

**IN THE MATTER OF THE BANKRUPTCY OF
2SOURCE MANUFACTURING INC.**

**NOTICE OF ORDER GRANTED AUGUST 29, 2017 REGARDING ASSIGNMENT OF
CLAIMS PURSUANT TO SECTION 38 OF BANKRUPTCY AND INSOLVENCY ACT
(the "Notice")**

THIS NOTICE is being served upon you because you are a creditor of 2Source Manufacturing Inc. ("**2Source**" or the "**Bankrupt**") known by Deloitte Restructuring Inc., in its capacity as the trustee in bankruptcy (the "**Trustee**") of 2Source as set out in the Bankrupt's statement of affairs filed on July 20, 2017.

TAKE NOTICE THAT pursuant to an order of the Ontario Superior Court of Justice (the "**Court**") made on August 29, 2017 (the "**Section 38 Order**"), 2006905 Ontario Inc. ("**2006905**") was authorized, pursuant to Section 38 of the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3 (as amended), to:

- (a) commence and prosecute proceedings in its own name at its own expense and risk against any one or more of: United Technologies Corporation, Goodrich Aerospace Canada Ltd., Goodrich Corporation and Dino Soave (collectively, the "**UTAS Defendants**") in respect of any and all claims, rights or causes of action that the Bankrupt may have against any of the UTAS Defendants, including without limitation, the claims and causes of action plead by 2Source in the action commenced by 2Source in the Court bearing Court File No. CV-17-567429 (the "**UTAS Claims**"); and
- (b) continue or to commence and prosecute proceedings in its own name at its own expense and risk against any one or more of: Messier-Dowty Inc., Messier-Buggatti-Dowty SA, Messier-Dowty Ltd., Messier-Dowty Mexico SA de CV and Messier-Dowty Suzhou Co. Ltd. (collectively, the "**Messier Defendants**") in respect of any and all claims, rights or causes of action that the Bankrupt may have against any of the Messier Defendants, including without limitation, the claims and causes of action plead by 2Source in the action commenced by 2Source in the Court bearing Court File No. CV-15-537943 (the "**Messier Claims**").

A copy of the Section 38 Order is attached hereto as Schedule "A". Further information and materials relating to the bankruptcy proceedings of 2Source, including a copy of this Notice, the Section 38 Order, the Motion Record of 2006905 filed in connection with the Section 38 Order, and the pleadings setting out the UTAS Claims and the Messier Claims, can be found at: <http://www.insolvencies.deloitte.ca/en-ca/Pages/2SourceManufacturingInc.aspx?searchpage=Search-Insolvencies.aspx>.

The information set out in this Notice summarizes certain aspects of the Section 38 Order. You should carefully review the Section 38 Order for further information. To the extent of any inconsistency between this Notice and the Section 38 Order, the Section 38 Order shall govern.

Pursuant to the Section 38 Order, 2006905 has been assigned all rights to the UTAS Claims, the Messier Claims and any proceedings in respect of the UTAS Claims (the “**UTAS Proceedings**”) and/or the Messier Claims (the “**Messier Proceedings**” and, collectively with the UTAS Proceedings, the “**Proceedings**”), including the right to commence or continue the Proceedings at its own expense and risk. In accordance with the Section 38 Order, other creditors of 2Source may join 2006905 in receiving an assignment of the UTAS Claims, the Messier Claims and the Proceedings if they agree to pay their *pro-rata* share (based on the aggregate amount of the proven claims of 2006905 and such participating creditors) (the “**Pro Rata Share**”) of the fees, costs and expenses of the Proceedings and share in the risks thereof. Pursuant to the Section 38 Order, the Trustee has executed an assignment assigning all of its right, title and interest in the subject matter of the Proceedings to 2006905 and such other creditors as may join with it in the Proceedings. If you wish to join in the Proceedings, you must complete and return this form to us within ten (10) days after the effective date of service of this Notice.

We draw your attention to paragraph 13 of the enclosed Order which provides that creditors who fail to join in the Proceedings within the time limited by the Section 38 Order shall be thereafter excluded from participating in the benefits to be derived from the Proceedings, subject to the paragraph below.

If 2006905 is successful in recovering money in respect of the Proceedings, the money recovered will be applied first to pay the legal costs incurred in connection with the said proceedings, including disbursements and HST (or taxes which may be applicable in other jurisdictions). The balance of the funds recovered will be divided among 2006905 and any other creditors who elect to participate in the Proceedings pursuant to the Section 38 Order, in accordance with paragraph 11 of the Section 38 Order. If surplus funds remain after payment of all such claims in full, that surplus will be remitted to the Trustee for the benefit of the other creditors (after payment of any unpaid fees and costs of the Trustee), and if there are funds remaining, to the Bankrupt’s shareholders.

If you elect to participate in the Proceedings, you will be responsible for your Pro Rata Share (as defined above) of the costs of the Proceedings. If the Proceedings are unsuccessful, you will be liable for your Pro Rata Share of any costs awarded against the plaintiff.

In accordance with paragraph 15 of the Section 38 Order, conduct of the Proceedings will be in the sole discretion of 2006905.

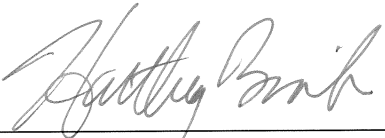
If you wish to join in this litigation, please complete and return the executed Schedule “**B**” together with this Notice to the Trustee, no later than 10 days after service of this Notice, by facsimile or electronic transmission to:

DELOITTE RESTRUCTURING INC.

Bay Adelaide East
22 Adelaide Street West
Suite 200
Toronto, ON M5H 0A9

Email: jhaghiri@deloitte.ca
Fax: 416-601-6690

**DELOITTE RESTRUCTURING INC., as
trustee of the estate of 2SOURCE
MANUFACTURING INC. and not in its
personal capacity**

Per: 

Hartley Bricks, Senior Vice President

SCHEDULE "A"

Court File No. 32-2274852

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)
JUSTICE HAINES)
TUESDAY, THE 29TH DAY
OF AUGUST, 2017



IN THE MATTER OF THE BANKRUPTCY OF
2SOURCE MANUFACTURING INC.

ORDER

THIS MOTION made by 2006905 Ontario Inc. ("2006905"), a creditor of 2Source Manufacturing Inc. ("2Source" or the "Bankrupt"), and upon reading the affidavit of Robert Glegg sworn August 22, 2017, and the affidavit of service of Amanda McLachlan sworn August 23, 2017, and on the consent of Deloitte Restructuring Inc., as Trustee in bankruptcy (the "Trustee"), and it appearing that, upon inquiry of 2006905, the Trustee has indicated that it will not commence or continue proceedings on behalf of the Bankrupt against United Technologies Corporation, Goodrich Aerospace Canada Ltd., Goodrich Corporation and Dino Soave (collectively, the "UTAS Defendants"), which are defendants in the litigation proceedings commenced by 2Source in the Ontario Superior Court of Justice (Court File No. CV-17-567429-00) (the "UTAS Ontario Proceeding"), or against Messier-Dowty Inc., Messier-Bugatti-Dowty SA, Messier-Dowty Ltd., Messier-Dowty Mexico SA de CV and Messier-Dowty Suzhou Co. Ltd. (collectively, the "Messier Defendants"), which are defendants in litigation proceedings commenced by 2Source in the Ontario Superior Court of Justice (Court

File No. CV-15-537943) (the "Messier Ontario Proceeding"), was heard this day at 330 University Avenue, Toronto, Ontario.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and that this motion is properly returnable today and further service thereof upon any other parties is hereby dispensed with.
2. **THIS COURT ORDERS** that 2006905 may and is hereby authorized, pursuant to Section 38 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B3 (the "BIA"), to commence and prosecute proceedings in its own name at its own expense and risk against any one or more of the UTAS Defendants in respect of any and all claims, rights or causes of action that the Bankrupt may have against any of the UTAS Defendants, including without limitation, the claims and causes of action plead by 2Source in the UTAS Ontario Proceeding (the "UTAS Claims").
3. **THIS COURT ORDERS** that 2006905 may and is hereby authorized, pursuant to Section 38 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B3 (the "BIA"), to commence or commence and prosecute proceedings in its own name at its own expense and risk against any one or more of the Messier Defendants in respect of any and all claims, rights or causes of action that the Bankrupt may have against any of the Messier Defendants, including without limitation, the claims and causes of action plead by 2Source in the Messier Ontario Proceeding (the "Messier Claims").
4. **THIS COURT ORDERS AND DIRECTS** the Trustee to:

- (a) execute an assignment immediately following the granting of this Order in the form and substance agreed upon between the Trustee and 2006905 (the "Assignment") assigning all of its right, title and interest in the UTAS Ontario Proceeding and the Messier Ontario Proceeding and the UTAS Claims and the Messier Claims to 2006905, for the benefit of 2006905 and any Participating Creditors (as defined below) in accordance with this Order; and such Assignment will vest in 2006905 all of the right, title and interest that the Bankrupt and/or Trustee have, had or shall have in the subject matter of the UTAS Ontario Proceeding and the Messier Ontario Proceeding and the UTAS Claims and the Messier Claims and any other claims or rights relating thereto; and
- (b) forthwith transfer to 2006905 and make available to 2006905 and any Participating Creditors as may join in the Proceedings pursuant to this Order all books and documents in support of or relevant to the UTAS Ontario Proceeding and the Messier Ontario Proceeding and the UTAS Claims and the Messier Claims.

5. **THIS COURT ORDERS** that notice of this order (the "Notice"), in form and substance acceptable to the Trustee and 2006905, along with a copy of the Order shall be served upon the other known creditors of the Bankrupt by the Trustee, as set out in the Bankrupt's statement of affairs filed in its bankruptcy proceeding on July 20, 2017 (the "Known Creditors"), by mailing the Notice by prepaid ordinary mail to each of the said Known Creditor(s) who have provable claims against the Bankrupt at their place of business or address as shown in the

Bankrupt's records. The Notice and a copy of this Order shall also be posted on the Trustee's website for the 2Source receivership and bankruptcy proceedings, together with a copy of 2006905's Motion Record for this Motion.

6. **THIS COURT ORDERS** that the service of the Notice shall be deemed effective on the fifth day following the date on which the Notice is mailed in accordance with paragraph 5.

7. **THIS COURT ORDERS** that 2006905 may commence any proceedings in respect of the UTAS Claims (the "UTAS Proceedings") and may continue and/or commence any proceedings in respect of the Messier Claims (the "Messier Proceedings" and, collectively with the UTAS Proceedings, the "Proceedings") immediately after the granting of this Order and prior to service of the Notice.

8. **THIS COURT ORDERS** that, subject to paragraphs 11 and 14 hereof, all benefits to be derived from the UTAS Claims, the Messier Claims and the Proceedings, together with any costs of same (collectively, the "Benefits of the Proceedings"), shall vest exclusively in 2006905 and such other Known Creditors who, within ten (10) days after the effective date of service of the Notice pursuant to paragraph 6 hereof, provide written notice to the Trustee that such Known Creditor agrees to contribute to the costs and expenses in the manner set out in paragraph 10 below and share in the risks of the Proceedings *pro rata* according to the amount of their respective proven claims (each Known Creditor so delivering a written statement and contributing to the costs and expenses, a "Participating Creditor"). Within five (5) days of the receipt of any such notice from a Participating Creditor, the Trustee will provide a copy of such notice to 2006905, who will provide it to the litigation counsel that it has appointed or will appoint with respect to each of the Proceedings in any jurisdictions where the Proceedings are

to be commenced or continued (collectively, "**Litigation Counsel**"), which term shall include any new or replacement litigation counsel appointed by 2006905 in respect of the Proceedings).

9. **THIS COURT ORDERS AND DECLARES** that the vesting of the Benefits of the Proceedings in and to 2006905 and any Participating Creditors pursuant to this Order shall be free and clear of any and all rights, titles, interests, claims, liens, hypothecs, security interests, trusts or deemed trusts (whether statutory or otherwise), assignments, executions, judgments, agreements, rights of distress, options, adverse claims, levies, taxes, disputes, debts, charges, mortgages, encumbrances, claims provable or any other rights or claims howsoever arising, whether contractual, statutory, by operation of law or otherwise, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, by or of any and all other persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities and tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executors, administrators or other legal representatives.

10. **THIS COURT ORDERS** that Litigation Counsel shall invoice the Participating Creditors their Pro Rata Share (as defined below) of the costs and expenses of the Proceedings on a regular basis (each an "**Invoice**"), and a Participating Creditor shall fund its pro rata share (based on the aggregate amount of the proven claims of 2006905 and the Participating Creditors (the "**Pro Rata Share**")) of the fees, costs and expenses of the Proceedings by paying each Invoice delivered to such Participating Creditor within thirty (30) days of the date of such invoice.

11. **THIS COURT ORDERS AND DIRECTS** that the Benefits of the Proceedings shall be distributed by Litigation Counsel in the following manner:

- (a) first, to 2006905 and any Participating Creditor, to reimburse each of them for their Pro Rata Share of the costs and expenses incurred in bringing or continuing and prosecuting the Proceedings from and after the date of this Order, including without limitation, any contingency fees payable to Litigation Counsel;
- (b) second, to 2006905 and Robert Glegg in payment of their legal fees and costs incurred prior to the date of this Order in assisting 2Source to pursue the UTAS Claims and the Messier Claims and bringing this Motion;
- (c) third, to each of 2006905 and any Participating Creditor, their Pro Rata Share up to the amount of each of their net proven claim amounts, which constitutes the net amount of their respective proven claim after deducting the amount of any dividend distributed to them by the Trustee from the Bankrupt's estate; and
- (d) fourth, any surplus after paying the net proven claim amounts of 2006905 and the Participating Creditors in accordance with clause (c) above shall be paid to the Trustee, first, for payment of any unpaid fees and costs of the Trustee in administration of the Bankrupt's estate, next for the benefit of the estate of the Bankrupt (for greater certainty, including the Bankrupt's creditors), with proven claims who were not Participating Creditors and thereafter, if there are funds remaining, the Bankrupt's shareholders.

12. **THIS COURT ORDERS AND DECLARES** that Litigation Counsel and the Trustee shall incur no liability or obligation in carrying out the provisions of this Order and making the distributions Litigation Counsel is directed to make in accordance with this Order and Litigation Counsel shall be released from any and all liability in making each such distribution as directed hereunder, and no action or other proceedings shall be commenced against Litigation Counsel as a result of or relating in any way to their making distributions in accordance with this Order.

13. **THIS COURT ORDERS** that if any creditor or creditors fail to participate in the Proceedings as provided for in paragraph 8 within ten (10) days of the effective date of service of the Notice pursuant to paragraph 6 hereof, they shall thereafter be excluded from participating in the Benefits of the Proceedings, subject to paragraph 11(d).

14. **THIS COURT ORDERS** that if a Participating Creditor at any time fails to pay its Pro Rata Share of the costs and expenses in accordance with paragraph 10 of this Order, Litigation Counsel shall send a notice of default to such Participating Creditor (a "Notice of Default"). Notwithstanding any other provision of this Order, if a Participating Creditor fails at any time to pay the amount outstanding set out in a Notice of Default within ten (10) days after receiving a Notice of Default, such Participating Creditor shall be and shall be deemed to be a non-participating creditor and shall not be entitled to any Benefits of the Proceedings, including, without limitation, any reimbursement of costs and expenses paid prior to a Notice of Default.

15. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, 2006905 shall have the sole right to control the conduct of the Proceedings in all jurisdictions, including the sole right to instruct counsel and make all decisions with respect to the Proceedings and the UTAS Claims and Messier Claims.

16. **THIS COURT ORDERS** that nothing in this Order shall override or vary the stay of the UTAS Ontario Proceeding pursuant to Section 106 of the *Courts of Justice Act*, ordered by Justice Monahan on July 19, 2017 and that the UTAS Proceedings shall not be commenced or continued in Ontario.

17. **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 2006905, the Trustee, Litigation Counsel and their respective 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 2006905, the Trustee and Litigation Counsel as may be necessary or desirable to give effect to this Order.

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT TORONTO

ORDER

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Co-counsel for the Moving Party

SCHEDULE "B"

In the matter of the bankruptcy of
2Source Manufacturing Inc.
of the City of Mississauga, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby elect to the join the Proceedings and accept the risks and costs associated therewith. By signing below, I confirm that I have read and understand the Notice served upon me, and that I agree to the terms and conditions of participating in the Proceedings set out in the Notice and the Section 38 Order.

Dated at _____, this _____ day of _____, _____.

Creditor

Per: _____
Name: _____
Title: _____

Creditor contact information

Address:

Email:

Fax: