

Court File No. CV-20- 00636095-CL

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

MOTION RECORD OF THE RECEIVER

March 20, 2020

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Tab 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

NOTICE OF MOTION
(returnable March 25, 2020)

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as court-appointed receiver (the "**Receiver**"), appointed pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated February 12, 2020 (the "**Appointment Order**") of the Property (as defined in the Appointment Order) of Dean Myers Chevrolet Limited ("**DMCL**") and 1125278 Ontario Limited ("**112 Ontario**") (collectively the "**Debtor**") will make a Motion to a Judge on March 25, 2020 at 10:00 a.m., or as soon after that time as the Motion can be heard by telephone conference through the Court House, 330 University Ave, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

☐ in writing under subrule 37.12.1(1) because it is on consent;

☐ in writing as an opposed motion under subrule 37.12.1(4);

☒ orally.

THE MOTION IS FOR:

Orders substantially in the forms attached hereto as Schedule "A" (Approval and Vesting Order), Schedule "B" (Omnibus Order) and Schedule "C", (Ancillary Order), including without limitation, an Order for, *inter alia*, the following:

Approval and Vesting Order (defined terms specific to this Order)

- a) An Approval and Vesting Order, substantially in the form attached hereto at Schedule "A", *inter alia*, approving the transaction contemplated by an agreement of purchase and sale (the "**GM Sale Agreement**") between the Receiver and General Motors of Canada Company (the "**Purchaser**") dated March 17, 2020 and appended to the Confidential Report of the Receiver dated March 19, 2020, for the sale of the assets described in the GM Sale Agreement (the "**Purchased Assets**"), and vesting all of the right, title and interest of DMCL in and to the Purchased Assets in the Purchaser free and clear of and from any Claims and Encumbrances (as defined in the Approval and Vesting Order).

Omnibus Order (defined terms specific to this Order)

- a) An Order prospectively authorizing the Receiver to accept an offer or offers to purchase, either by private sale or auction, of any or all of the unsold vehicles, parts inventory, fixed assets and equipment of the Debtor (the "**Unsold Units**" and individually, an "**Unsold Unit**") provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the value for such Unsold Unit(s) and prior sales of similar units and with consideration to the current market conditions and all other terms of the offer(s) are, in the Receiver's sole opinion, in the best interest of the stakeholders of the Debtor;
- b) An Order prospectively authorizing the execution of an agreement of purchase and sale or bill of sale in respect of each Unsold Unit by the Receiver, as vendor, and the purchaser of each Unsold Unit (each purchaser hereinafter referred to as the "**Purchaser**") substantially in the form as attached at Schedule "A1" and "A2" to this Omnibus Order, together with any amendments or modifications thereto deemed necessary by the Receiver (each agreement hereinafter referred to as a "**Bill of Sale**");
- c) An Order prospectively approving the sale transactions in respect of the Unsold Units;

- d) An Order that, upon delivery by the Receiver to the Purchaser of a Receiver's Certificate substantially in the form attached as Schedule "B" to the Omnibus Order, all of the Debtor's right, title and interest in and to the Unsold Unit(s) described in each applicable Bill of Sale will vest in and to the applicable Purchaser, free and clear of and from all Claims and Encumbrances (as defined in the Omnibus Order).

Ancillary Order (defined terms only applicable in this section)

- a) An Order that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispenses with further service and confirmation hereof;
- b) An Order approving the Receiver's First Report to the Court dated March 19, 2020 (the "**First Report**") and the Confidential Supplement to the First Report dated March 19, 2020 (the "**Confidential Supplement**") and the activities and conduct of the Receiver as detailed therein;
- c) An Order sealing the Confidential Supplement until the completion of the Agreement of Purchase and Sale between General Motors of Canada Company and the Receiver dated March 17, 2020, or until further Order of this Court;
- d) An Order that the Statement of Receipts and Disbursements as detailed in the First Report be approved;
- e) An Order that the Receiver be authorized to make a distribution payment to the applicant, Royal Bank of Canada ("**RBC**"), as detailed in the First Report, and such further distributions to RBC at the discretion of the Receiver up to the amount owed to RBC by the Debtor, including all interest and costs;
- f) An Order approving an increase in the Receiver's borrowing limit in paragraph 22 of the Appointment Order from \$125,000 to \$750,000; and,
- g) Such further and other relief as counsel may request and this honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

Introduction and Appointment

1. On Application by the Debtor's senior secured lender RBC, Deloitte was appointed Receiver of the Property of the Debtor pursuant to the Appointment Order.
2. DMCL is an Ontario corporation which operated as an automotive dealership and service centre located at 3180 Dufferin Street, Toronto (the "**Premises**"). DMCL was an authorized reseller of new Chevrolet, Buick and GMC branded vehicles pursuant to a dealership agreement (the "**Dealership Agreement**") with General Motors of Canada Limited ("**GM**"). In addition, DMCL also sold used vehicles and participated in consignment sales of vehicles located at the Premises and through an online platform.
3. 112 Ontario is an Ontario corporation and primarily operated as a vehicle leasing company which also operated out of the Premises.
4. The Appointment Order, among other things, authorized the Receiver to market any or all of the Property and section 3(k)(i) of the Appointment Order authorized the Receiver to sell, convey, transfer, lease or assign the Property or parts of the Property out of the ordinary course of business, without the approval of this Court in respect of any repurchase of vehicles or parts inventory by General Motors of Canada Company or any of its affiliates, without any per transaction aggregate limit.
5. Section 3(k)(ii) of the Appointment Order also permitted, the Receiver to sell, convey, transfer, lease or assign the Property or parts of the Property out of the ordinary course of business without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000.

Background

6. Richard Chamberlin ("**Richard**") is a director and the President of DMCL. Richard's spouse Penny Chamberlin ("**Penny**") is also a director and officer

of DMCL. Telma Dantas (“**Dantas**”) is an officer and was employed as a financial controller of DMCL as at the date of the Appointment Order.

7. Gordon Dean Myers (“**Gordon**”) had operated a GM dealership at the Premises for decades before ultimately selling the business to DMCL, which is controlled by Richard who is Gordon’s son-in-law.
8. The Premises was owned by DMCL Leasing Limited (the “**Former Landlord**”), a company controlled by Gordon. The Former Landlord entered into lease agreements (the “**Premises Lease**”) with DMCL for continued use of the Premises. The Premises Lease was amended to contemplate an early termination effective June 30, 2020 to facilitate a sale of the Premises to a division of RioCan (the “**New Landlord**”) pursuant to a sale transaction which closed on March 5, 2020.
9. The Premises consists of one large building hosting a vehicle showroom and offices, a vehicle service centre and garage, parts storage room, surrounded by a front lot and a large gated rear lot where most of the vehicle inventory is parked, and a second standalone structure which is used primarily for vehicle storage.
10. DMCL also rented a nearby ground level parking lot (the “**Overflow Lot**”) located at 3501 Dufferin Street, Toronto pursuant to a real property lease (the “**Overflow Lot Lease**”) with a third-party landlord. The Receiver understands that the Overflow Lot was not actively used by DMCL for the period leading up to the date of the Appointment Order due to sufficient parking space at the Premises. The Receiver has since consented to the termination of the Overflow Lot Lease following a request from the respective landlord.
11. 112 Ontario operated as a vehicle leasing business under the “Dealerwerx Leasing” trading name. A corporate search report indicates that the directors and officers of 112 Ontario are Richard (Director and Chief Executive Officer), Penny (Director and President), and Dantas (Officer).

12. DMCL had 44 employees as at the date of the Appointment Order, of which 42 were full-time and two (2) were part-time. 112 Ontario did not have any employees and was administered by DMCL's management and employees.

Receiver's Activities

13. The Receiver has undertaken the activities, that are further detailed at section 22 of the First Report, in accordance with the terms of the Appointment Order, including;
 - a. Securing the Premise, and ensuring the continued provision of utilities and insurance with respect to same;
 - b. dealings with the DMCL employees, and administering amounts due to employees under the Wage Earner Protection Program Act ("**WEPPA**");
 - c. dealing with Canada Revenue Agency ("**CRA**");
 - d. dealing with the vehicle inventory, and the return of certain vehicles to the Premises;
 - e. commenced a formal marketing of all 2020 model vehicle inventory to GM dealers and negotiations with GM in respect of applicable repurchases;
 - f. conducted a detailed reconciliation of customer deposits in respect of future vehicle purchases, consulted with Richard, the Ontario Motor Vehicle Industry Council, and GM in this regard, and arranged for the issuance of letters by its counsel, Harrison Pensa LLP to all 58 affected customers;
 - g. worked cooperatively with GM in addressing additional customer and stakeholder inquiries;
 - h. entered into the GM Sale Agreement, as detailed in the First Report;
 - i. reached a settlement with the Former Landlord and the payment of monies, as detailed in the First Report;

- j. issued demand letters to related parties for payment of outstanding receivables, and made inquiries to Richard in this regard;
- k. issued its statutory Notice and Statement of Receiver pursuant to subsections 245(1) and 246(2) of the *Bankruptcy and Insolvency Act* (“**BIA**”) for each of DMCL and 112 Ontario.

The RBC Security

- 14. RBC is the first registered secured creditor of DMCL and 112 Ontario. As at January 27, 2020 DMCL was indebted to RBC in the amount of \$9,224,188 before accrued interest and costs (the “**DMCL Indebtedness**”). 112 Ontario is indebted to the Bank as at January 31, 2020 in the amount of \$300,359 and a guarantor of the DMCL Indebtedness to the Bank.
- 15. Deloitte retained Harrison Pensa LLP, independent legal counsel who has reviewed the security held by RBC and concludes that the RBC holds a valid security interest in all property, assets and undertakings of the property of DMCL and 112 Ontario.
- 16. Other than RBC the only other parties who have made a registration under the *Personal Property Security Act* are CWB National Leasing Inc. (“**CWB**”) and Pattison Sign Group (“**Pattison**”). The CWB and Pattison’s registrations relate to specific assets and the Receiver is working with CWB and Pattison for the return of such assets.
- 17. RBC has also made VIN specific registrations against the vehicle inventory of DMCL.

The Proposed GM Transaction

- 18. Due to the depreciating nature of vehicles and the inherent significant security and occupancy costs, time was of the essence. The Receiver took steps to immediately compile New Inventory listings with a view to negotiating a repurchase by GM of new vehicles and parts inventory pursuant to the terms of the Dealership Agreement.

19. After several negotiations GM advised it was amenable to the repurchase of model 2020 New Inventory only, and subject to strict criteria such as minimal mileage, LPO Accessories, keys, owners manuals and no damage. Moreover, GM agreed to the timely remittance of purchase proceeds without delay.
20. Following several inspections the Receiver and GM entered into the GM Sale Agreement for forty nine (49) model 2020 new vehicles.
21. The Receiver believes the transaction contemplated by the GM Sale Agreement represents the most commercially reasonable value for these vehicles in the circumstances.

Marketing of the Remaining Vehicles, Parts Inventory and Assets

22. The Receiver consulted with DMCL staff, and representatives of GM and RBC's automotive group in respect of a strategic list of prospective GM dealers.
23. On February 28, 2020, the Receiver issued a detailed listing of all New Inventory to GM dealers in Ontario and select GM dealers in Quebec.
24. The Receiver will be updating fellow GM dealers to provide the following:
 - a. an updated list of remaining model year 2020, 2019, 2018 and 2017 new and demo vehicles which removes vehicles repurchased by GM;
 - b. copies of purchase invoices in respect of the remaining New Inventory;
 - c. a copy of the Receiver's form of Bill of Sale and accompanying schedule; and,
 - d. information in respect of site inspections.
25. The Receiver intends to market the vehicle inventory remaining following the closing of the transaction contemplated by the GM Sale Agreement and certain fixed assets to the same population of GM dealers plus dealers in the

immediate vicinity and other interested parties who have contacted the Receiver to date.

26. Parts inventory will also be primarily marketed to GM dealers due to the nature of those products.

Proposed Disposition Plan

27. The Receiver is seeking the Omnibus Order which prospectively authorizes the Receiver to accept offers on unsold vehicles, parts inventory, fixed assets and equipment, enter sales agreements and vest title with respect to same.
28. The Receiver is of the view that the Omnibus Order is appropriate due to the nature and value of the remaining assets including the potential for numerous individual transactions. The Omnibus Order will expedite the sale of the remaining assets while minimizing overhead and occupancy costs.

Distribution

29. As detailed above, the Receiver has obtained an independent legal opinion confirming the validity and enforceability of RBC's security.
30. It is the Receiver's opinion that the estimated recovery from the assets and undertakings of DMCL and 112 Ontario will not be sufficient to retire the estimated amount of the RBC Indebtedness and potential priority claims with the result that there will be no recovery available to the unsecured creditors of the receivership estates of DMCL and 112 Ontario.
31. The Receiver is aware of the following potential priority claims:
 - a. \$93,277 in respect of BIA Section 81.4 of the BIA as calculated by the Receiver as part of its WEPPA submission to Service Canada; and
 - b. \$26,295 for DMCL and \$5,522 for 112 Ontario in respect of unpaid HST for the pre-receivership period. The Receiver is not aware of any unremitted employee source deductions. The Receiver has made requests to CRA for audits of the Debtors' HST and payroll tax accounts, but such audits have yet to be scheduled.

32. At this time, the Receiver is seeking Court approval of an initial distribution of available funds plus anticipated funds from the closing of the GM Sale Agreement to RBC as the senior secured creditor.
33. In order to minimize the costs associated with obtaining approval by the Court of further distributions of available funds to RBC, the Receiver is also seeking Court approval for future distributions from available funds to RBC as they become available in the Receiver's opinion up to the full amount of the RBC Indebtedness without further order of this Court.
34. GM system restrictions prevent the direct payment of any repurchase directly to the Receiver, and can only flow through the existing floor plan account. The Receiver has been advised by RBC that the floor plan account system has similar limitations and cannot redirect the funds out of the floor plan account. However, RBC has advised the Receiver that it will support the increase of the Receiver's borrowings to allow the Receiver to fulfil receivership obligations and potential priority claims which may have priority to RBC.
35. Section 22 of the Appointment Order authorizes the Receiver to borrow up to \$125,000. RBC has confirmed that it supports the increase of this limit to \$750,000 and will fund this amount as necessary to settle known priority payables, plus accrued and future receivership liabilities.

Sealing Order

36. Until such time as the transaction contemplated by the GM Sale Agreement is completed and funds are received by the Receiver, the Receiver is of the view that the information and documentation contained in the Confidential Report should be sealed in order to avoid the negative impact that the dissemination of the confidential information contained therein would have if the recommended sale of the Purchased Assets failed to close for any reason. Publication of the purchase price would undermine the fairness of any future sales efforts.
37. Section 243 of the BIA.

38. Sections 101, 137(2) and 141 of the *Courts of Justice Act*.
39. Rules 2, 3, 37.14, 59.06 and 38 of the *Rules of Civil Procedure*.
40. The grounds as detailed in the First Report and the Confidential Report.
41. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Appointment Order;
2. The First Report of the Receiver dated March 19, 2020;
3. Confidential Supplement to the First Report dated March 19, 2020; and,
4. Such materials as counsel may advise and this Honourable Court may permit.

March 20, 2020

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Solicitors for the Receiver,
Deloitte Restructuring Inc.

To: Service List

SCHEDULE "A"

Court File No. CV-20-00636095-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAYWEDNESDAY, THE #25TH
JUSTICE)
DAY OF MONTHMARCH, 2020YR

B E T W E E N:

PLAINTIFFROYAL BANK OF CANADA

PlaintiffApplicant

- and -

**DEFENDANTDEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO
LIMITED**

DefendantRespondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME]Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR]Dean Myers Chevrolet Limited ("DMC") and 1125278 Ontario Limited (collectively the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER]General Motors of Canada Company (the "Purchaser") dated [DATE]March 17, 2020 and appended to the Confidential Report of the Receiver dated [DATE]March 18, 2020 (the "Confidential Report"), and vesting in the Purchaser the Debtor'sDMC's right, title and interest in

and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the [First Report of the Receiver dated March 19, 2020, the Confidential Report to the First Report dated March 19, 2020](#) and on hearing the submissions of counsel for the Receiver [and such other counsel that were present, \[NAMES OF OTHER PARTIES APPEARING\]](#), no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of [the Debtor's DMC's](#) right, title and interest in and to the Purchased Assets described in [Schedule A to](#) the Sale Agreement ~~[\[and listed on Schedule B hereto\]](#)~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and

¹~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

²~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~Hainey dated ~~[DATE]~~February 12, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (collectively the "PPSA"); ~~and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the "Encumbrances", ~~which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D~~) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and the Receiver or the Royal Bank of Canada is authorized to register discharges under the PPSA with respect to same.

~~3. — THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act~~⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property ~~all of the Claims listed in Schedule C hereto.~~

4.3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the

⁵The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5.4. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

7.5. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of ~~the Debtor~~DMC and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ~~the Debtor~~DMC;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ~~the Debtor~~DMC and shall not be void or voidable by creditors of ~~the Debtor~~DMC, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. ~~THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

9. 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.

~~10.6.~~

**Schedule A –
Form of Receiver’s Certificate**

Court File No. CV-636095-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

PLAINTIFF ROYAL BANK OF CANADA

Plaintiff Applicant

- and -

DEFENDANT DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Defendant Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated February 12, 2020, Deloitte Restructuring Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Dean Myers Chevrolet Limited and 1125278 Ontario Limited (collectively the “Debtor”).

B. Pursuant to an Order of the Court dated March 25, 2020, the Court approved the agreement of purchase and sale made as of March 17, 2020 (the "Sale Agreement") between the Receiver, Dean Myers Chevrolet Limited and NAME OF

~~PURCHASER~~General Motors of Canada Company (the "Purchaser") and provided for the vesting in the Purchaser of ~~the Debtor's~~Dean Myers Chevrolet Limited's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section 4.1~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in ~~section 4.1~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~DELOITTE
RESTRUCTURING INC., in its capacity as
Receiver of the undertaking, property and
assets of ~~[DEBTOR]~~DEAN MYERS
CHEVROLET LIMITED and 1125278
ONTARIO LIMITED, and not in its personal
capacity

Per: _____

Name:

Title:

Schedule B—Purchased Assets

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)~~

ROYAL BANK OF CANADA

-and- DEAN MYERS CHEVROLET LIMITED et al

Applicant

Respondents

Court File No. CV-636095 CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING ORDER

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot St.
London, ON N6A 4K3

Timothy C. Hogan (LSO #36553S)

Tel: (519) 679-9660

Fax: (519) 667-3362

Lawyers for the Receiver,
Deloitte Restructuring Inc.

SCHEDULE "B"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE TH
JUSTICE)
DAY OF MARCH, 2020

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

OMNIBUS ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Dean Myers Chevrolet Limited and 1125278 Ontario Limited (collectively the "**Debtor**") pursuant to the Order of The Honourable Justice Hainey dated February 12, 2020 (the "**Appointment Order**") for an order:

- a) Prospectively authorizing the Receiver to accept an offer or offers to purchase, either by private sale or auction, of any or all of the unsold vehicles, parts inventory, fixed assets and equipment of the Debtor ("**Unsold Units**") provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the value for such Unsold Unit(s) and prior sales of similar units and with consideration to the current

market conditions and all other terms of the offer(s) are, in the Receiver's sole opinion, in the best interest of the stakeholders of the Debtor;

- b) Prospectively authorizing the execution of an agreement of purchase and sale or bill of sale in respect of each Unsold Unit by the Receiver, as vendor, and the purchase of each Unsold Unit (each purchaser hereinafter referred to as the "**Purchaser**") substantially in the form as attached at Schedule "A1" and "A2" to this Order, together with any amendments or modifications thereto deemed necessary by the Receiver (each agreement hereinafter referred to as an "**Bill of Sale**");
- c) Prospectively approving the sale transactions (each such transaction a "**Transaction**" and together, the "**Transactions**") in respect of the Unsold Units; and,
- d) Providing that, upon delivery by the Receiver to the Purchaser of a Receiver's Certificate substantially in the form attached as Schedule "B" to this Order (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Unsold Unit(s) described in each applicable Bill of Sale (the "**Purchased Assets**") will vest in and to the applicable Purchaser, free and clear of any and all Claims and Encumbrances in paragraph 3 of this Order.

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated March 19, 2020 and the Confidential Supplement of the Receiver dated March 19, 2020 and on hearing the submissions of counsel for the Receiver and any other counsel in attendance, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lindsey Provost sworn March 20, 2020 filed:

1. **THIS COURT ORDERS** that the Receiver is hereby prospectively authorized to accept an offer or offers to purchase, either by private sale or auction, of any or all of the Unsold Units provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the value for such Unsold Unit(s) and prior sales of similar units with consideration given to the current market conditions

and all other terms of the offer(s) are, in the Receiver's sole opinion, in the best interest of the stakeholders of the Debtor.

2. **THIS COURT ORDERS AND DECLARES** that each Transaction is hereby prospectively approved, and the execution of each applicable Bill of Sale by the Receiver is hereby authorized and approved, with any amendments or modifications thereto deemed necessary by the Receiver. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of any Transaction and for the conveyance of the Purchased Assets to each applicable Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto, all of the Debtor's right, title and interest in and to the Purchased Assets described in the applicable Bill of Sale and listed on Exhibit A of the applicable Receiver's Certificate in respect of such Unsold Unit Sale shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated February 12, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds

from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof, and in any event no later than thirty (30) days after the date of the Transaction detailed in each applicable Bill of Sale.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

SCHEDULE A1

BILL OF SALE

Purchaser: _____

Description of Purchased Asset: (attach schedule A if required)

Purchase Price: _____

WHEREAS pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) file no. CV-20-00636095-00CL dated February 12, 2020 (the “**Appointing Order**”), Deloitte Restructuring Inc., was appointed as Receiver over the Property (as defined in the Appointing Order) of Dean Myers Chevrolet Limited (“**DMC**”) and 1125278 Ontario Limited (in such capacity the “**Receiver**”);

AND WHEREAS the Purchaser wishes to purchase and the Receiver wishes to sell certain parts as detailed above, (the “**Purchased Assets**”), in accordance with the terms outlined below;

NOW THEREFORE, in consideration of the sum described above (the “**Purchase Price**”), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver, hereby sells, conveys, transfers, assigns and sets over unto the Purchaser, all of DMC’s right, title and interest, if any, in and to the Purchased Vehicle on an absolutely “as is where is basis”, and to the following terms:

1.0 Purchase Price

- a. The Purchaser will pay the Purchase Price to DELOITTE RESTRUCTURING INC. by way of electronic wire transfer to the Receiver's trust account or a bank draft drawn upon a Schedule 1 chartered bank and in addition to the Purchase Price, the Purchaser will pay all applicable federal and provincial taxes applicable in connection with the purchase and sale of the Purchased Vehicle(s) including, without limitation, Harmonized Sales Tax ("**HST**").

2.0 Possession of Purchased Parts

- a. The Purchaser will remove and transport the Purchased Assets from 3180 Dufferin Street, Toronto, Ontario (the "**Premises**") at its own expense. The Purchaser will be responsible for all damages to the Premises that is caused by the Purchaser during the removal of such Purchased Assets (if applicable).
- b. The Purchaser will take possession of the Purchased Assets where situated within five (5) days of execution of this Bill of Sale and the clearing of the payment of the Purchase Price. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Purchased Assets to the Purchaser.
- c. It shall be the Purchaser's sole responsibility to obtain any consents to the transfer and any further documents or assurances which are necessary or desirable in the circumstances to carry out the sale of the Purchased Assets to the Purchaser.

3.0 As Is Where Is

- a. The Purchaser acknowledges that the Receiver is selling the Purchased Assets on an "as is, where is" basis as they exist on the date of this Agreement without recourse to the Receiver. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Receiver does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. The Purchaser further acknowledges that no

representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, conditions, quantity or quality, assignability or in respect of any other matter or thing whatsoever concerning the Purchased Assets. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply to this transaction and have been waived by the Purchaser and the list of Purchased Assets hereto has been provided for reference purposes only and shall not affect the interpretation of this Agreement. The Receiver has made no representations, warranties, statements or promises (save and except as expressly stated herein) and has not agreed to any conditions with respect to the Purchased Assets, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, all of which are expressly excluded.

- b. The Receiver hereby represents and warrants to the Purchaser that the Receiver has done no act to encumber the Purchased Vehicle or any part thereof and has the authority to sell, assign and transfer to the Purchaser DMC's right, title and interest, if any, in and to the Purchased Assets.

4.0 General

- a. Upon payment of the Purchase Price and the execution and release of this Bill of Sale, the Purchaser will hold the Purchased Assets for its use and benefit without any manner of hindrance, interruption, molestation, claim or demand whatsoever of, from or by DMC or the Receiver, its successors and assigns.
- b. The Receiver represents and warrants that it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- c. The Receiver shall, at all times and from time to time, at the request and sole expense of the Purchaser, execute all such additional documents as the Purchaser may reasonably require to sell, convey and transfer the Purchased

Assets to the Purchaser according to the true intent and meaning of this Bill of Sale.

- d. The representations and warranties described above shall survive closing.
- e. The Bill of Sale may be executed by the parties herein in separate counterparts (which counterparts may be delivered by facsimile transmission, or as a PDF document attached to an email) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.
- f. This Bill of Sale shall enure to the benefit of and be binding upon the respective successors and assigns of the Receiver and the Purchaser.
- g. The Purchaser acknowledges and agrees that Deloitte Restructuring Inc., in executing the Bill of Sale, is acting solely in its capacity as court-appointed Receiver pursuant to the Appointing Order and has no personal or corporate liability under this Bill of Sale.

IN WITNESS WHEREOF the parties have executed this Bill of Sale on the date first written above.

Dated at _____, Ontario this _____ day of _____, 2020

DELOITTE RESTRUCTURING INC.

Solely in its capacity as court-appointed Receiver of the Property of Dean Myers Chevrolet Limited, and not in its personal or corporate capacity

Per:_____

Name:

Title:

(I have authority to bind the Corporation)

[PURCHASER]

Witness:_____

Per:_____

Name:

Title:

(I have authority to bind the Corporation)

SCHEDULE "A-2"

VIN: 10 TH	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DIGIT	5	6	7	8	9	A	B	C	D	E	F	G	H	J	K	L

UCDA WHOLESALE BILL OF SALE

DATE: _____

SELLER MVDA REG # _____

PURCHASER MVDA REG # _____

NAME _____

NAME _____

ADDRESS _____

ADDRESS _____

CITY / PROV / PC _____

CITY / PROV / PC _____

TEL # _____ FAX # _____

TEL # _____ FAX # _____

STOCK #	YEAR	MAKE	MODEL	COLOUR	TRIM LEVEL	GAS / DIESEL / HYBRID	PRICE
SERIAL OR V.I.N. #				DISTANCE TRAVELLED			
				<input type="checkbox"/> KMS <input type="checkbox"/> MILES			

SELLING DEALER'S INFORMATION

PURCHASING DEALER'S INFORMATION

Salesperson's Registration # _____

Salesperson's Registration # _____

Salesperson's Name _____

Salesperson's Name _____

Signature _____

Signature _____

HST Registration # _____

HST Registration # _____

HST	\$ _____
LICENCING	\$ _____
TOTAL	\$ _____

TERMS OF THIS AGREEMENT:

The buyer and seller acknowledge having read the terms of the contract, including those on the reverse and understand and agree that the written terms on this contract form the entire agreement.

SCHEDULE A to WHOLESALE BILL OF SALE

WHEREAS pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) file no. CV-20-00636095-00CL dated February 12, 2020 (the “**Appointing Order**”), Deloitte Restructuring Inc., was appointed as Receiver over the Property (as defined in the Appointing Order) of Dean Myers Chevrolet Limited (“**DMC**”) and 1125278 Ontario Limited (in such capacity the “**Receiver**”);

AND WHEREAS the Purchaser wishes to purchase and the Receiver wishes to sell the Vehicle(s) as detailed on the Wholesale Bill of Sale, (the “**Purchased Vehicle(s)**”), in accordance with the terms outlined below;

NOW THEREFORE, in consideration of the sum described on the Wholesale Bill of Sale (the “**Purchase Price**”), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver, hereby sells, conveys, transfers, assigns and sets over unto the Purchaser, all of DMC’s right, title and interest, if any, in and to the Purchased Vehicle on an absolutely “as is where is basis”, and to the following terms:

2.0 Purchase Price

- b. The Purchaser will pay the Purchase Price to DELOITTE RESTRUCTURING INC. by way of electronic wire transfer to the Receiver’s trust account or a bank draft drawn upon a Schedule 1 chartered bank and in addition to the Purchase Price, the Purchaser will pay all applicable federal and provincial taxes applicable in connection with the purchase and sale of the Purchased Vehicle(s) including, without limitation, Harmonized Sales Tax (“**HST**”).

2.0 Possession of Purchased Vehicles

- d. The Purchaser will remove and transport the Purchased Vehicle from 3180 Dufferin Street, Toronto, Ontario (the “**Premises**”) at its own expense. The Purchaser will be responsible for all damages to the Premises that is caused by the Purchaser during the removal of such Purchased Vehicle(s) (if applicable).

- e. The Purchaser will take possession of the Purchased Vehicle where situated on the within five (5) days of execution of this Bill of Sale and the clearing of the payment of the Purchase Price. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Purchased Vehicle to the Purchaser.
- f. It shall be the Purchaser's sole responsibility to register the vehicles and obtain any consents to the transfer and any further documents or assurances which are necessary or desirable in the circumstances to carry out the sale of the Purchased Vehicle to the Purchaser.

3.0 As Is Where Is

- c. The Purchaser acknowledges that the Receiver is selling the Purchased Vehicle on an "as is, where is" basis as they exist on the date of this Agreement without recourse to the Receiver. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Receiver does not guarantee title to the Purchased Vehicle and that the Purchaser has conducted such inspections of the condition of title to the Purchased Vehicle as it deemed appropriate and has satisfied itself with regard to these matters. The Purchaser further acknowledges that no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, conditions, quantity or quality, assignability or in respect of any other matter or thing whatsoever concerning the Purchased Vehicle. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply to this transaction and have been waived by the Purchaser and the list of Purchased Vehicles hereto has been provided for reference purposes only and shall not affect the interpretation of this Agreement. The Receiver has made no representations, warranties, statements or promises (save and except as expressly stated herein) and has not agreed to any conditions with respect to the Purchased Vehicles, express

or implied, oral or written, legal, equitable, conventional, collateral or otherwise, all of which are expressly excluded.

- d. The Receiver hereby represents and warrants to the Purchaser that the Receiver has done no act to encumber the Purchased Vehicle or any part thereof and has the authority to sell, assign and transfer to the Purchaser DMC's right, title and interest, if any, in and to the Purchased Vehicle.

4.0 General

- h. Upon payment of the Purchase Price and the execution and release of this Wholesale Bill of Sale, the Purchaser will hold the Purchased Vehicle for its use and benefit without any manner of hindrance, interruption, molestation, claim or demand whatsoever of, from or by DMC or the Receiver, its successors and assigns.
- i. The Receiver represents and warrants that it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- j. The Receiver shall, at all times and from time to time, at the request and sole expense of the Purchaser, execute all such additional documents as the Purchaser may reasonably require to sell, convey and transfer the Purchased Vehicle to the Purchaser according to the true intent and meaning of this Bill of Sale.
- k. The representations and warranties described above shall survive closing.
- l. The Bill of Sale may be executed by the parties herein in separate counterparts (which counterparts may be delivered by facsimile transmission, or as a PDF document attached to an email) each of which once executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such counterparts.

- m. This Wholesale Bill of Sale shall enure to the benefit of and be binding upon the respective successors and assigns of the Receiver and the Purchaser.
- n. The Purchaser acknowledges and agrees that Deloitte Restructuring Inc., in executing the Wholesale Bill of Sale, is acting solely in its capacity as court-appointed Receiver pursuant to the Appointing Order and has no personal or corporate liability under this Wholesale Bill of Sale.
- o. The Purchaser acknowledges and agrees that the Receiver is unable to make the required disclosure statements as required by section 30 of the Motor Vehicles Dealer Act 2002, S.O. 2002, c. 30, Sched. B and releases the Receiver from any damages or claims resulting from such non-disclosure.

IN WITNESS WHEREOF the parties have executed this Wholesale Bill of Sale on the date first written above.

Dated at _____, Ontario this _____ day of _____, 2020

DELOITTE RESTRUCTURING INC.

Solely in its capacity as court-appointed Receiver of the Property of Dean Myers Chevrolet Limited, and not in its personal or corporate capacity

Per: _____

Name:

Title:

(I have authority to bind the Corporation)

[PURCHASER]

Witness: _____

Per: _____

Name:

Title:

(I have authority to bind the Corporation)

Schedule B – Form of Receiver’s Certificate

Court File No. CV-636095-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice – Commercial List (the "**Court**") dated February 12, 2020, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Dean Myers Chevrolet Limited and 1125278 Ontario Limited (collectively the "**Debtor**").

B. Pursuant to an Order of the Court dated March 25, 2020, the Court pre-approved the sale of certain assets (the "**Purchased Assets**") subject to a Bill of Sale between [Purchaser] (the "**Purchaser**") and the Receiver dated [date] (the "**Bill of Sale**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing, if any, as set out in the Bill of Sale have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction subject to the Bill of Sale has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Bill of Sale;
2. The conditions to closing, if any, as set out in the Bill of Sale have been satisfied or waived by the Receiver and the Purchaser; and
3. The transaction contemplated by the Bill of Sale has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Deloitte Restructuring Inc., in its capacity as
Receiver of the undertaking, property and
assets of Dean Myers Chevrolet Limited and
1125278 Ontario Limited, and not in its
personal capacity**

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

-and-

DEAN MYERS CHEVROLET LIMITED et al

Applicant

Respondents

Court File No. CV-636095 CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

OMNIBUS ORDER

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot St.
London, ON N6A 4K3

Timothy C. Hogan (LSO #36553S)

Tel: (519) 679-9660

Fax: (519) 667-3362

Lawyers for the Receiver,
Deloitte Restructuring Inc.

SCHEDULE "C"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE TH
JUSTICE)
DAY OF MARCH, 2020

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

ANCILLARY ORDER

THIS MOTION, made by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Dean Myers Chevrolet Limited and 1125278 Ontario Limited (collectively the "**Debtor**") pursuant to the order of The Honourable Justice Hailey dated February 12, 2020 (the "**Appointment Order**") for an order:

- a) An Order that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispenses with further service and confirmation hereof;
- b) An Order approving the Receiver's First Report to the Court dated March 19, 2020 (the "**First Report**") and the Confidential Supplement to the First Report dated March 19,

2020 (the “**Confidential Supplement**”) and the activities and conduct of the Receiver as detailed therein;

- c) An Order sealing the Confidential Supplement until the completion of the Agreement of Purchase and Sale between General Motors of Canada Company and the Receiver dated March 17, 2020 (the “**APS**”), or until further Order of this Court;
- d) An Order that the Statement of Receipts and Disbursements as detailed in the First Report (the “**Statement of Receipts and Disbursements**”) be approved;
- e) An Order approving an increase in the Receiver’s borrowing limit in paragraph 22 of the Appointment Order from \$125,000 to \$750,000;
- f) An Order that the Receiver be authorized to make a distribution payment to the applicant, Royal Bank of Canada (“**RBC**”), as detailed in the First Report, and such further distributions to RBC at the discretion of the Receiver up to the amount owed to RBC by the Debtor, including all interest and costs; and,
- g) Such further and other relief as counsel may request and this honourable court may permit.

was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and all Schedules thereto, the First Report and the Confidential Supplement to the First Report, the Affidavit of Service of Lindsay Provost sworn March 20, 2020 and on hearing submissions from all counsel in attendance,

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and the Motion Record is hereby abridged and that this motion is properly returnable today.

2. **THIS COURT ORDERS** that the First Report and the Confidential Supplement and the activities and conduct of the Receiver as detailed therein be and is hereby approved.
3. **THIS COURT ORDERS** that the Confidential Supplement be and is hereby sealed until the completion of the APS or until further Order of this Court;
4. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and is hereby approved.
5. **THIS COURT ORDERS** that the Receiver's borrowing limit in paragraph 22 of the Appointment Order be increased from \$125,000 to \$750,000.
6. **THIS COURT ORDERS** that the Receiver be authorized to make a distribution payment to the applicant, RBC, as detailed in the First Report, and such further distributions to RBC at the discretion of the Receiver up to the amount owed to RBC by the Debtor, including all interest and costs.

Justice, *Ontario* Superior Court of Justice

ROYAL BANK OF CANADA

-and-

DEAN MYERS CHEVROLET LIMITED et al

Applicant

Respondents

Court File No. CV-636095 CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

ANCILLARY ORDER

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ROYAL BANK OF CANADA

Applicant

-and-

DEAN MYERS CHEVROLET LIMITED et al.

Respondents

Court File No. CV-20-00636095-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
Toronto, Ontario

NOTICE OF MOTION

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Solicitors for the Receiver,
Deloitte Restructuring Inc.

Tab 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

DEAN MYERS CHEVROLET and 1125278 ONTARIO LIMITED

Defendants

FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER
DATED MARCH 19, 2020

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APPENDICES

APPENDIX	DESCRIPTION
A	Appointment Order dated February 12, 2020 and Endorsement of Justice Hainey dated February 12, 2020
B	Accepted Asset Purchase Agreement – Redacted Version
C	Statement of Receipts and Disbursements for the period February 12, 2020 to March 16, 2020

CONFIDENTIAL APPENDICES

CONFIDENTIAL APPENDIX	DESCRIPTION
A	Confidential Supplement to the Report of the Receiver
B	Accepted Asset Purchase Agreement – Unredacted Version

INTRODUCTION

1. An application was made on February 11, 2020 by Royal Bank of Canada (“**RBC**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver (the “**Receiver**”) without security, of all the assets, undertakings and properties of each of Dean Myers Chevrolet Limited (“**DMCL**” or the “**Borrower**”) and 1125278 Ontario Limited (“**1125278**” or the “**Guarantor**”, and collectively with DMCL, the “**Debtors**”) acquired for, or used in relation to a business carried on by any of the Debtors (the “**Property**”).
2. As described more particularly in this report, RBC is the senior secured lender of the Debtors and certain related parties pursuant to credit facilities granted by RBC (the “**RBC Indebtedness**”).
3. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 12, 2020 (the “**Appointment Order**”) and the endorsement of Justice Hainey (the “**February 12 Endorsement**”), Deloitte was appointed as the Receiver of the Property. Copies of the Appointment Order and the February 12 Endorsement are attached hereto as Appendix “**A**”.
4. DMCL is an Ontario corporation which operated as an automotive dealership and service centre located at 3180 Dufferin Street, Toronto (the “**Premises**”). DMCL was an authorized reseller of new Chevrolet, Buick and GMC branded vehicles pursuant to a dealership agreement (the “**Dealership Agreement**”) with General Motors of Canada Limited (“**GM**”). In addition, DMCL also sold used vehicles and participated in consignment sales of vehicles located at the Premises and through an online platform.
5. 1125278 is an Ontario corporation and primarily operated as a vehicle leasing company which also operated out of the Premises.
6. Copies of the Appointment Order, together with Court documents and all reports with respect to this matter are available on the Receiver’s website at www.insolvencies.deloitte.ca/en-ca/DeanMyersChevroletLimited.
7. The Appointment Order, among other things, authorized the Receiver to market any or all of the Property, including 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 sole discretion may deem appropriate.
8. Further, section 3(k)(i) of the Appointment Order authorized the Receiver to sell, convey, transfer, lease or assign the Property or parts of the Property out of the ordinary course of business, without

the approval of this Court in respect of any repurchase of vehicles or parts inventory by General Motors of Canada Company or any of its affiliates, without any per transaction aggregate limit. Section 3(k)(ii) of the Appointment Order also permitted, without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000.

9. The purpose of this first report of the Receiver (the “**Report**”) is to:
- (a) provide the Court with additional information in respect of the Debtors and the Property;
 - (b) provide the Court with an evidentiary basis to make Orders:
 - (i) approving the activities of the Receiver, including steps taken in dealing with the Property, as described in this Report;
 - (ii) approving the sale transaction (the “**GM Transaction**”) to be effected through an asset purchase agreement dated and executed on March 17, 2020 (the “**GM APA**”) between the Receiver and GM, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of certain of the Property as described in the GM APA and the schedules thereto (the “**GM Repurchased Vehicles**”), and vesting the Company’s right, title and interest in the GM Repurchased Vehicles in GM and authorizing and directing the Receiver to carry out the terms of the GM APA;
 - (iii) temporarily sealing the confidential supplemental to this Report (the “**Confidential Supplement**”), together with the confidential appendices thereto, filed with this Court from the public record until the closing of the GM Transaction or further order of the Court;
 - (iv) prospectively authorizing and approving the Receiver to execute sale agreements for the remaining assets of the Debtors, primarily consisting of vehicles, parts inventory, and fixed assets, and to vest title free and clear in respect of such assets;
 - (v) approving a distribution of available surplus proceeds to RBC, the Debtors’ senior secured lender, as described herein, and authorizing the Receiver to make additional distributions to RBC in such amounts as the Receiver deems appropriate in partial repayment of the RBC indebtedness;
 - (vi) approving an increase in the Receiver’s borrowing limit from \$125,000 to \$750,000; and

- (vii) approving the Receiver's Statement of Receipts and Disbursements for the period February 12, 2020 to March 16, 2020.

TERMS OF REFERENCE

- 10. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Debtors' books and records, and discussions with management of the Debtors ("**Management**") (collectively, the "**Information**"). Except as described in this 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 Report in its capacity as a Court-appointed Receiver to support the Court's approval of the Receiver's activities and other relief being sought. Parties using the Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
- 11. Unless otherwise stated, all dollar amounts contained in the Report are expressed in Canadian dollars.
- 12. Unless otherwise provided, all other capitalized terms not otherwise defined in this Report are as defined in the Appointment Order or the GM APA.

BACKGROUND

Overview

- 13. Incorporated in Ontario in 1991, Dean Myers Chevrolet Oldsmobile (1991) Limited subsequently changed its corporate name to DMCL in 2005 and amalgamated with Somerset Chevrolet Limited in 2008. Richard Chamberlin ("**Richard**") is a director and the President of DMCL. Richard's spouse Penny Chamberlin ("**Penny**") is also a director and officer of DMCL. Telma Dantas

- (“**Dantas**”) is an officer and was employed as a financial controller of DMCL as at the date of the Appointment Order.
14. Prior to 1991, Gordon Dean Myers (“**Gordon**”) had operated a GM dealership at the Premises for decades before ultimately selling the business to DMCL, which is controlled by Richard who is Gordon’s son-in-law.
 15. The Premises is owned by Dean Myers Leasing Limited (the “**Former Landlord**”), a company controlled by Gordon. The Former Landlord entered into lease agreements (the “**Premises Lease**”) with DMCL for continued use of the Premises. As described later in this report, the Premises Lease was amended to contemplate an early termination effective June 30, 2020 to facilitate a sale of the Premises to a division of RioCan (the “**New Landlord**”) pursuant to a sale transaction which closed on March 5, 2020.
 16. The Premises consists of one large building hosting a vehicle showroom and offices, a vehicle service centre and garage, parts storage room, surrounded by a front lot and a large gated rear lot where most of the vehicle inventory is parked, and a second standalone structure which is used primarily vehicle storage.
 17. DMCL also rented a nearby ground level parking lot (the “**Overflow Lot**”) located at 3501 Dufferin Street, Toronto pursuant to a real property lease (the “**Overflow Lot Lease**”) with a third-party landlord. The Receiver understands that the Overflow Lot was not actively used by DMCL for the period leading up to the date of the Appointment Order due to sufficient parking space at the Premises. The Receiver has since consented to the termination of the Overflow Lot Lease following a request from the respective landlord.
 18. Incorporated in 1995, 1125278 operated as a vehicle leasing business under the “Dealerwerx Leasing” trading name. A corporate search report indicates that the directors and officers of 1125278 are Richard (Director and Chief Executive Officer), Penny (Director and President), and Dantas (Officer).
 19. DMCL had 44 employees as at the date of the Appointment Order, of which 42 were full-time and two (2) were part-time. DMCL’s employees included Chamberlin family members, of which the Receiver understands had varying levels of involvement in the business. The Receiver understands that as a result of liquidity issues, DMCL had laid off 9 service, technical and sales employees in the months leading up to the Appointment Order.
 20. 1125278 did not have any employees and was administered by DMCL management and employees.

Select Related Parties

21. Certain related parties which are not subject to the Appointment Order and will be described later in this Report include:

- (a) 2010197 Ontario Ltd. (“**2010197**”), which was incorporated in Ontario in 2002 and primarily operated under the “Dealerwerx” banner involved in the online marketing of used and consignment vehicles. Richard is a Director of 2010197, and Richard, Penny and Dantas are officers of 2010197. Richard advised the Receiver that 2010197 had operated from the Premises and also operates from premises located at 291 Pretty River Parkway, Collingwood. Richard further advises that 2010197 commenced purchasing vehicles from DMCL in 2019 as it was seeking to apply for and obtain an independent automotive dealership license. As described later in this Report, a preliminary review of the books and records of DMCL indicated that approximately \$79,000 was owing from 2010197 as at the date of the Appointment Order. Moreover, 2010197 was in possession of certain vehicles of DMCL and 1125278 at the date of the Appointment Order, which it has offered to purchase from the Receiver;
- (b) Somerset Automotive Sales Network Inc. (“**Somerset Automotive**”), which according to its website is a reseller and online marketing platform for pre-owned vehicles, motorcycles, boats and recreational vehicles, and operates from premises located at 13500 Intrepid Lane, Fort Myers, Florida. The Receiver understands from Richard and DMCL financial management that Somerset Automotive is owned and managed by the Chamberlin family, and that Somerset Automotive sourced and purchased used vehicles from DMCL for export to customers in Florida. As described later in this Report, a preliminary review of DMCL’s books and records indicated that at least \$699,000 was owing from Somerset Automotive as at the date of the Appointment Order, and the Receiver is investigating an additional \$1.0 million which appears to be owing from Somerset Automotive;
- (c) According to DMCL financial management, Somerset Real Estate Holdings LLC owns the real property where the Somerset Automotive dealership is situated. DMCL financial management also advised that DMCL and Somerset Real Estate Holdings Fort Myers LLC (“**Somerset Fort Myers**”) are related to Somerset Real Estate Holdings LLC, but does not have additional information in that regard. According to DMCL’s books and records, Somerset Fort Myers owes approximately \$64,000 to DMCL; and

- (d) 1056883 Ontario Inc. (“**1056883**”), which, according to DMCL financial management is a related party holding company that redirected advances from DMCL totaling approximately \$1.4 million for purchases of property in Florida and start up costs for the Somerset Automotive business.

RECEIVER’S ACTIVITIES

22. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:

- (a) attended at the Premises and met with the employees and Management on-site to advise them of the receivership and that pursuant to paragraph 14 of the Appointment Order, their employment by DMCL had been terminated. The Receiver also made arrangements to deliver termination letters to other employees who were not onsite;
- (b) temporarily retained four former employees of DMCL to, among other things, provide assistance with banking and accounts receivable, preparation of final payroll calculations to the date of the Appointment Order for the purpose of administering amounts due to employees under the *Wage Earner Protection Program Act* (“**WEPPA**”), updating the books of the Debtors, addressing various customer inquiries, managing communications with GM, compiling data for the collection of receivables and filing of rebate claims, and developing a realization strategy for vehicles and parts inventory;
- (c) coordinating the delivery of records of employment and T4 slips, and expediting the issuance of WEPPA letter packages to the former employees of DMCL;
- (d) informed Canada Revenue Agency (“**CRA**”) of the receivership, established new payroll and HST accounts for the post-receivership period, and made repeated requests for audits of the pre-receivership accounts of the Debtors;
- (e) arranged for the changing of the locks at the buildings at the Premises;
- (f) retained a third-party security services provider for 24-hour coverage and additional security cameras in the front of Premises and in the rear-yard;
- (g) arranged for the continued occupation of the Premises as described in more detail later in this Report, and communicated with the Former Landlord and New Landlord;

- (h) made arrangements for the continuation of utilities and retained a third-party property management services company to facilitate snow removal at the Premises;
- (i) provided notice of the Receiver's appointment to the existing insurance broker in order to confirm ongoing coverage until those policies expired in March 2020. The existing insurer was unable to provide renewal coverage, and consequently, the Receiver obtained replacement insurance coverage through an alternate insurance broker;
- (j) arranged for the relocation of all new vehicles inventory and substantially all used vehicle inventory to the secured and locked rear yard at the Premises;
- (k) conducted an inventory count and mileage review in respect of vehicles located at the Premises;
- (l) coordinated the return to the Receiver of demonstrator or "demo" vehicles in the possession of former employees, and one third-party vendor;
- (m) communicated with Richard in respect of the purchase of certain used vehicles in the possession of a Chamberlin family member, and one vehicle located in Florida;
- (n) commenced a formal marketing of New Inventory (defined below) to GM dealers and negotiations with GM in respect of applicable repurchases, as described in later in this Report;
- (o) arranged for the electronic backing up of computer hard drives and the accounting system to ensure the preservation of the Debtors' data;
- (p) compiled invoice data and issued demand letters with respect to the DMCL's accounts receivable;
- (q) retained Harrison Pensa LLP ("**Harrison Pensa**") as its independent legal counsel;
- (r) conducted a detailed reconciliation of customer deposits in respect of future vehicle purchases, consulted with Richard, the Ontario Motor Vehicle Industry Council ("**OMVIC**"), and GM in this regard, and arranged for the issuance of letters by Harrison Pensa to all 58 affected customers as described in greater detail later in this Report;
- (s) made arrangements for access by GM technicians to attend at the Premises to prepare customer repair vehicles for delivery to alternate GM dealership service centres;
- (t) notified DMCL's consignment customers of the receivership, and arranged for the release to owners of the consignment vehicles located at the Premises;

- (u) coordinated inquiries with GM and a third-party tire storage provider in respect of DMCL customers who made seasonal tire storage arrangements with DMCL;
- (v) worked cooperatively with GM in addressing additional customer and stakeholder inquiries;
- (w) met with Richard to, among other things, review the available books and records, and discuss all outstanding accounts receivable and related party transactions, customer deposits, inventory, consignment vehicles, the Dealership Agreement, all known bank accounts, and the Out of Trust Funds (defined below);
- (x) issued demand letters to related parties for payment of outstanding receivables, and made inquiries to Richard in this regard;
- (y) took steps with DMCL financial management to complete documentation to recover funds in respect of certain GM rebates and other transactions;
- (z) compiled invoice data and accounts receivable, and issued demand letters to DMCL customers;
- (aa) arranged for continued deposits of monthly lease payments from 1125278 leasing customers;
- (bb) issued receivership notification letters to certain financial institutions;
- (cc) opened new bank trust accounts in the name of the Receiver;
- (dd) issued its statutory Notice and Statement of Receiver pursuant to subsections 245(1) and 246(2) of the BIA for each of DMCL and 1125278;
- (ee) arranged for the redirection of mail to the Receiver's offices; and
- (ff) addressed various additional matters as they arose from time to time.

FINANCIAL POSITION AND RECENT OPERATING RESULTS

Historical Financial Position and Operating Results – DMCL

23. The table below sets out the summary (unaudited) balance sheets for DMCL as at the dates noted:

Dean Myers Chevrolet Limited Summary Balance Sheet	12/31/2019 (Unaudited) (Interim)	12/31/2018 (Unaudited) (External Compilation)	12/31/2017 (Unaudited) (External Compilation)
Cash	690,056	1,317,681	2,795,091
Accounts receivable	2,248,477	1,090,428	1,565,554
Income taxes recoverable	-	50,077	-
Inventories	8,466,452	11,675,888	12,207,255
Prepaid expenses and sundry assets	91,818	91,791	91,183
Property, plant and equipment	680,875	736,149	760,794
Due from related companies	1,275,413	3,482,117	3,073,791
Loan receivable	137,663	241,553	-
Total assets	13,590,754	18,685,684	20,493,668
Total liabilities	10,804,183	15,575,332	17,548,400
Shareholders Equity	2,786,571	3,110,352	2,945,268
Total liabilities and shareholders equity	13,590,754	18,685,684	20,493,668

24. The following table sets out a summary of the Income Statements (unaudited) for DMCL for the periods noted:

Dean Myers Chevrolet Limited Summary Income Statement	12/31/2019 (Unaudited) (Interim)	12/31/2018 (Unaudited) (External Compilation)	12/31/2017 (Unaudited) (External Compilation)
<i>Sales</i>			
New and demo vehicle sales	17,695,526	27,936,907	29,707,752
Used vehicle sales	5,388,449	7,388,149	6,182,563
Service labour	1,843,232	2,124,037	2,270,872
Parts and accessories sales	1,797,680	3,818,476	4,333,865
Body shop labour	29,065	246,515	450,235
Net consignment revenue	829,953	6,337	27,574
Finance income	704,445	267,410	81,223
Total sales	28,288,349	41,787,831	43,054,084
Cost of sales	24,835,872	35,413,545	36,446,014
Gross profit	3,452,477	6,374,286	6,608,070
Expenses	3,776,279	6,493,921	6,510,130
Net income (loss) before provisions	(323,802)	(119,635)	97,940
Income tax and foreign exchange gain (loss)	-	284,719	(163,889)
Net income (loss) for the year	(323,802)	165,084	(65,949)

25. As set out above, there was a significant contraction in the sale of new vehicles in 2019. DMCL financial management advised that there was a general reduction in sales activity and volume of customers, compounded by a general strike at GM's manufacturing plants.
26. There was also a significant decline in used vehicle sales in 2019, partly due to reduced export sales to Somerset Automotive (2019 - \$643,000; 2018 - \$1.8 million). This decline was partly offset by growth in consignment revenue through "Dealerwerx" arrangements.

27. DMCL advised that the significant decline in parts sales in 2019 was due to DMCL reducing auto body repairs due to personnel issues and local competition. Also, parts sales to wholesalers also declined following the turnover of parts managers.
28. DMCL advised that “Finance Income” included any sales made through DMCL’s financing office, which included, among other things, extended warranty, insurance, and aftermarket products.

Historical Financial Position and Operating Results – 1125278

29. The table below sets out the summary (unaudited) balance sheets for 1125278 as at the dates noted:

1125278 Ontario Limited Summary Balance Sheet	12/31/2019 (Unaudited) (Interim)	12/31/2018 (Unaudited) (External Compilation)	12/31/2017 (Unaudited) (External Compilation)
Cash	153,100	185,111	-
Accounts receivable	-	18,739	123,998
Net investment in vehicle leases	352,625	733,257	1,389,100
Due from related companies	224,711	64,000	94,217
Total assets	730,437	1,001,107	1,607,315
Total liabilities	353,565	698,250	1,418,585
Shareholders Equity	376,872	302,857	188,730
Total liabilities and shareholders equity	730,437	1,001,107	1,607,315

30. The following table sets out a summary of the Income Statements (unaudited) for 1125278 for the periods noted:

1125278 Ontario Limited Summary Income Statement	12/31/2019 (Unaudited) (Interim)	12/31/2018 (Unaudited) (External Compilation)	12/31/2017 (Unaudited) (External Compilation)
Leasing sales	168,176	318,159	357,916
Gain on disposal of capital assets	53,274	66,774	11,993
Other	2,306	2,688	87
Total sales and other income	223,756	387,621	369,996
Expenses	149,740	273,494	300,994
Net income (loss)	74,016	114,127	69,002

31. 1125278 management advised that it was more selective with customer risk profile in 2019 and, consequently, elected to enter into fewer new leases in 2019. 1125278 management also advised that several leases expired in 2019.

CREDITORS

Secured Creditors

32. RBC is the first registered secured creditor of DMCL and 1125278 with borrowings by way of certain credit facilities as set out in the Affidavit of Wojciech Karwala sworn on February 7, 2020 in support of RBC's Application for the appointment of the Receiver. As at January 27, 2020, DMCL was indebted to RBC in the amount of \$9,224,188 before accrued interest and costs. The RBC Indebtedness was guaranteed by 1125278 and also by 1056883, which company is not subject to these receivership proceedings.
33. In addition to being the Guarantor, 1125278 was also directly indebted to RBC by way of lease account floor plan facility totaling \$300,359 as at January 31, 2020.
34. The credit facilities constituting the RBC Indebtedness also included two floor plan facilities:
- (a) a new floor plan facility (the "**New Floor Plan Facility**") for the purpose of financing the purchase of new floor plan vehicles, dealer trades and demo vehicles, of a make and model acceptable to RBC, which are to be sold and held for sale by DMCL to and for third-party customers; and
 - (b) a used floor plan facility (the "**Used Floor Plan Facility**", and together with the New Floor Plan Facility, the "**Floor Plan Facilities**") for the purpose of financing the purchase of used floor plan vehicles of a make and model acceptable to RBC, which are to be sold and held for sale by DMCL to and for third-party customers.
35. As set out in RBC's Application Record dated February 11, 2020, DMCL was required to repay the outstanding principal amount owing to RBC in respect of each advance under the Floor Plan Facilities upon the earliest of:
- (a) 48 hours of the date of sale or other disposition of the related vehicle;
 - (b) the date of receipt of proceeds of any recoveries under insurance policies of a vehicle;
 - (c) five (5) business days of the transfer of the vehicle title or delivery of the vehicle; and
 - (d) receipt of demand for payment by RBC.
36. RBC had conducted vehicle audits in January and February 2020 which identified that DMCL was selling or otherwise disposing of vehicles and receiving corresponding payments, but was not repaying related advances under the Floor Plan Facilities to RBC (the "**Out of Trust Funds**"),

which totaled approximately \$2,720,000 as February 3, 2020. That amount increased to \$3,260,000 pursuant to an additional audit conducted by RBC on February 12, 2020 (the “**February 12 Out of Trust Funds**”).

37. The Receiver has commenced a review of the listing of 61 new and 4 used vehicles which comprise the February 12 Out of Trust Funds balance, and made inquiries to DMCL financial management in this regard. DMCL financial management has advised that operating costs were not reduced to reflect a decline in sales in December 2019 and January 2020, and funds otherwise payable to the Floor Plan Facilities were consumed for ongoing operations. The Receiver is investigating transaction and other details with DMCL financial management in respect of the February 12 Out of Trust Funds.

Independent Legal Opinion on Security Interests

38. Harrison Pensa, in its capacity as independent legal counsel to the Receiver, conducted a review of the security pledged by DMCL and 1125278 in favour of RBC (the “**RBC Security**”). Harrison Pensa’s conclusions with respect to the security are contained in a report delivered to the Receiver on March 17, 2020 (the “**Security Review**”).
39. The Security Review is limited to the laws of the Province of Ontario (“**Ontario Law**”) and the federal laws of Canada applicable therein.
40. Subject to standard assumptions and qualifications set forth in the Security Review, the Security Review concludes that, among other things:
- (a) the RBC Security creates, under Ontario Law, a valid security interest in favour of RBC in the property described in the RBC Security (which includes all of the property, assets and undertakings, and interest in the property of DMCL and 1125278) and subject to such security interest to which the *Personal Property Security Act* (Ontario) (the “**PPSA**”) applies; and
 - (b) the security interests created by the RBC Security in the personal property described in the RBC Security to which the PPSA applies have been perfected by registration under the provisions of the PPSA.
41. Other than registrations by RBC, the only other registrations under the PPSA are registrations relating to specific assets by:

- (a) CWB National Leasing Inc. (“**CWB**”) in respect of specific key cutting equipment. The Receiver’s counsel has reviewed this security and confirmed it valid in favour of CWB, and the Receiver has since contacted CWB to arrange for the pick-up of that equipment;
- (b) Pattison Sign Group (“**Pattison**”) in respect of certain signage affixed to the Premises. The Receiver’s counsel has reviewed the Pattison agreement, has confirmed it enforceable, and has communicated with the New Landlord and its counsel in connection with Pattison’s request for the dismantling and removal of that signage; and
- (c) In addition to its general registrations, RBC did cause to be registered VIN specific registrations against all New Inventory and Used Inventory.

Employee Source Deductions

- 42. DMCL had administered payroll using WinLedge, a third-party payroll service provider.
- 43. Based on the Receiver’s review of DMCL’s financial records, DMCL had remitted source deductions up to February 1, 2020.
- 44. The Receiver retained DMCL’s former payroll accountant to complete final T4 for employees and the filing of T4 summaries for the 2019 tax year and the 2020 stub-period to the date of the Appointment Order. The Receiver has made numerous requests to CRA to perform a payroll audit which has yet to be scheduled. Based on information available to the Receiver at this time and subject to a CRA payroll examination, the Receiver is not aware of any potential deemed trust amounts in respect of unremitted source deductions.
- 45. The Receiver has established a separate DMCL branch payroll account in respect of employees temporarily retained for the receivership. The Receiver has been remitting post-receivership payroll source deductions directly to CRA.

WEPPA and BIA Section 81.4 Priority Claims

- 46. DMCL last remitted payroll on February 6, 2020 in respect of the payroll period-ended February 1, 2020. Accordingly, employees did not receive payroll for the period February 2 to 12, 2020.
- 47. As set out earlier in this Report, the Receiver had expedited the performance of WEPPA obligations and mailing of WEPPA packages to eligible employees. The Receiver has since communicated with Service Canada and responded to employee inquiries.

48. The Receiver's submission to Service Canada set out a total amount of \$268,101 payable to the former employees of DMCL under WEPPA, of which approximately \$93,277 may be subject to a limited super priority pursuant to Section 81.4 of the BIA.

Harmonised Sales Tax ("HST")

49. DMCL and 1125278 had last filed and paid HST for the reporting period-ended December 31, 2019.
50. The Receiver has retained DMCL's former Controller to update the books of account and to file DMCL and 1125278's HST returns for the month of January 2020 and the February 2020 stub-period return to the date of the Appointment Order. Those returns covering the reporting period of January 1, 2020 to February 12, 2020 set out total HST owing in the amounts of \$26,295 for DMCL and \$5,522 for 1125278, but have yet to be assessed by CRA.
51. The Receiver has made numerous requests to CRA to perform an audit of the HST accounts of DMCL and 1125278's in order to assess the amount of pre-receivership HST liabilities. CRA has yet to confirm or schedule HST audits as at the date of this Report.
52. The Receiver has established receivership branch HST accounts for DMCL and 1125278, and will be filing HST returns for the post-receivership periods as they become due.

Accounts Payable

53. As at January 31, 2020, the Debtors' records reported approximately \$276,000 of total accounts payable .

CASH ON HAND

54. The Debtors held bank accounts and operating lines of credit with RBC, and two bank accounts with Toronto-Dominion Bank ("TD") with respect to DMCL's credit card terminals.
55. DMCL also held a trust account pursuant to the *Motor Vehicle Dealer Act* (Ontario) (the "**MVDA Trust Account**") which was held at RBC.

56. There were \$275,491 and US \$19,727 in the DMCL bank accounts held at TD. The Receiver has transferred those amounts to its receivership trust account, and made arrangements with TD for the transfer of residual deposits.
57. Debtor funds held in the RBC bank accounts as at the date of the Appointment Order were cash swept by RBC. The Receiver requested all DMCL and 1125278 bank accounts at RBC be frozen and designated as deposit-only to allow for continued deposits and collections during the Receivership administration. RBC has since delivered a total sum of \$220,505 to the Receiver's trust account in respect of post-receivership collections.
58. RBC has delivered to the Receiver the full balance of \$38,285 held in the MVDA Trust Account without any deduction.

ACCOUNTS RECEIVABLES

Overview

59. The Receiver examined the accounts receivable ("A/R") of DMCL and made inquiries with DMCL financial management, particularly with respect to aged amounts and also in connection with related party receivables.
60. The Receiver has issued A/R demand letters to third party customers and continues to follow up on outstanding payments.
61. The Receiver also issued A/R demand letters to entities related to Richard, including 2010197 (approximately \$79,000), Somerset Automotive (approximately \$699,000), Somerset Fort Myers (approximately \$65,000), and advised that transactions with these entities remained subject to future review by the Receiver.

LOANS AND ADDITIONAL AMOUNTS OWING FROM RELATED PARTIES

62. The books and records of DMCL set out additional amounts owing from related parties, including but not limited to, 1056883, Somerset Equestrian, and a principal of DMCL. The Receiver has conducted a preliminary review of those amounts and continues to seek additional details from DMCL financial management and Richard. The Receiver intends to issue formal demand letters to those parties.

INVENTORY

Overview

63. The Receiver, with assistance of RBC’s Automotive Group and former DMCL staff, performed the following:
- (a) an inventory count at the Premises to identify new vehicles (“**New Inventory**”) and used vehicles (“**Used Inventory**”, and collectively with New Inventory, the “**Car Inventory**”) owned by DMCL, and vehicles owned by third parties;
 - (b) compiled mileage data in respect of the Car Inventory;
 - (c) inventoried and secured vehicle keys for the Car Inventory, and obtained replacements for missing keys in respect of certain Used Inventory;
 - (d) reviewed and secured ownership documentation for the Car Inventory; and
 - (e) identified vehicle manuals and limited production option accessories (“**LPO Accessories**”) for New Inventory.
64. There are 89 New Inventory and 148 Used Inventory vehicles which the Receiver intends to liquidate, with book values of approximately \$4,280,000 and \$2,030,000, respectively, as at February 12, 2020 before adjustments and applicable taxes.

New Inventory

65. The New Inventory consists of new and “demo” Chevrolet, GMC, Buick vehicles for the following model years:

Model Year	Number of Vehicles
2020	52
2019	25
2018	11
2017	1
Total	89

66. As described later in this Report, the Receiver has entered into a sale agreement with GM with respect to 49 model year 2020 vehicles, which represents substantially all “non-demo” model 2020

new vehicles. Moreover, the Receiver has issued a detailed listing of all New Inventory to 61 GM dealers to date. The Receiver intends to realize on the remaining model year 2020, 2019, 2018 and 2017 new and demo vehicles by way of sales to GM dealers.

Refund of Undelivered New Vehicles

67. The Receiver undertook a reconciliation of the New Inventory and confirmed that four (4) vehicles totaling \$270,302 had been charged against the Floorplan prior to the date of the Appointment Order but were never delivered to DMCL.
68. GM confirmed that DMCL had placed orders for those vehicles and subsequently confirmed that those vehicles were not located at the Premises. GM has since refunded those vehicles to the Floorplan.

Used Inventory

69. The Receiver has worked with former DMCL staff to prepare a Used Inventory listing in order to prepare those vehicles for marketing and sale.
70. The Used Inventory consists of 148 GM and non-GM branded pre-owned vehicles as summarized in the table below:

Model Year	Number of Used Vehicles
2019	1
2018	7
2017	11
2016	13
2015	12
2014	10
2013	3
2012	8
2011	3
2010 and older	80
Total	148

71. Of the 148 vehicles, 146 are owned by DMCL and 2 are owned by 1125278. As described later in this Report, Richard has offered to purchase six (6) of the 148 used vehicles from the Receiver.
72. The Receiver has reviewed third-party values using Canadian Black Book in respect of Used Inventory. Certain vehicles, such as rare luxury vehicles, required supplemental sources of valuation. Older model year vehicles, including certain vehicles which may be assessed as scrap value, were not found in Canadian Black Book and were assigned an alternate value based on discussions with former DMCL staff.
73. The Receiver intends to market the Used Inventory to the same population of GM dealers as well as dealers in the immediate vicinity and other interested parties who have contacted the Receiver to date. In the event that the Receiver is unable to enter find a suitable buyer or buyers for the Used Inventory in a timely manner, the Receiver will be seeking to liquidate the Used Inventory at auction.

Parts Inventory

74. The books and records of DMCL set out a net book value for parts inventory totaling approximately \$759,000.
75. The Receiver continues to work with GM and former DMCL staff on an appropriate realization strategy for the parts inventory.

FIXED ASSETS

76. The fixed assets of the business primarily consist of aged service equipment, computer equipment, and office furniture with an aggregate net book value of approximately \$672,000 at the date of the Appointment Order.
77. The Receiver has obtained inquiries from interested parties in respect of these assets, and will make commercially reasonable efforts to realize on those assets prior to vacating the Premises.

SETTLEMENT WITH THE FORMER LANDLORD

78. As set out earlier in this Report, the Former Landlord completed the sale transaction of the Premises (the “**Premises Sale Transaction**”) to the New Landlord on March 5, 2020. The Receiver understands from the Former Landlord that the parties had previously attempted to consummate a

sale of the Premises in 2012, and that the principals of DMCL and the Former Landlord were engaged in litigation for a number of years.

79. Further to paragraph 15 above, to facilitate the Premises Sale Transaction, the Former Landlord had negotiated the early termination of the Premises Lease by June 30, 2020 pursuant to certain agreements with DMCL. Consequently, the Former Landlord agreed to pay DMCL an early termination fee of \$1,579,075 (the “**Lease Termination Fee**”) from the closing proceeds of the Premises Sale Transaction, subject to DMCL’s ongoing compliance with the obligations under the Premises Lease, including payment of rent, insurance, utilities, and property taxes.
80. DMCL subsequently requested a partial advance of \$1,000,000 in respect of the Lease Termination Fee to address certain liquidity issues of DMCL. The Former Landlord agreed to that request and remitted \$1,000,000 to DMCL on October 15, 2019. The books of DMCL appear that a further entry reducing A/R owing from Somerset Automotive by \$1,000,000, effectively understating the total balance payable by Somerset Automotive. The Receiver has made inquiries to DMCL financial management in respect of the timing and flow of such funds, and is assessing additional actions with respect to potentially an additional \$1.0 million owing from Somerset Automotive to the receivership estate.
81. Accordingly, the balance of the Lease Termination Fee outstanding at the date of the Appointment Order totals \$579,075 before adjustments for unpaid rent, property taxes and utilities for the duration of the lease term ending June 30, 2020.
82. The Receiver has confirmed with the Former Landlord and New Landlord that payments under the Premises Lease are to be administered and paid through the Former Landlord after the closing of the Premises Sale Transaction and to June 30, 2020.
83. The Receiver examined the Former Landlord’s calculation of unpaid amounts under the Premises Lease, and negotiated the earlier release of funds with the Former Landlord and a limited period of upfront setoffs unpaid rent and property taxes to the date of the Appointment Order plus rent and property taxes for March and April, 2020. On March 18, 2020, the Former Landlord delivered approximately \$444,000 to the Receiver’s trust account in satisfaction of the Lease Termination Fee.

CUSTOMER MATTERS

Customer Deposits

84. The Receiver worked with DMCL financial management to reconcile DMCL's listing of customer deposits which had not been properly reconciled in several years, and identified 58 customers with deposits totaling \$194,212 (the "**Customer Deposits**"). The Customer Deposits were primarily in connection with the purchase of future new vehicles, and there were two significant deposits: (i) \$78,000 for a GMC Yukon, and (ii) \$25,000 in respect of a future Corvette purchase.
85. DMCL did not fully and satisfactorily segregate the Customer Deposits in a separate trust account.
86. Following a careful analysis and reconciliation of the Customer Deposits, the Receiver and its counsel deemed the Customer Deposits to represent unsecured claims of the receivership estate.
87. The Receiver communicated with OMVIC in respect of the Customer Deposits, and has provided OMVIC with a list of affected customers.
88. The Receiver also apprised and held independent consultations with Richard, and GM in respect of the Customer Deposits.
89. The Receiver's counsel had prepared a letter to affected customers advising them of their status as unsecured creditors and also set out provisions of the MVDA and included a link to the OMVIC Compensation Fund (each a "**Customer Deposit Letter**"). A draft of a Customer Deposit Letter was shared with GM in advance for GM comment prior to issuance to affected customers. Consequently, the Receiver's counsel amended 57 of the Customer Deposit Letters to include GM contact information as instructed by GM. The Receiver understands that GM is dealing directly with these 57 customers.
90. As set out earlier in this report, the Receiver is in possession of available funds held in the MVDA Trust Account of \$38,285 as at the date of the Appointment Order. The Receiver will undertake a review of this account and report further to the Court in due course.

Consignment Customers

91. The records of DMCL set out 21 parties which had entered into consignment agreements with DMCL as agent for Dealerwerx in connection with the sale of their vehicles. Six (6) consignment

vehicles (the “**Onsite Consignment Vehicles**”) were located at the Premises and were in the possession of DMCL.

92. The Receiver notified 21 parties of the termination of their consignment agreements with DMCL, and made arrangements for the release of the Onsite Consignment Vehicles to their respective owners.

GM Customer and GM Owned Vehicles

93. As at the date of the Appointment Order, there were eight (8) GM fleet customer vehicles (the “**GM Fleet Vehicles**”) originally intended for pick-up at DMCL and four (4) vehicles owned by GM (the “**GM Owned Vehicles**”) which were located at the Premises.
94. The Receiver’s legal counsel examined the ownership documentation and VINs of the GM Fleet Vehicles and the GM Owned Vehicles and confirmed those assets did not constitute receivership property. GM has since removed the GM Fleet Vehicles and is making arrangements to deliver the GM Owned Vehicles to other GM dealerships.

Additional Customer Matters

95. DMCL had historically offered seasonal tire storage to its customers for a fee. DMCL outsourced storage to an off-site storage provider, which was a creditor of DMCL as at the date of the Appointment Order, and has been in correspondence with the Receiver in this regard. GM has requested a list of affected customers and is seeking potential solutions for the benefit of those customers. The Receiver understands that certain tires located at the dealership may also belong to DMCL customers, and will be reviewing practicable options in this regard.
96. A third-party car rental service provider (the “**Car Rental Company**”) had an account with DMCL to provide DMCL customers with rental vehicles during periods that their vehicles were being serviced by DMCL. According to the Car Rental Company, customers are ultimately responsible for payment in the event of default by DMCL. The Car Rental Company has advised that it will consider enforcement actions against the affected customers if DMCL’s account has not been settled. The Receiver has notified the Car Rental Company that any claim it may have against DMCL is unsecured and that the Receiver anticipates there will be a substantial shortfall to RBC resulting in no funds being available to satisfy unsecured claims.

97. Following a review of the books and records of DMCL, there are certain customers with outstanding liens for amounts which were paid to DMCL and not delivered to the respective financing company. The Receiver continues to investigate this matter and will be writing to affected parties.
98. The Receiver has facilitated the release of a new vehicle purchased by a third-party prior to the Receivership.

THE PROPOSED GM TRANSACTION

Events Leading to the GM Transaction for Eligible Model 2020 New Inventory

99. The Receiver has maintain ongoing and open communications with representatives of GM management since the outset of the receivership to address numerous customer issues, vehicle reconciliations, and realization strategies for DMCL's New Inventory and parts inventory.
100. Due to the depreciating nature of vehicles and the inherent significant security and occupancy costs, time was of the essence. The Receiver took steps to immediately compile New Inventory listings with a view to negotiating a repurchase by GM of new vehicles and parts inventory pursuant to the terms of the Dealership Agreement.
101. The Receiver and GM entered into protracted negotiations with respect to a repurchase arrangement. During these negotiations, GM informed the Receiver that GM had conducted a review of DMCL's account with GM and had identified that DMCL was not compliant with a GM sponsored location-based program which involved the advancement of monies from GM to DMCL in prior years. Consequently, GM advised that it was entitled to a significant refund from DMCL, including applicable penalties, which exceeded the value of eligible vehicles for repurchase, and GM suspended any further processing of rebates payable to DMCL. In addition, the terms of the Dealership Agreement contemplated a significant delay in the timing of payments by GM in two tranches by a magnitude of months, and was subject to additional inspections which introduced uncertainty to any possible sale transaction.
102. GM subsequently advised that it was amenable to the repurchase of model 2020 New Inventory only, and subject to strict criteria such as minimal mileage, LPO Accessories, keys, owners manuals and no damage. Moreover, GM agreed to the timely remittance of purchase proceeds without delay.

103. With respect to parts inventory and remaining New Inventory which are not subject to the APA, GM has offered suggestions and cooperation to facilitate the marketing and realization of those assets to fellow GM dealers.
104. The Receiver has since facilitated two site attendances by GM to inspect the New Inventory, mileage, condition, LPO Accessories and other pertinent criteria for a repurchase.
105. The Receiver and GM also negotiated a mutually acceptable list of 49 eligible model 2020 vehicles and terms of an agreement, including full invoice value plus applicable taxes.
106. The parties mutually agreed to exclude one (1) eligible model year 2020 vehicle from the GM APA due to HST difference which could be maximized by way of a sale to GM dealer. Two (2) model 2020 demos were also excluded from the GM APA since they exceeded the permitted mileage criteria to be eligible for a repurchase by GM. These three (3) vehicles will be marketed with the remaining New Inventory.
107. A redacted copy the GM APA is attached hereto as **Appendix “B”**, and the unredacted copy is attached as **Confidential Appendix “B”** to the Confidential Supplement. The Confidential Supplement includes the Purchase Price under the GM APA. In the event that the GM Transaction is not approved by this Court, or if the GM Transaction is approved but the does not close, the disclosure of the Purchase Price under the GM APA would negatively impact any future sale process for the assets subject to the GM APA. As a result, the Receiver hereby requests that the Court seal the Confidential Supplement and that it remain under seal until the closing of the Transaction or further Order of the Court.

Terms of the GM APA

108. A summary of the non-commercially sensitive key terms of the GM APA is provided below.

Summary of the Asset Purchase Agreement	
Purchaser	<ul style="list-style-type: none">General Motors of Canada Company
Transaction Type	<ul style="list-style-type: none">Sale of assetsForm of Approval and Vesting Order appended to the GM APA

APA Date	<ul style="list-style-type: none"> March 17, 2020
Purchase Price	<ul style="list-style-type: none"> Confidential
Purchase Price Adjustments and Funding	<ul style="list-style-type: none"> Adjustments for any specific vehicle not deemed eligible following a final pre-closing inspection Due to complex GM system restrictions, GM is unable to process a repurchase by way of payment directly to the Receiver. GM will process a transfer of funds to the existing RBC floor plan account. The Receiver is seeking Court approval for a distribution to RBC of these monies. The GM system payment will be enhanced by rebates totaling \$24,443 which will need to be returned by the Receiver to GM following closing.
Deposit Received	<ul style="list-style-type: none"> None
Outside Closing Date	<ul style="list-style-type: none"> May 15, 2020
Purchased Assets	<ul style="list-style-type: none"> 49 model 2020 new vehicles as detailed in Schedule “A” to the GM APA, together with applicable accessories and vehicle documentation
Delivery	<ul style="list-style-type: none"> GM or an authorized GM new car dealer will take possession of the purchased vehicles within 5 days after the closing date, at the cost and expense of GM
Additional Terms	<ul style="list-style-type: none"> Termination of the Dealership Agreement following the completion of the transaction pursuant to the GM APA (the “GM Transaction”) GM will continue to provide reasonable access to the necessary GM systems to the Receiver to permit the Receiver to administer the estate after termination until the receivership is discharged or the Receiver provides notice that access is no longer needed
Conditions to Closing	<ul style="list-style-type: none"> Approval and Vesting Order issued by the Court GM’s funding of the purchase price Filing of the Receiver’s Certificate in the form substantially similar to the Approval and Vesting Order

The Receiver’s Observations

109. The Receiver makes the following observations with respect to the Transaction for consideration by the Court:

- (a) the Receiver has conducted a detailed reconciliation and commercially reasonable assessment of the New Inventory;

- (b) the Receiver considered the benefits of an *en bloc* offer for substantially all of the model 2020 year vehicles at full GM dealer invoice value;
- (c) GM's undertaking to remove the vehicles at its own expense is commercially advantageous to the receivership estate and reduces administration;
- (d) significant security and occupancy costs can be mitigated by the timely realization of a commercially reasonable transaction which can be completed without delay;
- (e) the Receiver has appropriately consulted with and sought input from the stakeholders in connection with the Transaction, including RBC and Richard;
- (f) no party is objecting to the conclusion of the Transaction;
- (g) GM represents a purchaser with a strong financial covenant with the ability to promptly deliver the purchase proceeds and execute the expedited removal of the purchased assets from the Premises; and
- (h) the Receiver believes the Transaction represents commercially reasonable value; and
- (i) the GM APA represents an advantageous offer and maximizes recoveries for all stakeholders.

THE RECEIVER'S MARKETING OF THE REMAINING VEHICLES AND PARTS INVENTORY

Marketing of to GM Dealers and Select Additional Parties

- 110. The Receiver consulted with DMCL staff, and representatives of GM and RBC's automotive group in respect of a strategic list of prospective GM dealers.
- 111. On February 28, 2020, the Receiver issued a detailed listing of all New Inventory to GM dealers in Ontario and select GM dealers in Quebec.
- 112. The Receiver will be updating fellow GM dealers to provide the following:
 - (a) an updated list of remaining model year 2020, 2019, 2018 and 2017 new and demo vehicles which removes vehicles repurchased by GM;
 - (b) copies of purchase invoices in respect of the remaining New Inventory;
 - (c) a copy of the Receiver's form of Bill of Sale and accompanying schedule; and

- (d) information in respect of site inspections.
- 113. The Receiver intends to market the Used Inventory and certain fixed assets to the same population of GM dealers plus dealers in the immediate vicinity and other interested parties who have contacted the Receiver to date.
- 114. Parts inventory will also be primarily marketed to GM dealers due to the nature of those products.

Proposed Disposition Plan

- 115. The Receiver is seeking an Order approving a proposed disposition plan in order to efficiently administer the remaining vehicles, parts and other assets of the receivership estate, which includes:
 - (a) prospectively authorizing the Receiver to accept an offer or offers to purchase, either by private sale or auction, any or all of the unsold vehicles, parts inventory, fixed assets and equipment of the Debtor (“**Unsold Units**”) provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the value for such Unsold Unit(s) and prior sales of similar units and with consideration to the current market conditions and all other terms of the offer(s) are, in the Receiver’s sole opinion, in the best interest of the stakeholders of the Debtors;
 - (b) prospectively authorizing the execution of an agreement of purchase and sale or bill of sale in respect of each Unsold Unit by the Receiver, as vendor, and the purchase of each Unsold Unit (each purchaser hereinafter referred to as the “**Purchaser**”) substantially in the form provided by the Receiver, together with any amendments or modifications thereto deemed necessary by the Receiver (each agreement hereinafter referred to as an “**Unsold Unit Sale Agreement**”);
 - (c) prospectively approving the sale transactions (each such transaction a “**Transaction**” and together, the “**Transactions**”) in respect of the Unsold Units; and
 - (d) providing that, upon delivery by the Receiver to the Purchaser of the Receiver’s form of Receiver’s Certificate substantially (the “**Receiver’s Certificate**”), all of the Debtors’ right, title and interest in and to the Unsold Unit(s) described in each applicable Unsold Unit Sale Agreement (the “**Purchased Assets**”) will vest in and to the applicable Purchaser, free and clear of any and all claims and encumbrances;
- 116. The Receiver is of the view that the nature and value of the remaining assets, including the potential for numerous individual transactions, can be administered in a standardized manner and without

requiring additional Court attendances. The Receiver is also seeking to expedite, to the extent possible in the circumstances, the sale of remaining assets to minimize significant overhead and occupancy costs with respect to the Premises.

117. In the event that the Receiver is unable to enter find a suitable buyer or buyers for the remaining inventory in a timely manner, the Receiver will be seeking to market the vehicles to the general public and consider a liquidation by way of auction.

2010197 Purchase and Settlement Offer re Used Vehicles

118. As set out earlier in this Report, the Receiver has issued a demand letter to 2010197 in respect of seven (7) vehicles which 2010197 had purchased from DMCL for approximately \$79,000.
119. Richard also submitted an offer for the Receiver's consideration in respect of six (6) used vehicles which were in the possession of the Chamberlin family as at the date of the Appointment Order.
120. The Receiver has since examined DMCL's books of accounts to assess the commercial reasonableness of those transactions and offer amounts, and has provided Richard with its findings. The Receiver and Richard have agreed to revised amounts and are seeking to agree on a form of bill of sale as at the date of this Report.
121. In addition, the Receiver has communicated with Richard in respect of a potential sale to Richard of a New Inventory model 2018 vehicle which the Receiver understands is located at Richard's residential property in Florida.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

122. Attached as **Appendix "C"** is a cumulative Statement of Receipts and Disbursements for the period February 12, 2020 to March 16, 2020, together. As at March 16, 2020, the closing cash balance was approximately \$531,867, which includes \$38,285 in respect of DMCL's MVDA Trust Account.

PROPOSED DISTRIBUTION FOR REPAYMENT OF RBC INDEBTEDNESS AND SUBSEQUENT DISCTRIBUTIONS

123. As set out earlier in this Report, the Receiver has obtained an independent legal opinion confirming the validity and enforceability of RBC's security.

124. It is the Receiver's opinion that the estimated recovery from the assets and undertakings of DMCL and 1125278 will not be sufficient to retire the estimated amount of the RBC Indebtedness and potential priority claims with the result that there will be no recovery available to the unsecured creditors of the receivership estates of DMCL and 1125278.
125. The Receiver is aware of the following potential priority claims:
- (a) \$93,277 in respect of BIA Section 81.4 of the BIA as calculated by the Receiver as part of its WEPPA submission to Service Canada;
 - (b) \$26,295 for DMCL and \$5,522 for 1125278 in respect of unpaid HST for the pre-receivership period. The Receiver is not aware of any unremitted employee source deductions. The Receiver has made requests to CRA for audits of the Debtors' HST and payroll tax accounts, but such audits have yet to be scheduled.
126. At this time, the Receiver is seeking Court approval of an initial distribution of available funds plus anticipated funds from the closing of the GM Transaction.
127. In order to minimize the costs associated with obtaining approval by the Court of further distributions of available funds to RBC, the Receiver is also seeking Court approval for future distributions from available funds to RBC as they become available in the Receiver's opinion up to the full amount of the RBC Indebtedness without further order of this Court.
128. As set out earlier in this Report, GM system restrictions prevent the direct payment of any repurchase directly to the Receiver, and can only flow through the existing floor plan account. The Receiver has been advised by RBC that the floor plan account system has similar limitations and cannot redirect the funds out of the floor plan account. However, RBC has advised the Receiver that it will support the increase of the Receiver's borrowings to allow the Receiver to fulfil receivership obligations and potential priority claims which may have priority to RBC. Section 22 of the Appointment Order authorizes the Receiver to borrow up to \$125,000. RBC has confirmed that it supports the increase of this limit to \$750,000 and will fund this amount as necessary to settle known priority payables, plus accrued and future receivership liabilities, payroll and contract labour costs, occupancy costs, security costs and other protective disbursements, taxes, and professional fees, and contingencies in the circumstances.

RECEIVER'S RECOMMENDATIONS

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

- (a) approving the activities of the Receiver, including steps taken in dealing with the Property, as described in this Report;
- (b) approving the GM Transaction to be effected through the GM APA, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the GM Repurchased Vehicles, and vesting the Company's right, title and interest in the GM Repurchased Vehicles in GM and authorizing and directing the Receiver to carry out the terms of the GM APA;
- (c) temporarily sealing the Confidential Supplement, together with the confidential appendices thereto, filed with this Court from the public record until the closing of the GM Transaction or further order of the Court;
- (d) prospectively authorizing and approving the Receiver to execute sale agreements for the remaining assets of the Debtors, primarily consisting of vehicles, parts inventory, and fixed assets, and to vest title free and clear in respect of such assets;
- (e) approving a distribution of available surplus proceeds to RBC, the Debtors' senior secured lender, as described herein, and authorizing the Receiver to make additional distributions to RBC in such amounts as the Receiver deems appropriate in partial repayment of the RBC indebtedness;
- (f) approving an increase in the Receiver's borrowing limit from \$125,000 to \$750,000; and
- (g) approving the Receiver's Statement of Receipts and Disbursements for the period February 12, 2020 to March 16, 2020.

All of which is respectfully submitted at Toronto, Ontario this 19th day of March, 2020.

DELOITTE RESTRUCTURING INC.,

solely in its capacity as the
Court-appointed Receiver of
Dean Myers Chevrolet Limited and
1125278 Ontario Limited, and
without personal or corporate liability

Per:



Paul M. Casey, CPA, CA, FCIRP, LIT
Senior Vice-President



Stefano Damiani, CPA, CA, CIRP, LIT
Vice-President

EXHIBIT "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

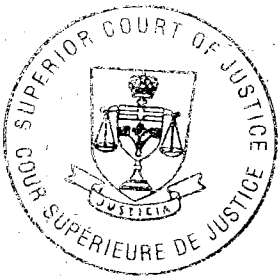
THE HONOURABLE *MR.*

JUSTICE *HAINES*

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WEDNESDAY, THE 12TH

DAY OF FEBRUARY, 2020



ROYAL BANK OF CANADA

Applicant

- and -

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Respondents

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

ORDER
(appointing Receiver)

THIS APPLICATION made by Royal Bank of Canada ("**RBC**") 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**") to, amongst other things, appoint Deloitte Restructuring Inc. ("**Deloitte**") as receiver (in such capacity, the "**Receiver**") without security, of all the assets, undertakings and properties of each of Dean Myers Chevrolet Limited (the "**Borrower**") and 1125278 Ontario Limited (the "**Guarantor**", and together with the Borrower, the "**Debtors**") acquired for, or used in relation to

a business carried on by any of the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Wojciech Karwala sworn February 7, 2020 and the exhibits thereto, and on hearing the submissions of counsel for RBC and such other counsel as were present and listed on the counsel slip, no one appearing for any other person on the service list although duly served as appears from the affidavit of service of Damian Lu sworn February 11, 2020, and on reading the consent of Deloitte to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the application record 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 is hereby appointed Receiver, without security, of all the assets, undertakings and properties of each of the Debtors acquired for, or used in relation to a business carried on by any of the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

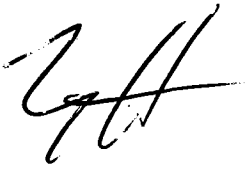
3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the 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, or any one of them, 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 any 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 one of them, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors and to exercise all remedies of the Debtors, or any one of them, in collecting such monies, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to any of 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 any 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 any of 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,

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- (i) without approval of this Court in respect of any repurchase of vehicles ^{or parts inventory} by General Motors of Canada Company or any of its affiliates, without any per transaction or aggregate limit;
 - (ii) subject to subsection (i) above, without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (iii) 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 such other equivalent statute in other jurisdictions as may be applicable, shall not be required;

- (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 any of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of any 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 any of the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which any of 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) each of the Debtors, (ii) all of each of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on any of the Debtors' instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, freight forwarders, brokers, other third-party logistics providers, warehouses, third party warehouses or other entities of any nature 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 any of the Debtors (including, without limitation, related to the premises located at 3180 Dufferin Street in Toronto, Ontario (the "**Premises**"), including, without limitation, any sale agreement that may exist in respect of the Premises), 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 ANY OF THE DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of any 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 any 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 each of 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 any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of 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 any of 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 any of 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 any of the Debtors are 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 each 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 Debtors shall remain the employees of Debtors until such time as the Receiver, on 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 AND CASL

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.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and 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).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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

18. **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

19. **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.

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

21. **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

22. **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 \$125,000 (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.

23. **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.

24. **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.

25. **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

26. **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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice->

commercial/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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 and shall be accessible from the following URL: www.insolvencies.deloitte.ca/en-ca/DeanMyersChevroletLimited.

27. **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

28. **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.

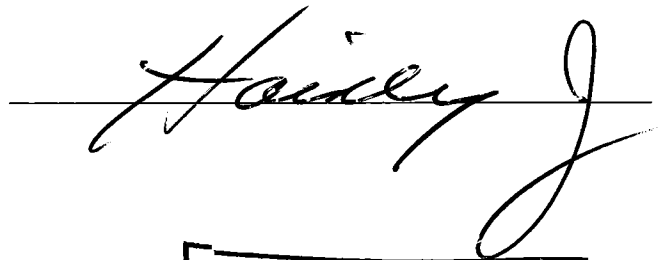
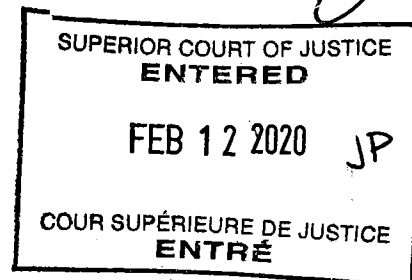
29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of either of the Debtors.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Person, court, tribunal, regulatory or administrative body located or having jurisdiction in Canada or in the United States, as applicable, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All Persons, 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.

31. **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.

32. **THIS COURT ORDERS** that RBC shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of RBC's security or, if not so provided by RBC'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.

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.

A handwritten signature in cursive script, appearing to read "Hailey J.", is written over a horizontal line.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of all the assets, undertakings and properties that Dean Myers Chevrolet Limited (the "**Borrower**") and 1125278 Ontario Limited (the "**Guarantor**", and together with the Borrower, the "**Debtors**") acquired for, or used in relation to a business carried on by any of the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 12th day of February 2020 (the "**Order**") made in an application having Court file number CV-20-00636095-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but 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 Toronto, Ontario.

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

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

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

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

DATED the _____ day of _____, 20__.

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

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

Applicant

- and -

**DEAN MYERS CHEVROLET LIMITED and 1125278
ONTARIO LIMITED**
Respondents

Court File No. CV-20-00636095-00CL

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

Proceedings commenced at Toronto

**ORDER
(appointing Receiver)**

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Lawyers for Royal Bank of Canada

COUNSEL SLIP

COURT FILE NO CV-20-636095-00CL

DATE February 12, 2020

NO ON LIST 6

09:30am

TITLE OF
PROCEEDING

Royal Bank of Canada v. Dean Myers Chevrolet Limited

COUNSEL FOR:

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(S)

Sanj Mitra
Jeremy Nemers } for Royal Bank of Canada
Damian Lu (artistic student)
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COUNSEL FOR:

DEFENDANT(S)

RESPONDENT(S)

PHONE & FAX NOS

February 12, 2020

This application is not
opposed. I am satisfied
that it should be
granted on the terms
of the attached
order appointing a
receiver.

Harry J.

EXHIBIT "B"

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of MARCH 17TH, 2020.

BETWEEN:

DELOITTE RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF THE
PROPERTY OF DEAN MYERS CHEVROLET LIMITED
AND NOT IN ITS PERSONAL OR CORPORATE
CAPACITY

("Receiver" or "Vendor")

- and -

GENERAL MOTORS OF CANADA COMPANY

("Purchaser" or "GM")

WHEREAS:

- A. Pursuant to the order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made February 12, 2020 (the "**Appointing Order**") the Vendor was appointed as the Receiver of all of the assets, undertakings and properties of **DEAN MYERS CHEVROLET LIMITED** (the "**Company**"), and it is a provision of this Order that the Vendor is empowered to sell, convey or transfer all or any part of the property and the assets of the Company.
- B. Section 3(k) of the Appointing Order allows the Receiver to sell, convey, transfer, lease or assign the Purchased Assets out of the ordinary course of business, without the approval of this Court in respect of any repurchase of vehicles or parts inventory by General Motors of Canada Company or any of its affiliates, without any per transaction aggregate limit.
- C. The Company formerly operated as a vehicle dealership through a Dealer Sales and Service Agreement with General Motors of Canada Company ("**GM**") effective November 1, 2015 (the "**Dealer Agreement**").

The Vendor wishes to sell, and the Purchaser wishes to purchase, all of Company's right, title and interest, if any, in and to the Purchased Assets (as defined herein), as provided in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale. Upon and subject to the terms and conditions of this Agreement, on the Closing Date (as defined herein), the Receiver shall sell, transfer, convey, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, pursuant to the Approval and Vesting Order (as defined herein), and the Purchaser shall purchase, all of the Receiver and Company's, right, title and interest, if any, in and to the vehicle inventory set out on Schedule "A" hereto (the "**Purchased Assets**").
2. Purchase Price. The aggregate purchase price payable to the Receiver at closing for the Purchased Assets shall be the sum of Cdn _____ plus Harmonized Sales Tax in the sum of _____ for the total sum of _____ (the "**Purchase Price**"). The Purchase Price in clear and readily available funds will be paid by way of transfer by the Purchaser to the corresponding Royal Bank of Canada Auto floorplan bank account (A/C AF1685 – SRF 784634560-007) on the Closing Date (the "**Purchase Price Payment**")
3. Retail Excellence Program Payment. Within ten (10) regular business days following the closing of the within transaction, the Receiver will pay to GM the all-inclusive sum of _____, representing monies previously paid by GM to the Company with respect to certain of the Purchased Assets under the GM Retail Excellence Program (the "**Rebate Payment**").
4. Taxes. The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes applicable in connection with the purchase and sale of the Purchased Assets including, without limitation, HST.
5. Delivery. The Purchaser, or an authorized GM new car dealer ("**GM Canada Dealer**"), will take possession of the Purchased Assets where situated within five (5) days after the Closing Date. The Purchaser acknowledges that the Receiver shall deliver physical possession of the Purchased Assets to the Purchaser, or a GM Canada Dealer designated by Purchaser, at the location of Company. The Receiver shall provide reasonable access to the Purchaser until the Closing Date in order that the Purchaser can take physical delivery of the Purchased Assets. Any fees in relation to the cartage or shipping of the Purchased Assets will be the sole responsibility of the Purchaser, and shall be paid by the Purchaser.
6. Risk. Receiver shall continue to insure the Purchased Assets until the Closing Date. Until the completion of the within transaction on the Closing Date, the Purchased Assets shall remain at the risk of Company and Vendor. In the event of the damage, destruction or loss of any or all of the Purchased Assets prior to the completion of the within transaction on the Closing Date, the Purchaser shall have the rights described in paragraph 7 below. In the event such damage, destruction or loss is of all or substantially all of the Purchased Assets, the Purchaser may terminate this Agreement without any obligation or liability on its part whatsoever and the parties hereto shall have no further rights or remedies against each other
7. Court Approval. As soon as practical following the execution of this Agreement, the Receiver, shall use commercially reasonable efforts to apply to the Court for

an Order approving the transaction contemplated by this Agreement (the "**Approval and Vesting Order**") based on the standard form as used in the Court with such modifications deemed necessary by the Vendor and the Purchaser acting reasonably. Vendor will prepare the necessary form of order, and obtain approval from Purchaser, prior to submission of the Approval and Vesting Order to the Court.

8. Adjustment to Purchased Assets or Purchase Price. The Purchaser has attended at the Company's premises located at 3180 Dufferin Street, Toronto, Ontario (the "**Premises**") to inspect the Purchased Assets and has satisfied itself with the descriptions and details set out in Schedule "A", and agrees that no adjustments needed to be made to the Purchase Price with respect to LPOs (Limited Production Options), mileage/odometer readings or condition. Except as provided in this Agreement, there will be no other adjustments to the Purchase Price whatsoever for any claims of set-off or other deductions of any kind by the Purchaser pursuant to the Dealer Agreement or other. The Vendor will provide access to the Purchaser one regular business day prior to the Closing Date so the Purchaser can conduct a final inspection of the Purchased Assets. Purchaser may remove any vehicle from the list of Purchased Assets if Purchaser reasonably determines it (i) is damaged, (ii) has mileage greater than 500 kilometers, (iii) is missing the owner's manual, the warranty booklet, or the New Vehicle Information Statement (NVIS), or (iv) is missing any LPO or other optional equipment listed on the vehicle invoice. If any vehicle on the Purchased Asset list is removed from the Purchased Asset list as described herein, then the Purchase Price paid by the Purchaser will be reduced by the value of that vehicle.
9. Termination. The transaction subject to this Agreement shall automatically be terminated if: (a) the Approval and Vesting Order is not obtained, or (b) if the Closing Date has not occurred, in either case, by May, 15, 2020, unless otherwise agreed by the Parties in writing (the "**Termination Date**") and the Parties shall have no further obligations other than as provided herein.

The Receiver shall use commercially reasonable efforts to obtain the Approval and Vesting Order. In the event that the Court does not grant the Approval and Vesting Order upon application of the Receiver in accordance with Section 7 hereof, and this Agreement is terminated as a result, the full amount of any Purchase Price Payment made shall be returned to the Purchaser, and the Purchaser shall have no further recourse against the Receiver. For greater certainty, the return of any Purchase Price Payment made to the Purchaser shall be the Purchaser's sole and exclusive remedy for any termination of this Agreement, including any claim that GM may have with respect to the Rebate Payment.

10. Closing. The completion of the sale and purchase of the Purchased Assets shall be the first regular business day following the issuance of the Approval and Vesting Order, or such other date agreed to by the Receiver and the Purchaser in writing (the "**Closing Date**") provided that there shall be no party objecting to the Approval and Vesting Order and there is no notice to either party of an appeal of the Approval and Vesting Order.

11. "As Is, Where Is". All Purchased Assets are being offered for sale on an "as is, where is" and "without recourse" basis, with no representations or warranties as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), merchantability, existence, quality, value or the validity, invalidity, or enforceability of any patent, copyright or trademark right, or any other matter or thing whatsoever, either stated or implied. Neither the Receiver nor the Company, nor their respective agents and representatives, make any representations or warranties whatsoever. The Vendor will provide the Purchaser with commercially reasonable access to the Premises for ongoing monitoring of the Purchased Assets and to facilitate the Purchaser's preparation to transfer the Purchased Assets from the Premises immediately following the Closing Date.
12. Liability and Indemnity. Neither the Company nor the Receiver shall be held liable or assume any obligations whatsoever for any loss, costs, claims, expenses, damages, injury or demands suffered by the Purchaser or any other person, or caused by, arising from, directly or indirectly or as a consequence of entering into this Agreement, or otherwise, with respect to any transaction contemplated herein, including but not limited to, the delivery or non-delivery of any of the Purchased Assets.
13. Odometer Disclosure Statement. The law requires that the Vendor shall state the mileage upon transfer of ownership. Failure to complete or providing false statements may result in fines and/or imprisonment. The Receiver, on behalf of the Company, states that the odometer readings on the Purchased Assets subject to this Agreement now read as indicated in Schedule "A" hereto. The Purchaser has independently inspected the Purchased Assets and has satisfied itself of the odometer readings for each of the Purchased Assets are as set out in Schedule "A". The Receiver hereby certifies that, to the best of its knowledge, but without independent verification, that the odometer readings reflect the actual mileage and that the odometers with respect to the Purchased Assets were not (and will not be, prior to the Closing Date) altered, set back or disconnected while in the Company's possession and the Receiver has no knowledge of anyone doing so.
14. Cooperation. The Purchaser agrees to cooperate with and assist the Receiver in pursuing and obtaining the Approval and Vesting Order and such releases which the Receiver may, in its sole discretion, desire to pursue for the sale of the Purchased Assets.
15. Dealer Agreement. The Receiver hereby agrees to give notice in writing of the immediate termination of the Dealer Agreement pursuant to Article 14.1 of the Dealer Agreement upon completion of the sale of the Purchased Assets. GM will continue to provide reasonable access to the necessary GM systems to the Receiver to permit the Receiver to administer the estate after termination until the receivership is discharged or the Receiver provides notice that access is no longer needed. The parties have agreed to waive all notice periods following the delivery of the notice of termination of the Dealer Agreement by the Receiver. If any such restrictions are not agreed to, either of the Purchaser or the Vendor can seek the direction of the Court. The Receiver confirms that such termination is without

prejudice to GM's claims, if any, in the receivership estate and that Purchaser does not waive or relinquish, and expressly reserves, all such rights that it may have in respect of its claims under the Dealer Agreement or otherwise at law or at equity against the Debtors.

16. Enurement. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors (including any successor by reason of amalgamation of any party hereto) and permitted assigns.
17. Governing Law. This Agreement is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties hereby attorn to the jurisdiction of the courts of the Province of Ontario.
18. Severability. Should any provision of this Agreement be held to be invalid or unenforceable, the remainder of this Agreement will not be affected thereby.
19. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties relating to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.
20. Counterparts. This Agreement may be executed in two or more counterparts and delivered by email (including in PDF format), all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS OF WHICH the Parties have duly executed this Agreement as of the date first written above.

**DELOITTE RESTRUCTURING INC., in its
capacity as Court-Appointed Receiver of
DEAN MYERS CHEVROLET LIMITED.
and not in its personal capacity**

By: _____

Name: STEFANO DAMIANI

Title: VICE - PRESIDENT

**GENERAL MOTORS OF CANADA
COMPANY**

By: _____

Name: James J. Williams

Title: VP, Lead Counsel for Canada

SCHEDULE "A" - PURCHASED ASSETS - VEHICLE INVENTORY

(\$ Amounts in Canadian Currency)

Year	Make	MODEL	VIN	Value (\$)	HST (\$)	Total with HST (\$)	Odometer (km)
2020	Chevrolet	Spark 1LT	KL8CD6SA6LC402370				159
2020	Buick	Encore Essence AWD	KL4CJGSB4LB034527				23
2020	Buick	Encore Essence AWD	KL4CJGSB2LB033764				14
2020	Buick	Encore Preferred AWD	KL4CJESBXLB040336				17
2020	Buick	Encore Preferred FWD	KL4CJASB8LB026377				5
2020	Buick	Encore Preferred FWD	KL4CJASB7LB025270				13
2020	Buick	Encore Sport Touring AWD	KL4CJ2SB4LB033882				9
2020	Buick	Encore Sport Touring FWD	KL4CJ1SBXLB028048				69
2020	Buick	Encore Sport Touring FWD	KL4CJ1SB4LB028479				6
2020	Buick	Encore Sport Touring FWD	KL4CJ1SB2LB035284				6
2020	Chevrolet	Blazer	3GNKBJRS3LS571581				6
2020	Chevrolet	Blazer	3GNKBJRS1LS571580				6
2020	Chevrolet	Blazer	3GNKBHRSXLS556018				14
2020	Chevrolet	Blazer	3GNKBHRS8LS556017				8
2020	Chevrolet	Trax LT AWD	3GNCPJPSB0LL146012				8
2020	Chevrolet	Trax LS AWD	3GNCJNSB7LL139384				8
2020	Chevrolet	Trax LT FWD	3GNCJLSB8LL142864				16
2020	Chevrolet	Trax LT FWD	3GNCJLSB7LL162927				53
2020	Chevrolet	Trax LT FWD	3GNCJLSB7LL162233				7
2020	Chevrolet	Trax LT FWD	3GNCJLSB3LL152217				7
2020	Chevrolet	Trax LT FWD	3GNCJLSB2LL148014				7
2020	Chevrolet	Trax LT FWD	3GNCJLSB2LL122609				12
2020	Chevrolet	Trax LT FWD	3GNCJLSB0LL120955				12
2020	Chevrolet	Trax LS FWD	3GNCJKS8B9LL119880				6
2020	Chevrolet	Trax LS FWD	3GNCJKS8B8LL149940				7
2020	Chevrolet	Trax LS FWD	3GNCJKS8B7LL171623				8
2020	Chevrolet	Trax LS FWD	3GNCJKS8B6LL120369				14
2020	GMC	Terrain SLE FWD	3GKALMEV3LL132110				112
2020	Chevrolet	Equinox Premier 2.0T AWD	2GNAXYEX7L6192766				303
2020	Chevrolet	Equinox LT 2.0T AWD	2GNAXVEX8L6147429				3
2020	Chevrolet	Equinox LT 2.0T AWD	2GNAXVEX0L6150986				111
2020	Chevrolet	Equinox LT 1.5T FWD	2GNAXKEV4L6151474				4
2020	Chevrolet	Equinox LT 1.5 FWD	2GNAXKEV4L6112772				303
2020	Chevrolet	Equinox LS 1.5T FWD	2GNAXHEV9L6163395				17
2020	GMC	Savana Cargo 2500 135" WB	1GTW7AFP5L1141709				7
2020	GMC	Sierra 1500 Denali 4WD	1GTU9FEL8LZ166182				15
2020	GMC	Sierra 1500 SLE 7WD	1GTU9BED7LZ127438				89
2020	Chevrolet	Traverse Premier AWD	1GNEVKKW3LJ151554				30
2020	Chevrolet	Traverse Premier AWD	1GNEVKKW2LJ157264				21
2020	Chevrolet	Silverado 1500 High Count	1GCUYHEL9LZ151558				14
2020	Chevrolet	Silverado 1500 High Count	1GCUYHEL2LZ156133				24
2020	Chevrolet	Colorado WT 4WD Crew	1GCGTBEN8L1138213				6
2020	Chevrolet	Malibu LS Sedan	1G1ZB5ST1LF001013				15
2020	Chevrolet	Camaro ZL1 Coupe	1G1FK1R69L0105599				16
2020	Chevrolet	Camaro ZL1 Coupe	1G1FK1R61L0112952				4
2020	Chevrolet	Equinox LT midnight - FWD	2GNAXKEV9L6161210				6
2020	Chevrolet	Traverse LT - FWD	1GNERGKW1J167365				42
2020	Chevrolet	Equinox 2LT - AWD	2GNAXVEX4L6152563				41
2020	GMC	Terrain SLE AWD	3GKALTEX9LL164572				172



EXHIBIT "C"

**In the Matter of the Receivership of
Dean Myers Chevrolet Limited ("DMCL") and 1125278 Ontario Limited ("1125278")
Statement of Receipts and Disbursements
For the period February 12, 2020 to March 16, 2020
(All amounts in Canadian Currency)**

		DMCL	1125278	Combined
	<i>Note</i>	February 12, 2020 to March 16, 2020	February 12, 2020 to March 16, 2020	February 12, 2020 to March 16, 2020
Receipts				
Cash on hand	<i>1</i>	\$ 301,051	\$ -	\$ 301,051
Collection of pre-receivership vehicle sales and warranty claims	<i>2</i>	211,411	-	211,411
Other accounts receivable collections	<i>2</i>	5,193	-	-
MVDA trust funds	<i>3</i>	38,285	-	38,285
Interest income		961	-	961
Petty cash		605	-	605
Other miscellaneous receipts		80	-	80
Customer lease payments	<i>4</i>	-	10,687	10,687
Total receipts		\$ 557,586	\$ 10,687	\$ 568,273
Disbursements				
Employee wages	<i>5</i>	\$ 18,428	\$ -	\$ 18,428
Employee source deductions	<i>5</i>	10,082	-	10,082
Operating expenses		7,204	-	7,204
Bank charges		554	-	554
OSB filing fee		70	70	140
Total disbursements		\$ 36,337	\$ 70	\$ 36,407
Cash balance as at March 16, 2020		\$ 521,250	\$ 10,617	\$ 531,867

Notes

- 1** Represents the consolidation of cash held in DMCL's bank accounts at TD Canada Trust as at the date of the Appointment Order on February 12, 2020.
- 2** Collection of receivables in respect of vehicle sales entered into prior to the date of the Appointment Order, and warranty claims.
- 3** Represents the MVDA trust funds held in a separate bank account as at February 12, 2020. This account was meant for consignment customers and large deposits.
- 4** Collection of monthly vehicle lease payments from 1125278 customers.
- 5** Represents wages paid to DMCL employees temporarily retained by the Receiver to assist in the administration of the receivership estate, including payment of related source deductions.

ROYAL BANK OF CANADA

-and-

DEAN MYERS CHEVROLET LIMITED and 1125278 ONTARIO LIMITED

Applicant

Respondents

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

PROCEEDING COMMENCED AT
TORONTO

**FIRST REPORT OF THE RECEIVER, DELOITTE
RESTRUCTURING INC.**

HARRISON PENZA LLP

Barristers & Solicitors
450 Talbot St., London, Ontario N6A 5J6
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Lawyers for Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver of Dean Myers Chevrolet Limited and 1125278 Ontario Limited

ROYAL BANK OF CANADA

-and-

DEAN MYERS CHEVROLET LIMITED et al.

Applicant

Respondents

Court File No. CV-20-00636095-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
Toronto, Ontario

MOTION RECORD

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London, Ontario N6A 4K3

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Fax: (519) 667-3362

Solicitors for the Receiver,
Deloitte Restructuring Inc.