



Court File No. CV-17-00011672-00CL

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

THE HONOURABLE)
JUSTICE CONWAY)
_____)
THURSDAY, THE 27 TH
DAY OF OCTOBER, 2022

APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43,
AS AMENDED

BETWEEN:

HSBC BANK CANADA

Applicant

-and-

2SOURCE MANUFACTURING INC.

Respondent

**ORDER
(Re: Approval of Fees and Discharge)**

THIS MOTION made by Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the Court-appointed receiver of the Respondent in these proceedings for an Order on consent, among other things: (i) approving the Receiver’s actions and activities described in the Third Report dated July 19, 2022; (ii) approving the Final R&D; (iii) approving the Professional Fees; (iv) authorizing the Receiver to make a final distribution to HSBC Bank Canada; (v) barring all claims against the Receiver by any person upon the Receiver’s discharge; (vi) restricting the duties and obligations

of the Receiver to the Remaining Duties until such time as the Receiver is discharged; and (vii) terminating these proceedings and discharging Deloitte from the powers, duties, and obligations attendant to its appointment as Receiver effective upon the filing of a certificate with the Court indicating that the Receiver has completed the Remaining Duties, was heard in writing this day at 330 University Avenue, Toronto, Ontario.

ON READING the Consent, filed, the Receiver's Notice of Motion dated October 5, 2022, the Third and Final Report of the Receiver dated July 19, 2022 and the appendices thereto (the "**Third Report**"), the Fee Affidavit of Hartley Bricks sworn July 18, 2022 (the "**Bricks Affidavit**"), the Fee Affidavit of Leanne Williams sworn July 18, 2022 (the "**Williams Affidavit**"), the Fee Affidavit of John Salmas sworn June 10, 2022 (the "**Salmas Affidavit**"), the Fee Affidavit of Ian Kirby sworn March 17, 2022 (the "**Kirby Affidavit**");

INTERPRETATION

1. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Third Report.

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER

2. **THIS COURT ORDERS** that the Third Report and the activities, decisions and conduct of the Receiver as set out in the Third Report are hereby authorized and approved.

3. **THIS COURT ORDERS** that the Receiver's final statement of receipts and disbursements for the period January 23, 2017 to May 31, 2022 (the "**Final R&D**"), as set out in the Third Report and attached as Appendix "I" to the Third Report, is hereby approved.

4. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between August 12, 2017 to March 31, 2022, in the amount of \$75,448.50, plus disbursements in the sum of \$15,965.04 plus Harmonized Sales Tax ("**HST**") of \$11,883.77, totaling \$103,297.31 as further

set out in the Third Report and the Bricks Affidavit attached as Appendix “J” to the Third Report, are hereby approved.

5. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP (“TGF”), independent counsel to the Receiver, for the period between August 8, 2017 to January 31, 2019, in the amount of \$21,630.00, plus disbursements of \$1,130.76 and HST of \$2,938.10, for a total of \$25,698.86, as further set out in the Third Report and the Williams Affidavit attached as Appendix “K” to the Third Report, are hereby approved.

6. **THIS COURT ORDERS** that the professional fees of Dentons, counsel to the Receiver, for the period between July 27, 2017 to August 31, 2017, in the amount of \$10,926.00, plus disbursements of \$112.85 and HST of \$1,435.05, for a total of \$12,473.90, as further set out in the Third Report and the Salmas Affidavit attached as Appendix “L” to the Third Report, are hereby approved.

7. **THIS COURT ORDERS** that the professional fees of Kirbys, counsel to the Receiver in respect of certain litigation, for the period between March 3, 2016 to November 22, 2021, in the amount of \$94,360.00, plus disbursements of \$8,180.03 and HST of \$13,179.68, for a total of \$115,719.71, as further set out in the Third Report and the Kirby Affidavit attached as Appendix “M” to the Third Report, are hereby approved.

8. **THIS COURT ORDERS** that the additional professional fees of the Receiver and TGF to the conclusion of the administration estimated to be approximately \$8,000.00 plus disbursements and HST are hereby approved.

DISCHARGE AND RELEASE OF THE RECEIVER

9. **THIS COURT ORDERS** that, upon the Receiver serving on the Service List a certificate in the form attached hereto as **Schedule “A”** (the “**Discharge Certificate**”), with the filing of such certificate with the Court to follow as soon as practicable, the Receiver shall be discharged as Receiver of the Property, provided, however, that notwithstanding its discharge herein, the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Deloitte in its capacity as Receiver.

10. **THIS COURT ORDERS AND DECLARES** that, upon delivery of the Discharge Certificate in accordance with the preceding paragraph, Deloitte is hereby released and discharged from any and all liability that Deloitte now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Deloitte while acting in its capacity as Receiver of the Company herein, save and except for any gross negligence or wilful misconduct on the Receiver's part.

11. **THIS COURT AUTHORIZES** the Receiver to make a final distribution to HSBC Bank Canada of the remaining funds in its possession after payment of the Receiver's fees and disbursements, including legal fees.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 and its agents 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.

13. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



Schedule “A” – Form of Receiver’s Discharge Certificate

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Applicant

-and-

2SOURCE MANUFACTURING INC.

Respondent

RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

1. Pursuant to an application by HSBC Bank Canada under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, and the Order (appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated January 23, 2017, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as Receiver of the assets, undertakings and properties (the “**Property**”) of 2Source Manufacturing Inc. (the “**Company**”).
2. Pursuant to an Order of the Court dated October 13, 2022 (the “**Discharge Order**”), Deloitte was to be discharged as Receiver of the Property effective upon payment of the amounts set out in the Discharge Order and upon the delivery by the Receiver to the Service

List of a certificate confirming that all matters to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

- (a) all matters, if any, to be attended to in connection with the receivership of the Company have been completed to the satisfaction of the Receiver;
- (b) the Receiver has paid any and all distributions to creditors; and
- (c) this Certificate was served by the Receiver on the Service List on the _____ day of _____, 2022 at _____ [time], and the filing of this Certificate with the Court will follow as soon as practicable.

Deloitte Restructuring Inc., solely in its capacity as the Court-appointed receiver of the assets, undertakings and properties of 2Source Manufacturing Inc., and without personal or corporate liability

Name:

Title:

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED,
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Proceedings commenced at Toronto, Ontario

**ORDER
(Re: Approval of Fees and Discharge)**

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Court-appointed receiver of 2Source Manufacturing Inc.