sale process; email to J. Saunders re same; incorporating comments of J. Saunders to terms and conditions of sale; email to J. Saunders re same; reviewing loan and security documents re secured creditors; preparing summary chart re secured creditors;			
	Julien Bourgeois	3.80	220.00/hr	836.00
19/04/2016	Summarizing relevant assignment provisions in the CRDN franchise agreement as well as the Sheffield and Liverpool property leases; redacting all personal information from same.			

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	Garrett Hamel	2.30	145.00/hr	333.50
20/04/2016	Preparing summary chart re secured creditors; email to L. Segal re same; call from J. Saunders re RCAP Leasing; call to RCAP Leasing re correspondence and request for documents; email to K. Perron re TD loan and security documents; reviewing research re storage lien; email to J. Saunders re same;			
	Julien Bourgeois	2.40	220.00/hr	528.00
20/04/2016	Reviewing storage and warehouse lien systems in the provinces of British Columbia, Alberta and Manitoba and their priority in the context of a receivership;			
	Garrett Hamel	1.80	145.00/hr	261.00
20/04/2016	Review correspondence from client; review appraisal; correspondence to client re same; review correspondence from client;			
	Wayne Kerrick	1.00	525.00/hr	525.00
22/04/2016	Telephone conference call with John Saunders and Lorne Segal regarding next steps;			
	Gordon Douglas	0.40	415.00/hr	166.00
22/04/2016	Telephone call with John Saunders and Gordon Douglas re approach to Kevin Dooley and failure to provide information and cooperation;			
	Lorne W Segal	0.50	500.00/hr	250.00
24/04/2016	Email to B. Bloom re correspondence sent to Royal Bank of Canada; reviewing secured creditor loan and security documents re RCAP Leasing and Toronto-Dominion Bank; updating summary chart re secured creditors; email to L. Segal re same;			
	Julien Bourgeois	2.50	220.00/hr	550.00
25/04/2016	Call with L. Segal re secured creditors; conference call with L. Segal, J. Saunders, D. Peloquin and E. St-Pierre re P. Dooley and secured creditors; reviewing asset release form; conference with L. Segal re various matters; drafting letter to P. Dooley re Florida assets, transfer of assets from Langley storage facility and Audi A6;			
	Julien Bourgeois	3.20	220.00/hr	704.00
25/04/2016	Conducting verbal PPSA search in British Columbia, Alberta and Manitoba with respect to Drytech International Inc.; email to J. Bourgeois re same;			
	Mabel Hung	0.40	150.00/hr	60.00
26/04/2016	Incorporating comments of L. Segal in letter to P. Dooley; email to P. Dooley re access to assets and Audi A6;			
	Julien Bourgeois	0.40	220.00/hr	88.00
26/04/2016	Exchanging e-mails with J. Saunders (copied to J. Bourgeois, L. Segal, D. Peloquin and E. St-Pierre); reviewing file materials; drafting termination letter (planning);			
	Melanie Polowin	0.50	415.00/hr	207.50
27/04/2016	Email to A. Ducasse re BDC documents; reviewing draft correspondence to M. Halpin; email to L. Segal re same; revising asset release form; email to D. Peloquin re same; email to D. Peloquin re EZ NEDL trailer and Gencom; email to D. Gray re enterprise fleet buyout amounts;			
	Julien Bourgeois	3.00	220.00/hr	660.00
27/04/2016	Voice-mail from J. Saunders; exchanging e-mails with J. Saunders (copied to J. Bourgeois, L. Segal, D. Peloquin and E. St-Pierre) (planning);			



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	Melanie Polowin	0.10	415.00/hr	41.50
27/04/2016	Telephone call with Deloitte re approach to Pat Dooley and re return of leased vehicles; preparation of correspondence to Matt Halpin, counsel to Pat Dooley; review of approach to 2007 EZ NEDL Trailer and Gemcon Group;			
	Lorne W Segal	1.00	500.00/hr	500.00
28/04/2016	Call with D. Peloquin re request from National Leasing; conference with L. Segal re perfection of National Leasing security interest; call with D. Peloquin re National Leasing equipment; email to D. Peloquin re Audi A6;			
	Julien Bourgeois	0.80	220.00/hr	176.00
28/04/2016	Review of National leasing claims on Florida based equipment; telephone call with Deloitte, review of correspondence from Matt Halpin re Vancouver assets, Florida assets and Audi; preparation of correspondence to and review of correspondence from Deloitte on Halpin correspondence and preparation of correspondence to Halpin;			
	Lorne W Segal	1.20	500.00/hr	600.00
29/04/2016	Email to E. St-Pierre re BDC general security agreement and asset purchase agreement; email to A. Ducasse re BDC documents; call with E. St-Pierre re available court dates; call to Z. Delong re same;			
	Julien Bourgeois	0.60	220.00/hr	132.00
29/04/2016	Review of correspondence from Matt Halpin and preparation of correspondence to Deloitte re Vancouver assets and Pat Dooley;			
	Lorne W Segal	0.30	500.00/hr	150.00
02/05/2016	Email to D. Peloquin re outstanding information from Ford Credit Leasing Canada; researching law re statutory lien of third party repairers; email to L. Segal re same; receiving loan and security documents of BDC;			
	Julien Bourgeois	1.20	220.00/hr	264.00
03/05/2016	Email from E. St-Pierre re offers for purchase of CRDN division; reviewing same; attending call with L. Segal and E. St-Pierre re BDC, security interest in assets located aboard and CRDN purchase offers;			
	Julien Bourgeois	1.30	220.00/hr	286.00
03/05/2016	Review of offers submitted on CRDN division; review of correspondence from and preparation of correspondence to Deloitte on approach to Drytech Canada assets located in US; telephone call with Deloitte re offers on CRDN division, BDC and TD priority questions, approach to CRDN franchisor, and vesting order Court date			
	Lorne W Segal	1.70	500.00/hr	850.00
04/05/2016	Email to D. Peloquin re signed postponement; email to B. Bloom re RBC loan and security documents and outstanding amount;			
	Julien Bourgeois	0.30	220.00/hr	66.00
04/05/2016	Exchanging e-mails with D. Peloquin and J. Bourgeois (copied to J. Saunders and L. Segal) (amending letter);			
	Melanie Polowin	0.10	415.00/hr	41.50
04/05/2016	Review of correspondence from and preparation of correspondence to Eric St-Pierre re engagement with Franchisor on prospective buyers / franchisees;			
	Lorne W Segal	0.20	500.00/hr	100.00

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05/05/2016	Email to D. Peloquin re statutory and common law liens of third party repairers on assets; email to P. Opar re security document for Addison Fleet; reviewing schedule to Master Lease Agreement between Enterprise Fleet Management and Drytech; updating secured creditor summary chart; email to D. Peloquin re Enterprise Fleet Management security interest, De Lage Landen Combilift and RBC;			
	Julien Bourgeois	1.80	220.00/hr	396.00
05/05/2016	Drafting amending letter; exchanging e-mails with D. Peloquin (copied to J. Saunders, J. Bourgeois and L. Segal);			
	Melanie Polowin	0.30	415.00/hr	124.50
05/05/2016	Review of correspondence re PPSA priority issues and sale of CRDN assets;			
	Lorne W Segal	0.40	500.00/hr	200.00
06/05/2016	Call with D. Peloquin and L. Segal re security interest of Enterprise Fleet Management; drafting letter to Enterprise Fleet Management re priority under PPSA; email to L. Segal re same; email to D. Gray and F. Spizzirri re same;			
	Julien Bourgeois	2.30	220.00/hr	506.00
06/05/2016	Telephone call with David Peloquin re Enterprise PMSI issue; review of PPSA and applicable legislation; review of and preparation of amendments to letter to Enterprise; telephone call with David Peloquin on sale process and approach to Franchisor and offerors; review of CRDN Franchise Agreement and remedies on default and provisions relating to assignment; review of Section 84.1 of the BIA re entitlement of a Receiver to assign a contract without the consent of the contractual counter-party and review of related case law; telephone call with Eric St-Pierre relating to the foregoing;			
	Lorne W Segal	2.50	500.00/hr	1,250.00
09/05/2016	Attending call with L. Segal, Deloitte, TD and BLG re potential offers on CRDN division;			
	Julien Bourgeois	0.70	220.00/hr	154.00
09/05/2016	Review of summary of CRDN division offers; conference call with Deloitte, TD and BLG on approach to offers and Franchisor;			
	Lorne W Segal	0.80	500.00/hr	400.00
10/05/2016	Email to M. Hung re updating PPSA search against Drytech; call to Ford Credit Leasing Canada re security documents; receiving and reviewing same; call to Land Rover dealer re security documents; email to Land Rover dealer re written request for security document and outstanding indebtedness; updating secured creditor summary chart; email to D. Peloquin re vehicles; call to B. Bloom re RBC security; email to D. Peloquin re Fort McMurray assets; drafting release re Kal Tire lien on trailer; email to D. Peloquin re same; email to D. Peloquin re demand letter for outstanding accounts receivables; reviewing Phocatox agreements and documents; email to D. Peloquin re same; call with L. Segal re Aviva insurance policy expiration; providing instructions to K. Dlugosch re expiration of agreement under stay;			
	Julien Bourgeois	5.00	220.00/hr	1,100.00
10/05/2016	Conducting verbal PPSA search in Ontario with respect to DRYTECH INTERNATIONAL INC.; J Bourgeois;			
	Mabel Hung	0.10	150.00/hr	15.00
11/05/2016	Review of letter from Langlois re Houle offer; preparation of correspondence to Martin Franco re Houle Offer; various telephone calls with Langlois' office and preparation of correspondence to Langlois re Houle offer;			

Terms: due upon receipt
 Interest at the rate of 0.8% per annum will be charged on all amounts not paid within one month from the date of this invoice
 Errors and omissions excluded

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	Lorne W Segal	0.60	500.00/hr	300.00	
12/05/2016	Conference with L. Segal re various receivership matters including sale of assets in Fort McMurray, RBC request for notice under PPSA, validity and enforceability opinion; reviewing RBC loan agreement; call with D. Peloquin, M. Franco and L. Segal re various matters including Fort McMurray sale and CRDN purchase offer; email to D. Peloquin re supporting documentation for vehicles;				
	Julien Bourgeois	2.70	220.00/hr	594.00	
12/05/2016	Telephone call with Stephane Langlois re terms of the Houle CRDN Offer; telephone call with Deloitte re sale of Air Scrubbers, approach to RBC request to issue Section 63(4) PPSA notices, and sale of real estate; preparation of correspondence to Stephan Langois re terms of revised Houle offer;				
	Lorne W Segal	1.50	500.00/hr	750.00	
12/05/2016	Telephone call with W. Kerrick re approach to real estate; review of real estate searches;				
	Lorne W Segal	0.40	500.00/hr	200.00	
	Fees for Professional Services				\$33,269.50
	Adjustment				\$(391.50)
	Total Fees for Professional Services				<u>\$32,878.00</u>

DISBURSEMENTS

Taxable Costs

Copying	\$87.50
Scanning Service	\$60.00
Corporate Searches - Taxable	\$87.70
Courier	\$166.68
TeraView (Ontario) Online Searches & Registration - Taxable	\$244.15
Total Taxable Disbursements	<u>\$646.03</u>

Non-Taxable Costs

Corporate Searches - Agency	\$34.50
TeraView (Ontario) Online Searches & Registration - Agency	\$62.85
Total Non-Taxable Disbursements	<u>\$97.35</u>

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Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: 02390854
RE: Receivership - Drytech International Inc. and 6892639 Canada Inc.
Amount Due: \$37,979.51

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling WLG (Canada) LLP**

Remit to: Gowling WLG (Canada) LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling WLG (Canada) LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

US Corresponding Bank for US Dollar wires:
Wells Fargo Bank, N.A. BIC: PNBUS3NNYC - ABA:026005092

* if paying by wire or EFT please e-mail the remittance details to payments.ca@gowlingwlq.com