

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

**INJECTION TECHNOLOGIES INC., MOLDCO PLASTICS INC.,
AND MOLDCO HOLDINGS INC.**

Respondents

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS THE RECEIVER AND MANAGER
DATED DECEMBER 21, 2023**

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INTRODUCTION

1. On May 26, 2023, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties (collectively, the “**Property**”) of Injection Technologies Inc. (“**ITI**”), Moldco Plastics Inc. (“**MPI**”), and Moldco Holdings Inc. (“**Moldco Holdings**”, and together with ITI and MPI, the “**Debtors**”) pursuant to an order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.
2. Copies of the Receivership Order, together with other materials filed with the Court, Receiver’s reports and stakeholder notices (e.g., BIA s.245 and 246 notices) with respect to this matter are available on the Receiver’s case website at www.insolvencies.deloitte.ca/en-ca/InjectionTechnologies.
3. On August 15, 2023, the Receiver issued its first report (the “**First Report**”) to the Court to:
 - (a) request approval of the transaction contemplated by the Asset Purchase and Sale Agreement dated July 28, 2023, between the Receiver and AarKel Testing Technologies Inc. (“**AarKel**”) for the sale of certain Property located at the Debtors’ premises in Windsor, Ontario (the “**Windsor Facility**”) (consummated as the “**AarKel Transaction**”);
 - (b) request approval of the transaction contemplated by the Auction Service Agreement between the Receiver and Corporate Assets Inc. (the “**Auctioneer**”) dated August 4, 2023 (the “**Auction Agreement**”). The Auction Agreement included

substantially all the machinery and equipment located at the Debtors' premises in Kitchener, Ontario (the "**Kitchener Facility**") and certain residual assets located at the Windsor Plant (the "**Auctioneer Purchased Assets**") to be included in an auction conducted by the Auctioneer under the Auction Agreement (the "**Auction Transaction**").

4. A copy of the First Report without Appendices is attached hereto as **Appendix "B"**.
5. A copy of the Pre-Filing Report of the Receiver dated May 19, 2023 (without Appendices) as referred to in the First Report is attached hereto as **Appendix "C" ("Pre-Filing Report")**
6. On August 25, 2023, the Court issued the following Orders:
 - (a) An Approval and Vesting Order with respect to the Aarkel Transaction (the "**AarKel AVO**");
 - (b) An Approval and Vesting Order with respect to the Auction Transaction (the "**Auction AVO**");
 - (c) An Ancillary Order approving the First Report and the Statement of Receipts and Disbursements in the First Report, and sealing the Confidential Appendices (the "**Ancillary Order**"); and,
 - (d) Copies of the AarKel AVO, Auction AVO and Ancillary Order are attached hereto as **Appendix "D", "E" and "F"** respectively.
7. This purpose of this second report of the Receiver (the "**Second Report**") is to:

- (a) provide the Court with an update in respect of the activities of the Receiver since it issued the First Report, including the Receiver's ongoing efforts to collect all remaining amounts due to the Debtors and supervision of the Kitchener Facility;
- (b) provide an update on the closing of the AarKel Transaction and the post-closing working capital transaction;
- (c) provide an update on the closing of the Auction Transaction and the results of the Auction Transaction;
- (d) advise the court of the bankruptcy of ITI and MPI;
- (e) advise the Court of the various security interests in the Debtors' property;
- (f) advise the Court on the status of CRA's review of the Debtors' and the Receiver's payroll, HST and income tax account filings and audits;
- (g) advise the Court of the tasks remaining in the administration of the Receivership;
- (h) provide the Court with an evidentiary basis to make orders:
 - i. approving this Second Report¹ and the activities of the Receiver as described herein;
 - ii. approve the Receiver's Statement of Receipts and Disbursements for the period May 26, 2023 to November 30, 2023;
 - iii. authorizing the BMO Distribution (as defined below) to Bank of Montreal ("**BMO**");

¹ Noting that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way any approval of the Second Report, if granted by the Court.

- iv. authorizing the Interim TD Distribution (as defined below) to The Toronto Dominion Bank (“**TD Bank**”);
- v. authorizing the Holdbacks (as defined below) in relation to any costs or payments required to complete the administration of the estate;
- vi. authorizing the Fees and the Fee Accrual (each as defined below), and payment of same;
- vii. authorizing the Final Distribution (as defined below) to TD Bank, up to the indebtedness owing to TD Bank under credit agreements with the Debtors and security granted by the Debtors to TD Bank;
- viii. approving the fees and costs of the Receiver and its legal counsel as described herein and in the fee affidavits appended to this Second Report (the “**Fees**”) and a Fee Accrual (as defined below), and payment of same; and,
- ix. discharging Deloitte as the Receiver on the filing of the Certificate of Completion as provided for in this Second Report, and releasing the Receiver from liability for its actions while acting in such capacity, save and except for the Receiver’s gross negligence or willful misconduct.

TERMS OF REFERENCE

- 8. In preparing this Second 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 Second Report:

- (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook, and, accordingly, Deloitte expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- (b) Deloitte has prepared this Second Report in its capacity as the Receiver for solely the purposes noted herein. Parties using this Second Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

- 9. Unless otherwise stated, all dollar amounts contained in the Report are expressed in Canadian dollars.
- 10. Capitalized terms not defined herein shall have the meaning ascribed to them in the Receivership Order, Pre-Filing Report, or the First Report, as applicable.

UPDATE ON THE RECEIVER’S ACTIVITIES SINCE ITS APPOINTMENT

- 11. In addition to the activities outlined in the First Report, the Receiver has undertaken the following activities in accordance with the terms of the Receivership Order:

- (a) routinely attended the Windsor Facility and Windsor Warehouse up to the date of lease assignment on September 6, 2023;
- (b) routinely attended the Kitchener Facility;
- (c) concluded security services at the Kitchener Facility;
- (d) concluded production of parts at the Kitchener Facility on August 31, 2023, sending a discontinuation notice to all remaining customers;
- (e) terminated the retention agreements with those Debtor employees retained by the Receiver prior to September 25, 2023;
- (f) terminated and released several leased forklifts and printers;
- (g) secured insurance coverage to permit production at both locations until August 18, 2023 (Kitchener) and September 5, 2023 (Windsor). The Kitchener facility remains insured for loss and damage until December 31, 2023;
- (h) retained a former employee, to check in at the Kitchener facility daily and ensure all chattels remain in place and the property is secured appropriately;
- (i) monitor and record daily receipts and disbursements;
- (j) pursued collection of amounts due to the Debtors pursuant to the settlement agreements entered into with customers;
- (k) secured and imaged the laptop of the Debtors' former Controller to preserve all financial information related to the operating period of the Receivership;

- (l) prepared and filed HST returns with the CRA for the Receivership period from May 26 to October 31, 2023 and making remittances up to and including July 31, 2023;
- (m) updated the Receiver's website with all relevant information to creditors, including a letter advising tool owners of the Receiver's intention to dispose of obsolete tools and information related to the bankruptcy filings of ITI and MPI (discussed herein);
- (n) reviewed and responded to inquiries from creditors;
- (o) provided status updates on the progress of the receivership to TD Bank; and
- (p) addressed additional matters as they arose from time to time.

COLLECTION EFFORTS TO DATE

- 12. As at November 30, 2023, the Receiver entered into interim and final settlement and release agreements with 63 customers of the Debtors that provided for, among other things, payment to the Receiver of an agreed amount with respect to outstanding accounts receivable, the sale of inventory on hand and/or additional parts produced by the Receiver and set-off claims of certain customers. These claims also provided for the return of customers' tools, the sale of customer specific component parts and the return of Computer-Aided Design drawings and other design data.
- 13. The table below sets out total cash recoveries of pre-receivership A/R and post-receivership operations to November 30, 2023, in the approximate amounts of CAD \$7.5 million plus US \$2.0 million:

Description (amounts are presented in 000s)	Net book value²	CAD	USD	Total (CAD)	Recovery %
Collection of outstanding accounts receivable as at May 25, 2023	4,113	2,592	709	3,555	86.4%
Collections from post-receivership sales	N/A	5,023	1,298	6,991	N/A
Total cash receipts to November 30, 2023		7,455	1,993	10,546	

UPDATE ON CLOSING OF THE AARKEL TRANSACTION

14. As detailed in the First Report, on July 28, 2023, the Receiver entered into an agreement to sell assets located at the Windsor Facility to AarKel Testing Technologies Inc. (“**AarKel**”). As outlined in the First Report, the assets purchased in the AarKel APA included:

- (a) machinery, equipment and other assets described in Lot 1(a) excluding certain residual assets to be sold under the Auction Transaction;
- (b) machinery described in Lot 1(b) re the BMO Unit (the “BMO Asset”);
- (c) machinery, equipment and other assets described in Lot 3; and
- (d) intellectual property used exclusively in the Windsor business.

15. As detailed in the First Report, there were several conditions required to close the AarKel Transaction whereby the Receiver and AarKel worked to address the conditions and close the transaction, including:

- (a) the Receiver obtained the Aarkel AVO, the Auction AVO and the Ancillary Order;

² This amount represents the net book value of accounts receivable at May 25, 2023, measured in Canadian dollars at the November 30, 2023, USD to CAD foreign exchange rate of 1.3582.

- (b) AarKel paid the balance of the purchase price to the Receiver on September 6, 2023;
 - (c) the Receiver obtained consent to assign the real property lease from the landlords of the Windsor Facility and Windsor Warehouse, which included the resolution of cure costs that were paid by the Receiver;
 - (d) BMO agreed to the price allocated to the BMO Asset, amounting to \$976,000, and the Receiver delivered title to the BMO unit to AarKel, free and clear of any encumbrances;
 - (e) the Receiver's Certificate, substantially in the forms appended to the AarKel AVO certifying that the subject transaction closed, was filed with the Court on September 6, 2023. A copy of the Receiver's Certificate in relation to the AarKel Transaction is attached hereto as "**Appendix G**".
16. Following the closing of the AarKel Transaction, the Receiver and AarKel negotiated an agreement whereby AarKel purchased select raw material inventory, resins and spare parts and substantially all of the accounts receivable pertaining to the Windsor tryout business (the "**Receivables and Inventory Purchase Agreement**"). A copy of the Receivables and Inventory Purchase Agreement is attached hereto as "**Appendix H**".
17. A summary of the non-commercially sensitive key terms of the Receivables and Inventory Purchase Agreement is provided below.

Summary of the Receivables and Inventory Purchase Agreement	
Purchaser	<ul style="list-style-type: none">AarKel Testing Technologies Inc.
Transaction Type	<ul style="list-style-type: none">Sale of assets
Date of Execution	<ul style="list-style-type: none">September 22, 2023

Summary of the Receivables and Inventory Purchase Agreement	
Purchased Assets	<ul style="list-style-type: none"> • Certain accounts receivable in respect of the Debtors' tryout business, as set out in Schedule A of the Receivables and Inventory Purchase Agreement. • Certain raw material inventory, resins and spare parts, as set out in Schedule B of the Receivables and Inventory Purchase Agreement.
Purchase Price	<ul style="list-style-type: none"> • Certain accounts receivable were sold at an amount equal to the full value (the Receivables Price”). • Certain inventory was purchased at an agreed upon price.
Payment of Purchase Price	<ul style="list-style-type: none"> • AarKel retained an amount equal to 10% of the Receivables Price to allow for a period where the Receiver may collect payments on behalf of AarKel in the event customers send payments to the Receiver.

18. The Receivables and Inventory Purchase Agreement was entered into to facilitate collections of tryout amounts due to the Debtors while minimizing confusion for customers remaining with the tryout business acquired by AarKel. Further, raw material inventory sold pursuant to this agreement was to reimburse the Debtors for raw materials purchased in bulk quantities prior to closing the AarKel Transaction that AarKel would use post closing. The value of this transaction was \$746,621.
19. As of November 30, 2023, the Receiver and AarKel have reconciled amounts due between the parties pursuant to the Receivables and Inventory Purchase Agreement and AarKel remitted the balance due to the Receiver. Accordingly, the Receivables and Inventory Purchase Agreement is complete.
20. The total transaction value pursuant to the Receivables and Inventory Purchase Agreement was less than the \$1 million threshold for the Receiver to complete transactions without

the approval of the Court. As this supplementary transaction was essentially an advance on accounts receivable and recovery of purchased inventory done to facilitate the post-closing customer transition, the Receiver proceeded to consummate and complete this transaction without the prior approval of the Court.

UPDATE ON THE CLOSING OF THE AUCTION TRANSACTION

21. As detailed in the First Report, the Receiver entered into an auction agreement with Corporate Assets Inc. (“**Corporate Assets**” or the “**Auctioneer**”) on August 4, 2023, to sell substantially all assets at the Kitchener Facility and select assets in the Windsor Facility. Corporate Assets offered the Receiver a net minimum guarantee (“**NMG**”) amount with profit sharing above a set threshold in excess of the NMG. Corporate Assets auctioned these assets online in October and November, 2023 and is arranging their removal by December 15, 2023 (which deadline has been extended by the Receiver to December 22, 2023).
22. As detailed in the First Report, the Auction Transaction was subject to several conditions to be satisfied prior to closing. On August 25, 2023, the Court granted an Approval and Vesting Order in respect of the Auction Agreement with Corporate Assets, subject to the delivery of a Receiver Certificate to Corporate Assets.
23. Following the Auction AVO, the Receiver completed a bill of sale conveying to the Auctioneer the right, title and interest of the Debtors’ interest in and to the Auctioneer Purchased Assets free from all liens and encumbrances on an “as is, where is” basis.

24. Corporate Assets paid the balance of the NMG to the Receiver on October 11, 2023. The results of the auctions did not exceed the profit-sharing threshold.
25. The Receiver issued the Receiver Certificate to Corporate Assets on December 20, 2023 and has subsequently filed same with the Court. A copy of the Receiver's Certificate in relation to the Auction Transaction is attached hereto as "**Appendix I**".
26. Pursuant to the Auction Agreement, Corporate Assets is to return the Kitchener Facility to the Receiver in a broom-swept condition by December 15, 2023 (which deadline has been extended by the Receiver to December 22, 2023). Following this, the Receiver will return the property to the landlord.

INJECTION TECHNOLOGIES INC. AND MOLDCO PLASTICS INC. BANKRUPTCY

27. Pursuant to paragraph 3(p) of the Receivership Order, the Receiver has the powers to "file an assignment into bankruptcy, and act as trustee in bankruptcy, on behalf of any or all of the Debtors", which includes ITI and MPI.
28. On October 11, 2023 (the "**Date of Bankruptcy**"), the Receiver assigned ITI and MPI into bankruptcy and the Official Receiver named Deloitte as the Licensed Insolvency Trustee (in such capacity, the "**Trustee**") of both bankrupt estates. The bankruptcy assignments will allow for an orderly and efficient wind-down of ITI and MPI while allowing for the alignment of priority claims and crystallizing of various creditor claims.
29. Since the Date of Bankruptcy, the Trustee has complied with the notice requirements set out in the BIA. The first meeting of creditors of ITI and MPI (the "**FMOC**") was held virtually on November 1, 2023. Deloitte's appointment as trustee in bankruptcy was affirmed at the FMOC of both ITI and MPI.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

30. Attached as **Appendix “J”** is a consolidated Statement of Receipts and Disbursements (“**R&D**”) for the period May 26, 2023 to November 30, 2023 including the Receiver’s estimate of future amounts to be realized and incurred. As at November 30, 2023, the closing cash balance was approximately CAD \$9.5 million plus approximately US \$983,000. A summary of the R&D is presented below.

Receipts and Disbursements amounts presented in 000s	Combined		
	\$ CAD	\$ USD	Total in \$ CAD
Receipts			
Sale of Assets	7,153	-	7,153
Collection of opening accounts receivable	2,592	709	3,555
Collection from new sales	5,023	1,298	6,786
HST collected	857	38	909
Transfers between Receivership trust accounts	(0)	(0)	(0)
Interest & other cash receipts	95	6	103
Total Receipts	15,739	2,051	18,524
Disbursements			
Payroll and related benefits	(2,017)	-	(2,017)
Cost of Goods Sold	(344)	(959)	(1,647)
Rent	(706)	-	(706)
Overhead Costs	(312)	(28)	(349)
Utilities	(245)	-	(245)
Other manufacturing costs	(84)	(1)	(85)
Other operating costs	(39)	0	(39)
HST paid	(512)	(80)	(621)
Professional Fees	(1,985)	-	(1,985)
Total disbursements	(6,244)	(1,068)	(7,694)
Ending cash balance	9,495	983	10,831

31. As outlined in the R&D at Appendix J, which includes estimates for certain receipts and disbursements to finalize the receivership, there are select amounts that remain to be realized as follows:

- (a) Collections from certain customers for the production of parts throughout the Receivership period. A significant portion of the remaining amounts to be collected

is due from one customer. The Receiver remains in communication with this customer and expects the payment to be made in the near term; and

- (b) The Receiver is attempting to resolve CRA's deemed trust claim in ITI on account of unremitted payroll source deductions (described in Paragraph 45 of the Pre-Filing Report). The CRA account statements indicate that a payroll source deduction obligation of approximately \$1.35 million is owing from ITI. However, the MPI payroll account statements indicate that a refund is due to MPI of approximately \$859,000 as the Debtors incorrectly remitted ITI payroll source deductions under the MPI CRA payroll account. Once the Receiver responds to CRA's audit inquiries, it anticipates that the refund on MPI's account will be refunded and then used to fund the ITI deemed trust obligation, along with approximately \$489,000 from realizations from ITI's assets.

32. As outlined in the R&D at Appendix J, there are costs to be incurred by the Receiver to finalize its administration and certain claims against the funds realized that have or may have priority to TD's security (collectively, the "**Holdbacks**"). The following summarizes each of the reserves:

- (a) Since the First Report, the Receiver has refiled WEPPA in connection with the Bankruptcy of ITI and MPI. Based on the employee information provided to Service Canada calculated the Receiver estimates that approximately \$69,000 may be subject to a limited super priority pursuant to Section 81.4 of the BIA. Payment of this claim to Service Canada once it files a claim will be in priority to TD's security;
- (b) The Receiver will continue to incur holding costs related to the Kitchener facility until it is returned to the landlord on or prior to December 31, 2023;

- (c) The Receiver estimates that it will collect HST in excess of input tax credits resulting in an HST liability to the CRA of approximately \$300,000, which amounts will be remitted to the CRA as the Receiver completes the administration of the receivership;
 - (d) The Receiver continues to review the claim of the Cluthe Family Trust (“**Cluthe**”), noting that at the date of this Second Report, Cluthe does not hold a PPSA registration against ITI, MPI nor Moldco Holdings; however, such liability is recorded in the Debtor’s accounts. As such, a reserve has been provided for this potential claim. Counsel for the Receiver did contact counsel for Cluthe on August 15, 2023 to request Cluthe’s security documents and evidence of the underlying debt but did not receive a reply. Counsel for the Receiver has attempted to contact Cluthe counsel again as at December 12, 2023 and December 18, 2023 with no response as of the date of this Second Report.
 - (e) The Receiver is aware that the Ministry of Labour (“**MoL**”) has commenced proceedings as against ITI pursuant to the *Occupational Health and Safety Act* (“**OSHA**”) (the “**MoL Proceeding**”). The MoL Proceeding relates to an injury suffered by an ITI employee in August 2022, which the MoL alleges was caused due to certain OSHA breaches by ITI. It is the Receiver’s position that any fine or penalty arising from the MoL Proceeding would constitute an unsecured claim in these proceedings, and the Receiver does not intend to expend estate assets in defending the MoL Proceeding as a result.
33. After considering each of the remaining realizations, costs and distributions to creditors with priority claims, the Receiver estimates that the net amount available to TD Bank will be approximately \$7.4 to \$8.5 million depending on how potential priority claims are

settled. This represents a shortfall of approximately \$7.0 to \$8.1 million on TD's secured advances to the Debtors.

34. As reported in the First Report, the security held by TD Bank has been reviewed by Harrison Pensa LLP ("**HP**") as independent counsel for the Receiver, and it is the opinion of Receiver's counsel that TD Bank's security with respect to the Debtors is valid and perfected pursuant to the provisions of the PPSA. Attached as **Appendix "K"** is a copy of HP's opinion to the Receiver (the "**TD Opinion**").
35. As reported in the First Report, HP has reviewed the security held by BMO and has confirmed that such security is valid and enforceable over the BMO Asset.

RECEIVER'S COMMENDATION TO MAKE AN INTERIM DISTRIBUTION

36. Based on the TD Opinion, a review of the security pledged by the Debtors concluded in favour of the TD Security and in favour of BMO, with respect to the BMO Unit. As such, TD has security with a first ranking, with the exception of the BMO Unit, over the funds in the Receiver's trust accounts, subject to any claims with statutory or other priority that ranks ahead of TD's or BMO's claims.
37. The Receiver is seeking the Court's approval to make a final distribution to BMO from the funds held by the Receiver with respect to BMO's security over the BMO Unit, outlined herein and in the Security Opinion (the "**BMO Distribution**"). The agreed amount is \$976,000.
38. The Receiver is seeking the Court's approval to make an interim distribution to TD Bank of approximately \$7.5 million, being the net estimated realizations in the receivership less

amounts due BMO, Service Canada, CRA, the Fee Accrual, and the Holdbacks reserve for unforeseen disbursements (the “**Interim TD Distribution**”). The Receiver is also seeking the Court’s approval to make a final distribution to TD Bank all remaining funds held by the Receiver after the completion of the administration of the receivership up to the value of TD Bank’s advances (the “**Final Distribution**”). As noted in the Receiver’s Statement of Receipts and Disbursements in Schedule B, the amount due to TD Bank is approximately \$15.6 million and anticipated net realizations will not be sufficient to repay TD Bank in full.

REMAINING TASKS TO COMPLETE RECEIVERSHIP

39. The task remaining to complete the administration of the Receivership include:

- (a) Collecting outstanding amounts due from five customers;
- (b) The Receiver is in the process of negotiating the assignment of MPI’s lease over the Kitchener Premises to the current sublessor, Clek Inc., and will continue to communicate with Clek Inc. and the landlord of the Kitchener Premises in this regard;
- (c) Respond to CRA’s audit inquiries in respect of the Debtors’ payroll accounts and resolving the source deduction deemed trust amount;
- (d) Remit amounts due to Service Canada in respect of its claim in the Receivership related to former employees’ WEPPA claims;
- (e) Monitor the auctioneer’s exit of the Kitchener premises and return the property to the landlord;
- (f) Issue the BMO Distribution and the Interim TD Distribution; and

- (g) Issue the Final Distribution to TD Bank, consisting of the balance of funds in the estate, less any amounts utilized by the Receiver from the Fee Accrual and/or utilized by the Receiver in relation to the Holdbacks.

RECEIVER'S PROFESSIONAL FEES

40. The Receiver, and its legal counsel, HP and A&B, have maintained detailed records of their professional time and costs since the date of the Receivership Order.
41. The total fees of the Receiver during the period from May 26, 2023 to December 2, 2023 total \$1,792,088, together with expenses and disbursements in the sum of \$47,476 and HST in the amount of \$239,143, totalling \$2,078,708. The aforementioned has been particularly described in the Affidavit of Jorden Sleeth sworn December 20, 2023 attached hereto as Appendix "L" (the "**Sleeth Affidavit**").
42. The total fees of A&B, in its capacity as counsel to the Receiver, during the period from June 1, 2023 to September 22, 2023, total \$118,054.50, together with expenses and disbursements in the sum of \$41.40 and HST in the amount of \$15,352.47, totalling \$133,448.37. The aforementioned has been particularly described in the Affidavit of Matilda Lici sworn December 20, 2023 attached hereto as Appendix "M" (the "**Lici Affidavit**").
43. The total fees of Harrison Pensa, in its capacity as counsel to the Receiver, during the period from May 15, 2023, to November 30, 2023 total \$60,205, together with expenses and disbursements in the sum of \$4,130.45 and HST in the amount of \$6,880.79, totalling \$71,216.24. The aforementioned has been particularly described in the Affidavit of

Thomas Masterson sworn December 21, 2023, attached hereto as Appendix “N” (the “**Masterson Affidavit**”).

44. The Receiver is of the view that the fees and disbursements of its legal counsel are reasonable. The Receiver’s fees and disbursements as well as those of its legal counsel have been presented to TD Bank and it has no objections or concerns with the fees presented. The Receiver is currently seeking the approval of the Court of the Receiver’s activities and its fees and disbursements, including the fees and disbursements of its legal counsel, as described in this Second Report.
45. Provided there is no opposition to the relief sought in the Receiver’s Motion and that such relief is granted, the Receiver estimates that the additional fees and disbursements necessary to complete these proceedings will be approximately \$250,000 not including disbursements and HST. Such accrual includes invoices issued but not paid as of November 30, 2023 with fees that total approximately \$135,000 (collectively, the “**Fee Accrual**”).

Holdbacks

46. In addition to the Fee Accrual, the Receiver will utilize the Holdbacks to complete the administration of the Receivership.

RECEIVER’S RECOMMENDATIONS

47. For the reasons set out above, the Receiver recommends that the Court make Orders:
 - (a) approving this Second Report and the activities of the Receiver, including steps taken in dealing with the Property, as described in this Second Report;

- (b) authorizing the BMO Distribution in the sum of \$976,000;
- (c) authorizing the Interim TD Distribution in the sum of \$7,500,000;
- (d) authorizing the Receiver to hold the sum of approximately \$1.25 million as the Holdbacks, for the purposes set forth herein;
- (e) authorizing the Receiver to hold the sum of \$250,000 in relation to the Fee Accrual, and authorizing payment of same;
- (f) authorizing the Final Distribution to TD Bank up to the value of its secured advances to the Debtors;
- (g) approving the Receiver's Statement of Receipts and Disbursements for the period May 26, 2023 to November 30, 2023;
- (h) approving the Receiver's fees and disbursements as set out in the Sleeth Affidavit, and authorizing payment of same;
- (i) approving the fees and disbursements of A&B as set out in the Lici Affidavit, and authorizing payment of same;
- (j) approving the fees and disbursements of Harrison Pensa as set out in the Masterson Affidavit, and authorizing payment of same; and,
- (k) ordering that the Receiver be discharged on filing a certificate of completion with this Court, and releasing the Receiver from liability for its actions while acting in such capacity, save and except for the Receiver's gross negligence or willful misconduct.

All of which is respectfully submitted this 21st day of December, 2023.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver of Injection Technologies Inc.,
Moldco Plastics Inc., and Moldco Holdings
Inc., and without personal or corporate
liability

Per:



Jorden Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President

THE TORONTO-DOMINION BANK
Applicant

v.

INJECTION TECHNOLOGIES INC., et al.
Respondents

Court File No. CV-23-00699663-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

SECOND REPORT OF THE RECEIVER

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel : (519) 679-9660
Fax: (519) 667-3362
Email: thogan@harrisonpensa.com
rdanter@harrisonpensa.com

Lawyers for the Receiver,
Deloitte Restructuring Inc.