

Court File No. CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

THIRD REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER
DATED APRIL 22, 2022

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I	Affidavit of Robert Kennedy of Dentons Canada LLP sworn April 22, 2022

INTRODUCTION

1. On June 19, 2021, The Toronto-Dominion Bank (“**TD**”) made an application 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 and manager (the “**Receiver**”) without security, of all the assets, undertakings and properties of each of Certus Automotive Inc. (“**Certus Canada**”) and Keen Point International Inc. (“**KPI Canada**”) (collectively, the “**Debtors**”, and together with their subsidiaries, the “**Certus Automotive Group**”) acquired for, or used in relation to a business carried on by the Debtors (the “**Property**”).
2. On June 25, 2021 (the “**Receivership Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Appointment Order**”) appointing Deloitte as the Receiver of the Property. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
3. Certus Canada is an Ontario corporation which operated as a Tier II global automotive parts manufacturer and distributor. Certus Canada’s main products were chrome plated trim and injection molds for interior and exterior automotive parts. KPI Canada is an Ontario corporation which operated in the business of distributing automobile parts and injection molds internationally. The Debtors operated a global supply chain centrally managed in Toronto, Ontario and wound down operations in early 2021. The Debtors are jointly controlled by Rob Mollenhauer (“**Mollenhauer**”) and James Prokopetz (“**Prokopetz**”, and together with Mollenhauer, the “**Principals**”).
4. Certus Automotive, S. De R.L. De C.V. (“**Certus Mexico**”) is a Mexico-based subsidiary of Certus Canada, which was involved in the manufacturing of automobile parts. Certus Mexico operated out of a leased plating and molding facility located in Queretaro, Mexico (the “**Mexico Plant**”).
5. TD is a secured lender to the Debtors pursuant to credit and loan agreements (the “**TD Loan Agreements**”) granted by TD. TD was owed in excess of CA\$10.3 million and US\$7.4 million as at June 16, 2021 (the “**TD Indebtedness**”). Export Development Canada has provided a limited guarantee of the TD Indebtedness. Given the anticipated recoveries in this receivership, it is clear that TD is the only creditor with any economic interest in the Property of the Debtors.
6. The Certus Automotive Group also obtained financing from FGI Worldwide LLC (“**FGI**”). Pursuant to an intercreditor agreement between TD and FGI dated November 15, 2019 (the “**Intercreditor Agreement**”), TD agreed to subordinate its security interest against the Debtors’ assets and property to FGI, except as against certain machinery and equipment.

7. On August 6, 2021, the Receiver filed its first report to Court (the “**First Report**”) for the purpose of, among other things, seeking an order of the Court approving the sale process (the “**Sale Process**”) proposed by the Receiver in respect of the Property, primarily consisting of Certus Canada’s machinery and equipment located at the Mexico Plant (the “**M&E**”), and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry out the Sale Process. A copy of the First Report (without appendices) is attached hereto as **Appendix “B”**.
8. On August 12, 2021, the Court issued an Order (the “**Sale Process Order**”) approving, among other things, the Sale Process. A copy of the Sale Process Order and the accompanying endorsement of Justice Koehnen is attached hereto as **Appendix “C”**.
9. On January 18, 2022, the Receiver filed its second report to Court (the “**Second Report**”) in support of its motion to, among other things, increase the monetary sale thresholds as set out in the Appointment Order and approve a settlement agreement among the Receiver, TD and FGI (the “**FGI Settlement Agreement**”). The Second Report detailed the Receiver’s efforts to realize upon the M&E in accordance with the Sale Process Order and advised the Court that the Receiver’s ability to conclude an APA had been frustrated for a variety of reasons. As a result, the requested increase to the monetary sale thresholds was intended to facilitate the Receiver’s revised and expedited sale efforts.
10. A copy of the Second Report (without appendices) is attached hereto as **Appendix “D”**. A copy of the Approval Order in respect of the increase sale thresholds and accompanying endorsement of Justice Conway dated January 21, 2022 are attached hereto as **Appendix “E”**. A copy of the Settlement Approval Order in respect of the FGI Settlement Agreement and accompanying endorsement of Justice Conway dated January 31, 2022 are attached hereto as **Appendix “F”**.
11. Copies of the Appointment Order, together with other Court documents and all reports with respect to this matter are available on the Receiver’s website at www.insolvencies.deloitte.ca/en-ca/certus.
12. The purpose of this third report of the Receiver (the “**Third Report**”) is to:
 - (a) provide the Court with additional information in respect of the Debtors, the Property and the administration of the receivership estate since the date of the Second Report;
 - (b) provide the Court with an evidentiary basis to make an Order (the “**Discharge Order**”):
 - (i) approving this Third Report and the activities of the Receiver described herein;
 - (ii) approving the professional fees and disbursements of the Receiver and the professional fees and disbursements of its independent legal counsel, Dentons

Canada LLP (“**Dentons**”), for the periods indicated in the Sleeth Affidavit and the Kennedy Affidavit (each as defined herein);

- (iii) approving the Receiver’s Statement of Receipts and Disbursements for the period January 1, 2022 to April 15, 2022; and
- (iv) discharging Deloitte as Receiver effective upon the filing of the Receiver’s discharge certificate, the form of which is attached as Schedule “A” to the proposed form of Discharge Order (the “**Discharge Certificate**”), certifying that the Remaining Activities (as defined herein) have been completed to the satisfaction of the Receiver.

TERMS OF REFERENCE

13. In preparing this Third Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the books and records of the Debtors, and discussions with management of the Certus Automotive Group (collectively, the “**Information**”). Except as described in this Third 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 Third Report in its capacity as a Court-appointed Receiver in connection with the relief sought by the Receiver as described herein. Parties using the Third Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
14. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in U.S. dollars.
15. Unless otherwise provided, all other capitalized terms not otherwise defined in this Third Report are as defined in the Second Report or the Appointment Order, as applicable.

RECEIVER'S ACTIVITIES

16. Since the Second Report, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
- (a) continued communications with the Principals and local management of Certus Mexico with respect to weekly cash budgets, inventory, tax information, security concerns and other matters. As set out in paragraphs 39 to 40 in the Second Report, the Receiver understands that substantially all of the Property of realizable value is the M&E located at the Mexico Plant;
 - (b) coordinated additional Receiver's Borrowings to fund ongoing operational and protective disbursements at Certus Mexico and receivership obligations, as described in more detail below;
 - (c) continued correspondence with the three Canadian former employees of the Debtors who were temporarily retained by the Receiver to provide assistance with, among other things, banking, payroll, compilation of financial information, and realization efforts. The Receiver provided notice to two of these former employees of the termination of their retention by the Receiver on April 22, 2022. The third former employee already resigned;
 - (d) finalized discussions with the operators of various warehouses used by the Certus Automotive Group (as further described below);
 - (e) continued communications with the Landlord of the Mexico Plant in respect of the Receiver's intended course of action and timeline for the sale of the M&E, and subsequent steps taken in Mexico;
 - (f) negotiated with customers, warehousemen and storage companies in respect of outstanding accounts receivable balances and the storage of inventory (as further described below);
 - (g) continued correspondence with Canada Revenue Agency ("CRA") with respect to payroll and HST filings;
 - (h) corresponded with creditors and other interested parties;
 - (i) continued correspondence with Dentons on legal matters relating to the receivership, which included the involvement of Dentons Lopez Velarde, as required;

- (j) communicated with the Principals regarding matters associated with the sale of the M&E, the Principals duties and obligations pursuant to their respective engagement agreements, funding of protective disbursements relating to the Mexico Plant, and addressing various stakeholder issues;
- (k) notified the Principals that funding for protective disbursements would cease effective March 18, 2022;
- (l) participated in the negotiation of a debt assignment agreement between TD, the Receiver and Big Shoulders Capital VIII, LLC as Assignee (as further described below);
- (m) prepared and filed statutory reporting in accordance with subsection 246(2) of the BIA; and
- (n) addressed additional receivership matters as they arose from time to time.

SETTLEMENT AND RELEASE AGREEMENTS

17. As at the Receivership Date, much of the Debtors' remaining inventory was stored in warehouses located in the United States and Mexico. Since its appointment, the Receiver has worked diligently to facilitate the delivery, release or pick-up, as applicable, of the sold inventory and settle payments as between the Receiver, the warehouse owners/operators and inventory purchasers for the net benefit of the receivership estate. In this regard, the Receiver has entered into, or is finalizing, settlement and release agreements with certain parties, including but not limited to:
- (a) Qualita Global, LLC, and affiliates ("**Qualita**"), a warehouse operator, in respect of inventory stored at Qualita's warehouses in Queretaro, Mexico and Michigan, USA;
 - (b) C.H. Robinson Worldwide, Inc. ("**CHR**"), a warehouse operator, in respect of inventory stored at CHR's warehouse in Illinois, USA;
 - (c) Carter Logistics, LLC ("**Carter**"), a warehouse operator, in respect of inventory stored at Carter's warehouse in Texas, USA;
 - (d) Dura Automotive Systems ("**Dura**"), a former customer of the Debtors, in respect of Dura's accounts payable; and
 - (e) NYX, LLC, formerly NYX, INC. and affiliates ("**NYX**"), a former customer of the Debtors, in respect of NYX's accounts payable.
18. Additionally, the Receiver entered into settlement and release agreements with the following parties:

- (a) Conway Mackenzie, LLC (part of Riveron Consulting, LLC), whom the Receiver engaged to provide marketing and other professional services to the Receiver in connection with the sale process set out in the Sale Process Order; and
 - (b) The Principals whom the Receiver engaged to provide consulting services in connection with the receivership proceedings and provide the necessary assistance to facilitate a sale of the M&E.
19. The Receiver is of the view that it has now completed all activities relating to the collection of accounts receivable or any other funds owing to the Debtors.

ASSIGNMENT AGREEMENT

20. As set out in paragraphs 49 to 60 of the Second Report, the Receiver's Sale Process was frustrated as a result of a variety of issues resulting in the ultimate suspension of the Sale Process.
21. As set out in paragraphs 61 to 63 of the Second Report, the Receiver was working towards finalizing the Quick Sale Transactions. At that time, the Receiver was of the view that the completion of Quick Sale Transactions might be achievable given the Landlord's desire to have the Mexico Plant cleared of the M&E within a short timeframe. However, in order to complete any Quick Sale Transaction (or any other conveyance of the M&E), the Receiver required the assistance of multiple third parties concerning the M&E.
22. Despite the efforts of the Receiver to obtain the cooperation of those third parties, the Receiver was unable to complete any Quick Sale Transaction that was viable from a cost and timing perspective.
23. In the circumstances, the Receiver pursued the discussion of a partial debt and security assignment transaction between TD and the lead party interested in the M&E. Of note, TD is the only creditor with an economic stake in the M&E and all proceeds generated in the receivership proceeding.
24. Specifically, starting in early February, 2022, the Receiver and TD commenced discussions with a group led by Big Shoulders Capital VIII, LLC (a third party related to Hilco) (the "**Assignee**") for the assignment of a portion of TD's debt together with the security related to the M&E.
25. Following lengthy negotiations between TD and the Assignee, with the Receiver's involvement, TD, the Assignee and the Receiver entered into an assignment agreement dated April 2, 2022 (the "**Assignment Agreement**"), pursuant to which TD, among other things, assigned its security interests in the M&E located at the Mexico Plant to the Assignee. The Receiver was a signatory to the Assignment Agreement as it, among other things, released its interest in the M&E collateral. A

copy of the Assignment Agreement has not been attached as an Appendix to this Third Report as the Assignment Agreement contains commercially sensitive material and a confidentiality clause. Notwithstanding the contents of the Assignment Agreement, if requested by the Court, the Receiver will make a copy of the Assignment Agreement available for the Court's review on a confidential basis.

26. As a result of the closing of the transaction associated with Assignment Agreement, the Receiver is of the view that all realization activities associated with the Property have been completed.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. Attached as **Appendix "G"** is a combined Statement of Receipts and Disbursements for the interim period January 1, 2022 to April 15, 2022 and cumulative period June 25, 2021 to April 15, 2022 (the "**Final R&D**"). As at April 15, 2022, the closing cash balance was: (i) US\$300,129 in the Receiver's US dollar trust account and (ii) CA\$20,225 in the Receiver's Canadian dollar trust account.
28. As noted above and below, the administration of the receivership estate is substantially complete. Based on the anticipated receipts (e.g., HST refunds) and payments required to finalize the receivership (e.g., professional fees incurred to March 31, 2022, certain third-party payments, and accrued fees to finalize the administration of the estate) the Receiver estimates that there is unlikely to be any funds available for distribution to TD or any other creditors.

RECEIVER'S BORROWINGS

29. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow funds, as it considers necessary, to a maximum outstanding principal amount of CA\$2,000,000 without further Order of the Court, all of which is subject to the Receiver's Borrowing Charge (as defined in the Appointment Order).
30. In order to fund immediate and ongoing protective disbursements from the Receivership Date through to the date of this Third Report, the Receiver has borrowed \$1,250,000 (approximately CA\$1,625,000) by way of three Receiver's Certificates, excluding interest, as follows: (i) \$250,000 on July 6, 2021 (as reported in paragraph 39 of the First Report), plus (ii) \$350,000 on August 31, 2021 (as reported in paragraph 68 of the Second Report), plus (iii) \$650,000 on January 24, 2022. The Receiver has not issued any repayments of these principal amounts.

31. As noted above, the Receiver does not anticipate that any funds will be available for distribution to TD or any other creditors. If there are any excess funds in the Receiver's accounts after receipt of HST returns, and payment of professional fees and certain third-party payments, the balance will be forwarded to TD as a repayment of the funds borrowed by the Receiver pursuant to the Receiver's Certificates.

PROFESSIONAL FEES

32. The Receiver, and its legal counsel, Dentons, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraphs 19 and 20 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
33. The fees of the Receiver during the period January 1, 2022 to March 31, 2022 amount to CA\$164,052, and together with disbursements of CA\$93 plus HST in the amount of CA\$21,339, total CA\$185,483. The fees of Deloitte Asesoría Financiera, S.C. ("**Deloitte Mexico**") during the period June to December 2022 amount to \$74,780 plus taxes in the amount of \$21,971, totaling \$96,751. The time spent by the Receiver, including Deloitte Mexico, is more particularly described in the Affidavit of Jordan Sleeth of Deloitte, sworn April 22, 2022 (the "**Sleeth Affidavit**") in support hereof and is attached hereto as **Appendix "H"**.
34. The legal fees incurred by Dentons during the period January 1, 2022 to March 31, 2022 amount to CA\$284,707.50 (including disbursements, and HST). The time spent by Dentons personnel is more particularly described in the Affidavit of Robert Kennedy of Dentons, sworn April 22, 2022 (the "**Kennedy Affidavit**", and together with the Sleeth Affidavit, the "**Fee Affidavits**") in support hereof and is attached hereto as **Appendix "I"**.
35. Certain docket entries in the invoices appended to the Fee Affidavits have been redacted to protect confidentiality relating to the Sale Process and Assignment Agreement.
36. As set out in the Sleeth Affidavit and the Kennedy Affidavit, the estimated fees of the Receiver and its legal counsel for the period April 1, 2022 to the conclusion of the administration are CA\$140,000 inclusive of disbursements and HST (the "**Estimated Fees**"). The Estimated Fees for the Receiver and Dentons are in addition to the fees outlined in paragraphs 24 and 25.
37. The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the Sleeth Affidavit and the Kennedy Affidavit (collectively, the "**Professional Fees**"), are reasonable in the circumstances of this case and have been validly incurred in accordance with

the provisions of the Appointment Order. Accordingly, the Receiver requests the approval of the Professional Fees.

REMAINING ACTIVITIES AND DISCHARGE OF THE RECEIVER

38. The Receiver has concluded the majority of its administration of the receivership. The remaining tasks to conclude the receivership administration are as follows (the “**Remaining Activities**”):
- (a) complete remaining HST tax reporting and correspondence with CRA, and closing of the receivership period tax accounts;
 - (b) finalize certain settlement agreements, as discussed above;
 - (c) issue Records of Employment and final T4’s with respect to employees retained by the Receiver;
 - (d) pay the outstanding Professional Fees and Estimated Fees, subject to Court approval;
 - (e) prepare and file the Receiver’s final report as required under Section 246(3) of the BIA;
 - (f) close the Receiver’s trust accounts; and
 - (g) any incidental tasks that may be required in connection with concluding the receivership proceedings, including without limitation, the filing of the Discharge Certificate, upon completion of the above matters.
39. Other than the Remaining Activities, the Receiver has completed its administration of the estate in accordance with the terms of the Appointment Order and the various other orders rendered by the Court in the course of these proceedings. Accordingly, the Receiver recommends that it be discharged pursuant to the terms of the proposed Discharge Order.

RECEIVER’S RECOMMENDATIONS

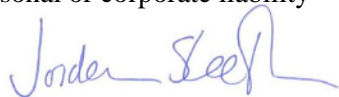
40. For the reasons set out above, the Receiver respectfully recommends that the Court make an Order:
- (a) approving this Third Report and the activities of the Receiver, as described herein;
 - (b) approving the Professional Fees and Estimated Fees;
 - (c) approving the Final R&D;
 - (d) discharging the Receiver, subject to the Receiver completing the Remaining Activities and the filing of the Discharge Certificate;

- (e) declaring that, upon the filing of the Discharge Certificate, Deloitte is released and discharged from any and all liability that Deloitte now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Deloitte while acting in its capacity as Receiver, save and except for the Receiver's gross negligence or willful misconduct.

All of which is respectfully submitted at Toronto, Ontario this 22nd day of April, 2022.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the
Court-appointed Receiver and Manager of
Certus Automotive Inc. and Keen Point
International Inc., and
without personal or corporate liability

Per:



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

Appendix “A”
to the Third Report of the Receiver

Court File No. CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE CONWAY

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)
)

FRIDAY, THE 21st DAY
OF JANUARY, 2022

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED

APPROVAL ORDER

THIS MOTION, made by Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of Certus Automotive Inc. and Keen Point International Inc. (collectively, the “**Debtors**”), for an order,

- (a) abridging the time for service of the Notice of Motion dated January 18, 2022 (the “**Notice of Motion**”) and the Motion Record dated January 18, 2022 (the “**Motion Record**”) herein and validating service thereof;
- (b) amending Section 3(k)(i) of the receivership order dated June 25, 2021 (the “**Receivership Order**”) to increase the monetary sale thresholds contemplated therein;

- (c) approving the second report of the Receiver dated January 18, 2022 (the “**Second Report**”), and the activities of the Receiver as described therein;
- (d) ordering that the confidential supplement to the Second Report of the Receiver appended to the Second Report, and its corresponding schedules (collectively, the “**Confidential Supplement**”), be sealed from the public record up and until further Order of the Court;
- (e) approving the fees and disbursements of the Receiver as set out in the affidavit of Jordan Sleeth sworn January 17, 2022 (the “**Sleeth Affidavit**”), and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn January 17, 2022 (the “**Kennedy Affidavit**”, and together with the Sleeth Affidavit, the “**Fee Affidavits**”);
- (f) approving the Receiver’s statement of receipts and disbursements for the period of August 4, 2021 to December 31, 2021 (the “**Interim R&D**”); and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day by video conference.

ON READING the Motion Record, the Second Report, together with the Confidential Supplement its corresponding schedules, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn January 18, 2022, filed:

SERVICE

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

RECEIVERSHIP ORDER AMENDMENT

2. **THIS COURT ORDERS** that the monetary sale thresholds set forth at section 3(k)(i) of the Receivership Order, being “\$800,000” and “\$1,500,000”, are hereby increased and amended to “CA \$1,500,000” and “CA \$3,000,000”, respectively.

SEALING

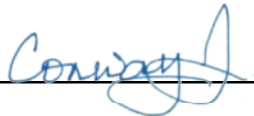
3. **THIS COURT ORDERS** that the Confidential Supplement, together with the corresponding schedules, shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order up and until further order of the Court.

RECEIVER’S ACTIVITIES

4. **THIS COURT ORDERS** that the Second Report, the Confidential Supplement and the activities of the Receiver, as described in the Second Report and the Confidential Supplement, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Second Report and in the Fee Affidavits, are hereby approved.

6. **THIS COURT ORDERS** that the Interim R&D is hereby approved.



Court File No: CV-21-00664429-00C
CERTUS AUTOMOTIVE INC., et :

THE TORONTO-DOMINION BANK

- and -

Applicant

Responder

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO
APPROVAL ORDER

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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Appendix “B”
to the Third Report of the Receiver

Court File No.: CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 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 43, AS AMENDED

FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER
DATED AUGUST 6, 2021

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APPENDICES

APPENDIX	DESCRIPTION
A	Receivership Appointment Order dated June 25, 2021
B	Marketing Teaser issued July 21, 2021
C	Receivership Sale Process Document
D	Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021
E	Affidavit of Stefano Damiani of Deloitte Restructuring Inc. sworn August 5, 2021
F	Affidavit of Robert Kennedy of Dentons Canada LLP sworn August 6, 2021

INTRODUCTION

1. An application was made on June 19, 2021 by The Toronto-Dominion Bank (“**TD**”) 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 and manager (the “**Receiver**”) without security, of all the assets, undertakings and properties of each of Certus Automotive Inc. (“**Certus Canada**”) and Keen Point International Inc. (“**KPI Canada**”) (collectively, the “**Debtors**”, and together with its subsidiaries, the “**Certus Automotive Group**”) acquired for, or used in relation to a business carried on by the Debtors (the “**Property**”).
2. On June 25, 2021 (the “**Receivership Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued the order (the “**Appointment Order**”) appointing Deloitte as the Receiver of the Property. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
3. Certus Canada is an Ontario corporation which operated as a Tier II global automotive parts manufacturer and distributor. Certus Canada’s main products are chrome plated trim and injection molds for interior and exterior automotive parts.
4. KPI Canada is an Ontario Corporation which operated in the business of distributing automobile parts and injection molds internationally.
5. The Debtors operated a global supply chain centrally headquartered and managed from 3300 Bloor Street West, Toronto (the “**Head Office Premises**”). As described further herein, the Debtors wound down operations in early 2021 and vacated the Head Office Premises prior to the Receivership Date. In addition to accounts receivable and inventory, the most significant remaining assets consist of machinery and equipment located at a leased manufacturing facility in Queretaro, Mexico (the “**Mexico Plant**”). The Mexico Plant is not currently operating nor producing goods.
6. TD is a secured lender to the Debtors pursuant to credit and loan agreements (the “**TD Loan Agreements**”) granted by TD (the “**TD Indebtedness**”) and is owed in excess of Cdn \$10.3 million and US \$7.4 million as at June 16, 2021. Export Development Canada (“**EDC**”) has provided a limited guarantee of the TD Indebtedness.
7. The Certus Automotive Group also obtained financing from FGI Worldwide LLC (“**FGI**”). Pursuant to an intercreditor agreement dated November 15, 2019 (the “**Intercreditor Agreement**”) between TD and FGI, TD agreed to subordinate its security interest against the Debtors’ assets and property to FGI, except as against certain machinery and equipment. TD and FGI continue to

reconcile and negotiate an allocation and release of certain proceeds collected by FGI prior to the Receivership Date pursuant to its loan agreements with the Debtors and the Intercreditor Agreement.

8. 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/certus.
9. The Appointment Order, among other things, authorized the Receiver to take possession and market any or all of the Property. Further, sections 3(k) 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 transaction not exceeding Cdn \$800,000, provided that the aggregate consideration for all such transactions does not exceed Cdn \$1,500,000.
10. 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 an Order:
 - (i) approving the activities of the Receiver as described herein, including steps taken in dealing with the Property;
 - (ii) approving the Sale Process (as defined herein) proposed by the Receiver in respect of the Property, primarily consisting of machinery and equipment located at the Mexico Plant, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry-out the Sale Process;
 - (iii) approving the Receiver's Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021; and
 - (iv) approving the professional fees and disbursements of the Receiver and the professional fees and disbursements of its independent legal counsel for the periods indicated in the Damiani Affidavit and the Kennedy Affidavit (each as defined herein).

TERMS OF REFERENCE

11. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the books and records of the Debtors, and discussions with management of the Certus Automotive Group (“**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 in connection with the relief sought by the Receiver as described herein. Parties using the Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
12. Unless otherwise stated, all dollar amounts contained in the Report are expressed in U.S. dollars.
13. Unless otherwise provided, all other capitalized terms not otherwise defined in this Report are as defined in the Appointment Order.

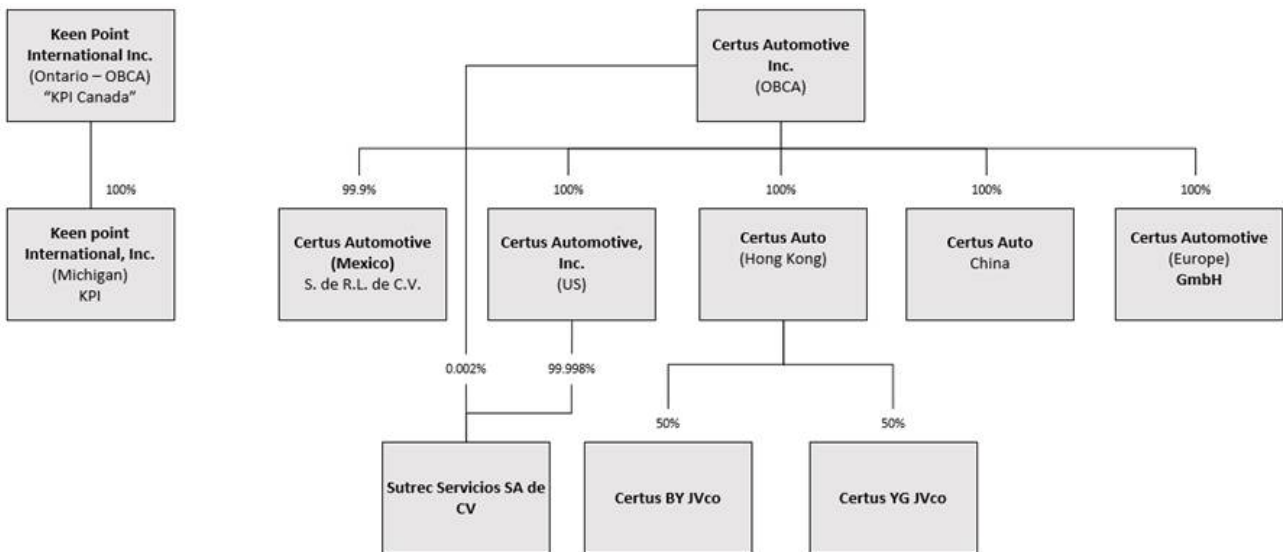
BACKGROUND

Overview

14. The Debtors operated in the business of providing engineering, manufacturing and distribution of specialized chrome plating products for the automotive industry. The Debtors primarily supplied to major Tier I and II automotive suppliers, with additional sales directly to Original Equipment Manufacturers.

Corporate Structure

15. The Debtors operated their business through a group of companies known as the “Certus Automotive Group”, with facilities located in Ontario, Michigan, Texas, China, Mexico and Germany. A simplified version of the corporate structure of the Debtors is as follows:



16. Certus Canada was incorporated in Ontario in 2012 as a replacement for KPI Canada and the manufacturer Xin Point Holdings Limited for all new business. Certus Canada sourced chrome plated automotive parts primarily through two joint ventures in China. These joint ventures would manufacture products and sell the parts to Certus, who would distribute the parts to global customers. In 2017, the Certus Automotive Group’s supply chain was supplemented with production from the Mexico Plant. The finance and head office functions for the Certus Automotive Group were based in Toronto, Canada. Moreover, Certus Canada had warehouse and logistics staff located in the Greater Toronto Area.
17. KPI Canada was incorporated in Ontario in 2006 and was engaged in the business of distributing automobile parts internationally.
18. The Debtors are jointly-controlled by Rob Mollenhauer (“**Mollenhauer**”) and James Prokopetz (“**Prokopetz**”) (together, the “**Principals**”) who directly and indirectly own substantially all of the common shares of the Debtors.
19. The Debtors had a collective headcount of 11 head office employees including one of the Principals, of which all but three were terminated between March 2021 and May 2021.

20. Certus Automotive, Inc. (US) (“**Certus US**”) is a US-based subsidiary based in Auburn Hills, Michigan which operations included sales, engineering, and quality control. Certus US had a headcount of 16 employees, all but one were terminated in April and May 2021.
21. Certus Automotive, S. De R.L. De C.V. (“**Certus Mexico**”) is a Mexico-based subsidiary located in Queretaro which was a plating and molding facility involved the manufacturing of automobile parts. Certus Mexico is 99.9% owned by Certus Canada, and the remaining 0.01% is owned by a holding company controlled by Mollenhauer. Certus Mexico’s headcount consisted of approximately 400 employees during production, of which 388 were terminated in April 2021.
22. Certus Automotive (Europe) GmbH (“**Certus Germany**”) is a Germany-based subsidiary located in Hamburg whose operations involved European sales, marketing, and distribution of automobile parts sourced from the Certus Automotive Group’s operations in China and Mexico. In May 2021, Certus Germany had commenced an application for a voluntary insolvency proceeding in Germany. The Receiver understands that this application was subsequently rescinded and Certus Germany is pursuing a wind-down driven by its management.
23. Certus Automotive (Huizhou) Ltd is an inactive entity.
24. Certus Automotive Shenzhen Co. Ltd. (“**Certus China**”) is a China-based subsidiary located in Shenzhen which was involved in the distribution of automobile parts and injection molds in China. This entity also provided quality control over the joint venture entities in China.
25. Certus Automotive, (HK) Limited (“**Certus HK**”) is a Hong Kong-based subsidiary and holding company with a 50% ownership in two joint ventures.
26. Keen Point International Inc. (Michigan) (“**KPI US**”) is a US-based subsidiary of KPI Canada located in Auburn Hills, Michigan which was involved in sales, engineering, quality and business development. KPI US had no employees in 2021 other than one of the Principals.

Events Leading up to the Receivership

27. The Certus Automotive Group was thinly capitalized due to the use of shareholder advances rather than equity injections, which was further stressed by the working and investment capital requirements from the protracted build and start of operations of the Mexico Plant. In addition, the Certus Automotive Group experienced challenges in respect of industry trends, new global trade policies, and the automotive industry disruptions resulting from COVID-19.

28. As a result of the wind-down of operations and the Mexico Plant ceasing production and being placed in care and maintenance, most of the employees of the Certus Automotive Group were terminated in the months prior to the Receivership Date.
29. As of the Receivership Date, there were 3 remaining employees of the Debtors in Canada who worked on a very limited part-time basis. Moreover, Certus Mexico employees 14 full-time and part-time staff working in functions such as maintenance, logistics, and accounting. As a result of terminations and attrition of key finance and operational staff, the books of the Debtors are not up to date.
30. The Debtors defaulted on their obligations under the TD Loan Agreements. Ultimately, the parties entered into a forbearance agreement in February 2019, which was subsequently amended and extended four (4) times (together, the “**TD Forbearance Agreement**”), to provide the Debtors with an opportunity to (i) refinance the TD Indebtedness, (ii) conduct a divestiture process, or (iii) prepare a wind-down plan. The Debtors repeatedly defaulted under the terms of the TD Forbearance Agreement and were unable to carry out a successful refinancing or sale. In February 2021, the Bank demanded payment of the TD Indebtedness. Moreover, tenuous circumstances at the dormant Mexico Plant including missed lease payments and risk of lapsed insurance raised concerns about the machinery and equipment. Accordingly, TD filled an application for the appointment of the Receiver.

RECEIVER’S ACTIVITIES

31. Based on the books and records of the Debtors, substantially all of the machinery and equipment located at the Mexico Plant is owned by Certus Canada. As mentioned above, Certus Canada owns 99.9% of Certus Mexico. While the Receiver is not in possession of Certus Mexico, it is working closely with the Principals to provide funding to Certus Mexico and, with and through the Principals, is working to ensure that asset preservation and realization activities in Mexico are undertaken to maximize the realizations on the Debtors’ equipment located at the Mexico Plant. Accordingly, a significant portion of the Receiver’s activities have been in respect of securing the machinery and equipment located in Queretaro at the Mexico Plant and preparing them for sale.
32. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:

- (a) on behalf of the Debtors, terminated the employment of the remaining Canadian employees of the Debtors as at the Receivership Date;
- (b) temporarily retained two former employees of Certus Canada and one former employee of KPI Canada to, among other things, provide assistance with banking and accounts receivable, preparation of final payroll calculations to the Receivership Date for the purpose of administering amounts due to employees under the *Wage Earner Protection Program Act* (“WEPPA”), updating certain of the books of the Debtors, addressing various stakeholder inquiries, and compiling data for the collection of receivables and negotiations with warehouses;
- (c) expedited the issuance of WEPPA letter packages to the Debtors’ former employees, and provided assistance to facilitate the filing of WEPPA applications;
- (d) commenced steps to coordinate the preparation and issuance T4 slips to the Debtors’ former employees;
- (e) scheduled an initial discussion with the Principals and local management of Certus Mexico to explain the receivership proceedings and discuss matters going forward during the receivership. The Receiver has maintained regular communication with the Principals and staff at the Mexico Plant to understand the status of the facility, the equipment, the removal of chemicals, security concerns and other matters;
- (f) arranged for representatives of Deloitte Mexico and a third-party auctioneer to attend at the Mexico Plant to, among other things, meet with Management on-site and inspect the machinery and equipment. The third-party auctioneer prepared a machinery and equipment listing that the Receiver has made available to prospective bidders under the Sale Process;
- (g) communicated with the landlord of the Mexico Plant in respect of the Receiver’s intended course of action and timeline for the sale of the assets or business of the Certus Automotive Group;
- (h) arranged for the relocation to the Mexico Plant of certain inventory stored at a third-party warehouse in Mexico;
- (i) initiated discussions with FGI and its counsel in respect of, among other things, amounts collected to date and a comprehensive reconciliation of potential surplus funds held by

FGI (i.e. in excess of amounts advanced to the Certus Automotive Group) against which FGI is asserting certain reserves that may in total exceed the surplus;

- (j) held discussions with the various warehouses of the Certus Automotive Group to obtain inventory details in order to prepare an analysis of which of inventory is saleable or has no economic value;
- (k) provided notice of the Receiver's appointment to the incumbent insurance broker in order to confirm ongoing coverage under the Debtors' insurance policies which also includes Certus Mexico. Additionally, the Receiver has requested to be added as named insured and has sought quotes to restore coverage to levels commensurate with the remaining equipment (given its winding up activities, the Debtors significantly reduced the level of coverage on June 1, 2021, the annual insurance renewal date);
- (l) completed an exit agreement (the "**MTNA Exit Agreement**") between the Certus Automotive Group, the Receiver, TD, FGI and Moriroku Technology North America ("**MTNA**"), a former customer. The MTNA Exit Agreement was substantially negotiated between MTNA and the Certus Automotive Group prior to the Receivership Date. As the proceeds payable by MTNA under the MTNA Exit Agreement are subject to FGI's security, the Receiver negotiated a settlement proceeds agreement with FGI and TD to permit the Receiver to receive the proceeds resulting from the implementation of the MTNA Exit Agreement but to hold such proceeds in trust pending resolution of reserves asserted by FGI;
- (m) informed Canada Revenue Agency ("**CRA**") of the receivership, requested new payroll and HST accounts for the post-receivership period, and requested that CRA initiate audits of the pre-receivership accounts of the Debtors;
- (n) commenced a formal marketing of the Certus Automotive Group's machinery and equipment, as described in later in this Report;
- (o) retained Dentons Canada LLP ("**Dentons**") as the Receiver's independent legal counsel, which includes the involvement of Dentons Mexico, as required;
- (p) retained Conway MacKenzie, LLC ("**Conway MacKenzie**" or the "**Sale Advisor**") to advise on the sale of the business and assets located at the Mexico Plant, as described more particularly later in this Report. Steve Wybo, an automotive industry turnaround specialist with Conway MacKenzie, assisted the Certus Automotive Group in the 12-

month period prior to the Receivership Date and has extensive knowledge of its assets, operations, and the likely universe of potential acquirors for same;

- (q) worked with the Principals to, among other things, review the available books and records, and discuss accounts receivable, inventory, machinery and equipment, all known bank accounts, and established a funding mechanism for protective disbursements relating to the Mexico Plant where the machinery and equipment of Certus Canada is located;
- (r) reviewed and compiled invoice data and accounts receivable for the preparation of demand letters to the Debtors' customers;
- (s) reviewed details and facilitated the return of a vehicle leased from VW Credit Canada;
- (t) opened new bank trust accounts in the name of the Receiver;
- (u) issued receivership notification letters to certain financial institutions and transferred residual funds to the Receiver's trust accounts;
- (v) issued its statutory Notice and Statement of Receiver pursuant to subsections 245(1) and 246(2) of the BIA for each of the Debtors; and
- (w) addressed additional matters as they arose from time to time.

THE DEBTORS' PRIOR REFINANCING AND MARKETING EFFORTS

33. Paragraph 24 of the affidavit of Jeffrey Swan sworn June 18, 2021 (the "**Swan Affidavit**") sets out a list of advisors which the Debtors had retained to assist with wind-down, refinancing, and divestiture options. Paragraphs 38 to 40 of the Swan Affidavit make reference to a sale process carried out in 2020, which ultimately did not result in a successful sale transaction.

THE RECEIVER'S PROPOSED SALE PROCESS

34. The Receiver's proposed sale process (the "**Sale Process**") is a robust process intended to broadly market the assets in a reasonable timeframe. In preparing the Sale Process, the Receiver has retained the Sale Advisor given their extensive knowledge of the Certus Automotive Group's assets, business, prior marketing efforts, and the potential buyer universe for these assets.
35. A chronology of the key activities undertaken or to be undertaken by the Receiver and the Sale Advisor are set out below. In the interests of time, the Receiver has already begun the initial steps

in the Sales Process (noted below as “completed”) as these are common tasks that would need to be performed in any marketing and sale process to be undertaken. However, the Receiver is seeking the Court’s approval of the entire Sale Process.

Timing	Activity
June 25, 2021 to July 20, 2021 (completed)	<ul style="list-style-type: none"> • Identification of potential purchasers (each, a “Potential Purchaser”). • Preparation of a marketing teaser (the “Teaser”) and form of non-disclosure agreement (“NDA”) for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of equipment listing for use by Potential Purchasers. • Respond to in-bound calls and inquiries.
July 21, 2021 (completed)	<ul style="list-style-type: none"> • Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers. A copy of the Teaser is attached hereto as Appendix “B”.
July 29, 2021 (completed)	<ul style="list-style-type: none"> • Establish and commence populating an electronic data room (the “Data Room”) with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity.
July 22, 2021 to September 1, 2021 (partially completed)	<ul style="list-style-type: none"> • Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDA’s. • Ongoing compilation and review of information, updating the Data Room. • Coordinate site visits and review of assets by Potential Purchasers. • Place advertisement in an industry publication.
September 2, 2021	<ul style="list-style-type: none"> • Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability.
September 2, 2021 to September 9, 2021	<ul style="list-style-type: none"> • Review of bids (each, a “Binding Bid”), determination as to which Binding Bids were submitted in accordance with the Sale Process (each, a “Qualified Bid”), selection and continued negotiation, if necessary, in respect of Qualified Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders.

Timing	Activity
September 9, 2021	<ul style="list-style-type: none"> • Selection of the most advantageous Qualified Bid/ Shortlisted Bid conditional on Court approval (the “Successful Bid”).
September 9, 2021 to September 16, 2021	<ul style="list-style-type: none"> • Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”).
September 30, 2021	<ul style="list-style-type: none"> • Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”).
October 1, 2021 to November 30, 2021	<ul style="list-style-type: none"> • Close the transaction set out in the Definitive Agreement. • Implement the terms of the Definitive Agreement (if applicable). • Targeted date for removal of all Property and vacate the associated leased premises.

36. Attached hereto as **Appendix “C”** is a copy of the Sale Process. Other key terms and conditions for the Sale Process are summarized as follows:

- Strategic purchasers are only required to submit one Binding Bid.
- Potential Purchasers that operate as an auctioneer (an “**Auctioneer**”) shall submit two Binding Bids required for all assets as follows, in addition to the other terms set forth in the Sale Process (an “**Auctioneer Bid**”):
 - (a) Cash Purchase Price – an offer to purchase and take title to all of the machinery and equipment at the Mexico Plant. Such offers must ascribe bid values to permit the Receiver to allocate them between the Debtors and Certus Mexico, if required; and
 - (b) Guaranteed Minimum Plus – Auctioneer offers to pay a specified minimum amount for all the machinery and equipment to be auctioned (a “**Net Minimum Guarantee**” or “**NMG**”), and the proceeds from auction above the NMG would be shared by allocation between the bidder and the Receiver based upon a negotiated / proposed structure.
- Each Auctioneer Bid shall, as part of its Binding Bid: (i) provide a brief description of its corporate background, including but not limited to prior experience for projects of this

size/scope, and any prior experience in the automotive or manufacturing industry in Mexico; (ii) demonstrate an in-depth knowledge of the various asset classes available and clear insight on the appropriate channels to market these assets to maximize recovery; (iii) provide evidence of financial ability to close the proposed transaction (e.g. Proof of Funds letter) and appropriate insurance to conclude the transaction; and (iv) specify partners that would participate in the transaction.

- All assets will be sold “as-is”, “where-is” without warranty or liability.
- Each Auctioneer as part of an Auctioneer Bid shall outline an opinion on the estimated value range of recovery/price per asset/unit on the asset listing included in the Data Room.
- Bidders will be responsible for (i) coordinating with the local management on-site appropriate documentation to facilitate sale and asset removal; (ii) coordinating removal of all assets using bonded and insured riggers and service providers; and (iii) leaving the Certus Mexico facility “broom clean” and for restoring any damages caused to the premises that occurs as a result of the asset removal.
- The Receiver will assess and consider whether the Binding Bids, if any, are likely to be consummated and in the best interest of stakeholders.
- The Receiver shall review all such Binding Bids and may, but shall have no obligation to, enter into a Definitive Agreement with the Potential Purchaser or Potential Purchasers who submitted the best, highest, or otherwise most favourable Binding Bid. The Receiver reserves its right not to accept any Binding Bid or to vary the terms of or terminate the Sale Process. The Receiver reserves the right to deal with one or more Potential Purchasers to the exclusion of others and to accept a Binding Bid or Binding Bids for some or all of the Property.

37. The condensed timeline proposed in the table above reflects the cessation of the business, lack of liquidity to fund ongoing protective disbursements, including ongoing occupancy of the Mexico Plant. Accordingly, the Receiver believes the Sale Process is reasonable in the circumstances set out above.

RECEIVER’S BORROWINGS

38. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow funds, as it considers necessary, to a maximum outstanding principal amount of Cdn \$2,000,000 without further Order

of the Court, all of which is subject to the Receiver's Borrowing Charge (as defined in the Appointment Order).

39. In order to fund immediate and ongoing protective disbursements the Receiver has borrowed US \$250,000 by way of one (1) Receiver's Certificate, excluding interest.
40. The Certus Automotive Group remains non-operational and significant funds remain restricted and subject to further negotiations with FGL. Consequently, substantially all cash inflow to the receivership estate is provided from the Receiver's borrowings.
41. The Receiver expects that additional borrowings will be required to fund existing and ongoing obligations, including but not limited to; payroll, rent, security, utilities, various other protective disbursements, and professional and legal costs that will be incurred during the receivership. The Receiver believes that such borrowings are necessary and appropriate for the benefit of all stakeholders and to enhance value in undertaking the Sale Process. At this time, the Receiver is not seeking an increase to the borrowing limit set out in the Appointment Order.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached as **Appendix "D"** is a combined Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021. As at August 3, 2021, the closing cash balance was (i) US \$136,736 in the Receiver's US dollar trust account and (ii) Cdn \$4,122 in the Receiver's Canadian dollar trust account.

PROFESSIONAL FEES

43. The Receiver, and its legal counsel, Dentons, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraphs 19 and 20 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
44. The fees of the Receiver during the period June 25, 2021 to July 23, 2021 amount to Cdn \$146,350.50, plus HST in the amount of Cdn \$19,025.57, total Cdn \$165,376.07. The time spent by the Receiver is more particularly described in the Affidavit of Stefano Damiani of Deloitte, sworn August 5, 2021 (the "**Damiani Affidavit**") in support hereof and is attached hereto as **Appendix "E"**.

45. The legal fees incurred by Dentons during the period June 25, 2021 to July 31, 2021 amount to Cdn \$78,000, and together with disbursements of Cdn \$60.00 and HST of Cdn \$10,147.80, total Cdn \$88,207.80. The time spent by Dentons personnel is more particularly described in the Affidavit of Robert Kennedy of Dentons, sworn August 6, 2021 (the “**Kennedy Affidavit**”) in support hereof and is attached hereto as **Appendix “F”**.
46. The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the Damiani Affidavit and the Kennedy Affidavit (collectively, the “**Professional Fees**”) are reasonable in the circumstances of this case and have been validly incurred in accordance with the provisions of the Appointment Order. Accordingly, the Receiver requests the approval of the Professional Fees.

RECEIVER’S RECOMMENDATIONS

47. For the reasons set out above, the Receiver respectfully 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 Sale Process proposed by the Receiver, including the steps already completed, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry-out the Sale Process;
 - (c) approving the Receiver’s Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021; and
 - (d) approving the Professional Fees.

All of which is respectfully submitted at Toronto, Ontario this 6th day of August, 2021.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the
Court-appointed Receiver and Manager of
Certus Automotive Inc. and Keen Point International Inc.,
and without personal or corporate liability

Per:



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



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

THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FIRST REPORT OF THE RECEIVER

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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Appendix “C”
to the Third Report of the Receiver

Court File No. CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 12 TH DAY
)	
JUSTICE KOEHNEN)	OF AUGUST, 2021

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
 BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND
 SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED

SALE PROCESS ORDER

THIS MOTION, made by Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of Certus Automotive Inc. and Keen Point International Inc. (collectively, the “**Debtors**”), for an order,

- (a) abridging the time for service of the Notice of Motion dated August 6, 2021 and the Motion Record dated August 6, 2021 (the “**Motion Record**”) herein and validating service thereof;

- (b) for an order approving the sale process, attached as **Schedule “A”** hereto (the “**Sale Process**”);
- (c) approving the first report of the Receiver dated August 6, 2021 (the “**First Report**”), and the activities of the Receiver as described therein;
- (d) approving the fees and disbursements of the Receiver as set out in the affidavit of Stefano Damiani sworn August 5, 2021 (the “**Receiver’s Fee Affidavit**”), and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn August 6, 2021 (“**Dentons’ Fee Affidavit**”, and together with the Receiver’s Fee Affidavit, the “**Fee Affidavits**”);
- (e) approving the Receiver’s interim statement of receipts and disbursements for the period June 25, 2021 to August 3, 2021 (the “**Interim R&D**”); and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day by video conference.

ON READING the Motion Record, the First Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn August 6, 2021, filed:

SERVICE

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

SALE PROCESS

2. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to implement the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the Property (as defined in the Sale Process).

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

4. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

RECEIVER'S ACTIVITIES

5. **THIS COURT ORDERS** that the First Report and the activities of the Receiver, as described in the First Report, be and are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the First Report and in the Fee Affidavits, are hereby approved.

7. **THIS COURT ORDERS** that the Interim R&D is hereby approved.

GENERAL

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



A handwritten signature in blue ink, appearing to be 'R.A.J.', is written above a horizontal line.

Schedule "A"

Certus Automotive Group Sale Process

Purpose

1. The proposed sale process (the "**Sale Process**") for Certus Automotive Inc. and Keen Point International Inc. (collectively, the "**Debtors**", and together with its subsidiaries, the "**Certus Automotive Group**") for sale of the Debtor's machinery and equipment (collectively, the "**Property**") will be conducted by Deloitte Restructuring Inc., in its capacity as court-appointed receiver and manager of the Debtors (in such capacity, the "**Receiver**"), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Sale Process Procedures

5. The Receiver will compile a list of prospective purchasers (collectively with any other party expressing an interest in the Property, the "**Potential Purchasers**"). The Receiver will make reasonable efforts to canvass the interest (if any) in the Property, of all Potential Purchasers.
6. The sale of the Property will be on an "*as is, where is*" basis without representations or warranties of any kind, nature or description by the Receiver, or any of its directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Bid (as defined herein), and approved by the Court. By submitting a bid, each Prospective Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Bid and approved by the Court.

7. The Receiver will distribute to Potential Purchasers an interest solicitation letter (“**Teaser**”) which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement (“**NDA**”) will also be distributed to the Potential Purchasers. Potential Purchasers will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Potential Purchaser has a *bona fide* interest in the purchase of the Property (hereinafter referred to as a “**Prospective Bidder**”). All NDAs shall enure to the benefit of any purchaser of the Property.
8. The Receiver will provide to each Prospective Bidder access to a secure electronic data room (the “**Data Room**”) established by the Receiver with information and documentation in the possession of the Receiver (which will include certain relevant and customary financial, operational and other information regarding the Property).
9. The Receiver will also facilitate, due diligence by Prospective Bidders, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 8 above, the Receiver shall have the right to deny or limit any Prospective Bidder's access to confidential information at any time, which may include denying access to confidential information, if in the Receiver’s reasonably held view such Prospective Bidder is not likely to be serious about submitting a bid for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

Timing	Activity
June 25, 2021 to July 20, 2021 (completed)	<ul style="list-style-type: none"> • Identification of Potential Purchasers. • Preparation of the Teaser and form of NDA for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of

Timing	Activity
	<p>equipment listing for use by Potential Purchasers.</p> <ul style="list-style-type: none"> • Respond to in-bound calls and inquiries.
July 21, 2021 (completed)	<ul style="list-style-type: none"> • Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers.
July 29, 2021 (completed)	<ul style="list-style-type: none"> • Establish and commence populating the Data Room with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity.
July 22, 2021 to September 1, 2021 (partially completed)	<ul style="list-style-type: none"> • Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDAs. • Ongoing compilation and review of information, updating the Data Room. • Coordinate site visits and review of assets by Prospective Bidders. • Place advertisement in an industry publication.
September 2, 2021	<ul style="list-style-type: none"> • Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability (the “Bid Deadline”).
September 2, 2021 to September 10, 2021	<ul style="list-style-type: none"> • Review of bids (each, a “Bid”), selection of shortlisted Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders.
September 10, 2021	<ul style="list-style-type: none"> • Selection of the most advantageous Shortlisted Bid, conditional on Court approval.
September 10, 2021 to September 16, 2021	<ul style="list-style-type: none"> • Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”).
September 30, 2021	<ul style="list-style-type: none"> • Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”).
October 1, 2021 to November 30, 2021	<ul style="list-style-type: none"> • Close the transaction set out in the Definitive Agreement.

Timing	Activity
	<ul style="list-style-type: none"> • Implement the terms of the Definitive Agreement (if applicable). • Targeted date for removal of all Property and vacate the associated leased premises.

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

Submission of Bids

14. The Receiver shall seek binding Bids and accompanying materials from Prospective Bidders (each, a “**Binding Bid**”) in accordance with the timeline set out above that provides for:
- (a) delivery of each Binding Bid by the Prospective Bidder on or before the Bid Deadline;
 - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Bid and the complete terms of such participation, evidence of corporate authority, and proof of such bidder's financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
 - (c) a Binding Bid capable of acceptance and irrevocable 21 days after the Bid Deadline;
 - (d) all Binding Bids are to be accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Bid;
 - (e) includes an acknowledgement and representation that the Prospective Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its Binding Bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its Binding Bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired

or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;

- (f) no conditions based upon: (i) the outcome of any further due diligence, (ii) obtaining financing, or (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction set forth in the Definitive Agreement.
15. Each Bid submitted in accordance with paragraph 14 above shall be a “**Qualified Bid**” and each such Bidder a “**Qualified Bidder**”, as determined by the Receiver.
 16. The Receiver may determine whether to entertain Binding Bids for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Bids to be a Qualified Bid.

Post-Bid Deadline Procedure

17. If one or more Qualified Bids are received the Receiver may:
 - (a) accept one (or more, if for distinct transactions) Qualified Bid(s) (the “**Successful Bid**”) and each Qualified Bidder making the Successful Bid(s) being a “**Successful Bidder**”) and take such steps as are necessary to finalize and complete a Definitive Agreement for the Successful Bid(s) with the Successful Bidder(s); or
 - (b) continue negotiations with a selected number of Qualified Bidders (collectively, “**Shortlisted Bidders**”) with a view to finalizing one or more Definitive Agreements with one or more Shortlisted Bidders.
18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Bid and any selection of the Successful Bid(s) and the Shortlisted Bidder(s) shall be entirely in the discretion of the Receiver. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all Binding Bids, including Qualified Bids.
19. A Binding Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Prospective Bidder’s deposit as liquidated damages and not as a penalty.
20. No one, including any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders or Successful Bidders, shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such

persons shall be responsible for their own fees and costs of any kind, including those relating to any due diligence they may have performed, and any Binding Bid they each may make.

21. In the event a Qualified Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Qualified Bidder as soon as reasonably practicable.

Auctioneer Bids

22. Capitalized terms that are used but not otherwise defined in this section shall have the meaning given to them in the First Report of the Receiver dated August 5, 2021.
23. Strategic purchasers are only required to submit one Binding Bid.
24. Prospective Bidders that operate as an auctioneer (an “**Auctioneer**”) shall submit two Binding Bids required for all assets as follows, in addition to the terms set forth in paragraph 14 herein (an “**Auctioneer Bid**”):
 - (a) Cash Purchase Price – an offer to purchase and take title to all of the Property at the Mexico Plant. Such offers must ascribe bid values to permit the Receiver to allocate them between the Debtors and Certus Mexico, if required; and
 - (b) Guaranteed Minimum Plus – Auctioneer offers to pay a specified minimum amount for all the Property to be auctioned (a “**Net Minimum Guarantee**” or “**NMG**”), and the proceeds from auction above the NMG would be shared by allocation between the Qualified Bidder and the Receiver based upon a negotiated / proposed structure.
25. Each Auctioneer Bid shall, as part of its Binding Bid: (i) provide a brief description of its corporate background, including but not limited to prior experience for projects of this size/scope, and any prior experience in the automotive or manufacturing industry in Mexico; (ii) demonstrate an in-depth knowledge of the various asset classes available and clear insight on the appropriate channels to market these assets to maximize recovery; (iii) provide evidence of financial ability to close the proposed transaction (e.g. Proof of Funds letter) and appropriate insurance to conclude the transaction; and (iv) specify partners that would participate in the transaction.
26. Each Auctioneer as part of an Auctioneer Bid shall outline an opinion on the estimated value range of recovery/price per asset/unit on the asset listing to be included in the Data Room.

Other Terms

27. Qualified Bidders will be responsible for: (i) coordinating with the local management on-site appropriate documentation to facilitate sale and asset removal; (ii) coordinating removal of all assets using bonded and insured riggers and service providers; and (iii) leaving the Certus Mexico (as defined above) leased facility “broom clean” and for restoring any damages caused to the premises that occurs as a result of the asset removal.
28. If a Successful Bidder breaches its obligations under the terms of its Binding Bid, and if the Receiver chooses not to proceed with the Successful Bidder, any Deposit submitted in connection with the Successful Bid shall be forfeited to the Receiver as liquidated damages and not as a penalty.
29. The Receiver may: (a) determine which Qualified Bid, if any, is the highest or otherwise best bid, (b) reject at any time before the issuance and entry of an order approving a Successful Bid, any bid that is: (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
30. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders, Auctioneer, Successful Bidders, the Certus Automotive Group, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a Binding Bid, each Prospective Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
31. Following the selection of the Successful Bid(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court for an order, authorizing and approving a Definitive Agreement, together with the transaction contemplated therein (the “**Transaction**”), and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Bid(s) (the “**Approval Order**”).
32. Following the granting of any Approval Order by the Court, the Receiver shall take all reasonable steps necessary to complete the Transaction in accordance with the timeline set out above.
33. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Bids will be received, the Receiver, may terminate the Sale Process.
34. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

THE TORONTO-DOMINION BANK

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

SALE PROCESS ORDER

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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Appendix “D”
to the Third Report of the Receiver

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER
DATED JANUARY 18, 2022

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APPENDICES

APPENDIX	DESCRIPTION
A	Appointment Order dated June 25, 2021
B	First Report of the Receiver dated August 6, 2021 (without appendices)
C	Sale Process Order and Endorsement of Justice Koehnen dated August 12, 2021
D	Statement of Receipts and Disbursements for the interim period August 4, 2021 to December 31, 2021 and cumulative period June 25, 2021 to December 31, 2021
E	Affidavit of Jordan Sleeth of Deloitte Restructuring Inc. sworn January 17, 2022
F	Affidavit of Robert Kennedy of Dentons Canada LLP sworn January 17, 2022

CONFIDENTIAL SUPPLEMENT

CONFIDENTIAL SCHEDULES	DESCRIPTION
A	Confidential Supplement to the Second Report of the Receiver
Schedule A	Summary of the Clawback Amounts and Fee Amounts claimed by FGI
Schedule B	Draft FGI Settlement Agreement
Schedule C	Summary of key terms of the Bids received on or prior to the Deadline

INTRODUCTION

1. On June 19, 2021, The Toronto-Dominion Bank (“**TD**”) made an application for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 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 and manager (the “**Receiver**”) without security, of all the assets, undertakings and properties of each of Certus Automotive Inc. (“**Certus Canada**”) and Keen Point International Inc. (“**KPI Canada**”) (collectively, the “**Debtors**”, and together with their subsidiaries, the “**Certus Automotive Group**”) acquired for, or used in relation to a business carried on by the Debtors (the “**Property**”).
2. On June 25, 2021 (the “**Receivership Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Appointment Order**”) appointing Deloitte as the Receiver of the Property. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
3. Certus Canada is an Ontario corporation which operated as a Tier II global automotive parts manufacturer and distributor. Certus Canada’s main products are chrome plated trim and injection molds for interior and exterior automotive parts. KPI Canada is an Ontario corporation which operated in the business of distributing automobile parts and injection molds internationally. The Debtors operated a global supply chain centrally managed in Toronto, Ontario and wound down operations in early 2021.
4. Certus Automotive, S. De R.L. De C.V. (“**Certus Mexico**”) is a Mexico-based subsidiary of Certus Canada, which was involved in the manufacturing of automobile parts. Certus Mexico operated out of a leased plating and molding facility located in Queretaro, Mexico (the “**Mexico Plant**”).
5. TD is a secured lender to the Debtors pursuant to credit and loan agreements (the “**TD Loan Agreements**”) granted by TD. TD was owed in excess of CA\$10.3 million and US\$7.4 million as at June 16, 2021 (the “**TD Indebtedness**”). Export Development Canada has provided a limited guarantee of the TD Indebtedness. Given the anticipated recoveries in this receivership, it is clear that TD is the only creditor with any economic interest in the Property of the Debtors.
6. The Certus Automotive Group also obtained financing from FGI Worldwide LLC (“**FGI**”). Pursuant to an intercreditor agreement between TD and FGI dated November 15, 2019 (the “**Intercreditor Agreement**”), TD agreed to subordinate its security interest against the Debtors’ assets and property to FGI, except as against certain machinery and equipment.
7. On August 6, 2021, the Receiver issued its first report to Court (the “**First Report**”) for the purpose of, among other things, seeking an order of the Court approving the sale process (the “**Sale**”).

- Process**”) proposed by the Receiver in respect of the Property, primarily consisting of Certus Canada’s machinery and equipment located at the Mexico Plant (the “**M&E**”), and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry-out the Sale Process. A copy of the First Report (without appendices) is attached hereto as **Appendix “B”**.
8. On August 12, 2021, the Court issued an Order (the “**Sale Process Order**”) approving, among other things, the Sale Process. A copy of the Sale Process Order and the accompanying endorsement of Justice Koehnen is attached hereto as **Appendix “C”**.
 9. Copies of the Appointment Order, together with other Court documents and all reports with respect to this matter are available on the Receiver’s website at www.insolvencies.deloitte.ca/en-ca/certus.
 10. The Appointment Order, among other things, authorized the Receiver to take possession and market any or all of the Property. Further, sections 3(k) 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 transaction not exceeding CA\$800,000, provided that the aggregate consideration for all such transactions does not exceed CA\$1,500,000.
 11. The purpose of this second report of the Receiver (the “**Second 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 an Order:
 - (i) amending Section 3(k)(i) of the Appointment Order to increase the monetary sale thresholds contemplated therein;
 - (ii) approving and authorizing the FGI Settlement Agreement (as defined herein);
 - (iii) approving this Second Report and the activities of the Receiver, including steps taken in dealing with the Property, as described in this Second Report, the Confidential Supplement (as defined herein) and its corresponding schedules;
 - (iv) sealing the confidential supplement to this Second Report and its corresponding schedules (the “**Confidential Supplement**”) filed with this Court from the public record until further Order of this Court, as applicable;
 - (v) approving the professional fees and disbursements of the Receiver and the professional fees and disbursements of its independent legal counsel, Dentons

Canada LLP (“**Dentons**”), for the periods indicated in the Sleeth Affidavit and the Kennedy Affidavit (each as defined herein); and

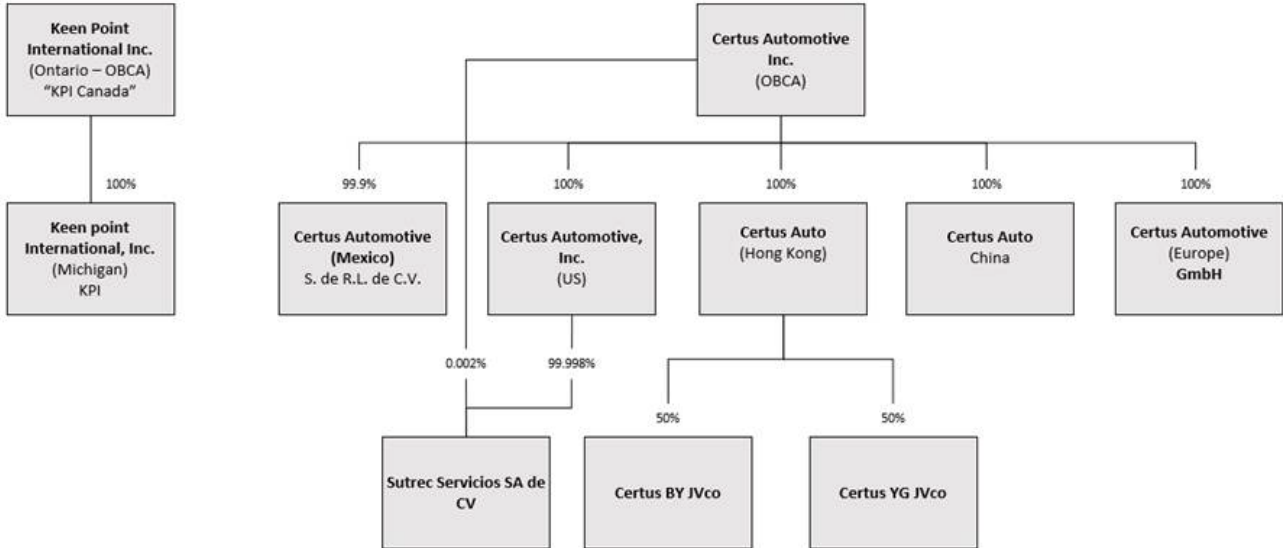
- (vi) approving the Receiver’s Statement of Receipts and Disbursements for the period August 4, 2021 to December 31, 2021.

TERMS OF REFERENCE

12. In preparing this Second Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the books and records of the Debtors, and discussions with management of the Certus Automotive Group (collectively, the “**Information**”). Except as described in this Second 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 Second Report in its capacity as a Court-appointed Receiver in connection with the relief sought by the Receiver as described herein. Parties using the Second Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
13. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in U.S. dollars.
14. Unless otherwise provided, all other capitalized terms not otherwise defined in this Second Report are as defined in the First Report and the Appointment Order.

BACKGROUND

15. Paragraphs 15 to 26 of the First Report detailed the Certus Automotive Group’s international corporate structure, which is summarized below for ease of reference:



16. The Receiver understands that Certus Canada was incorporated in Ontario in 2012 as a replacement for KPI Canada and the manufacturer Xin Point Holdings Limited for all new business. Certus Canada sourced chrome plated automotive parts primarily through two joint ventures in China. These joint ventures would manufacture products and sell the parts to Certus, who would distribute the parts to global customers. In 2017, the Certus Automotive Group's supply chain was supplemented with production from the Mexico Plant. The finance and head office functions for the Certus Automotive Group were based in Toronto, Canada. Moreover, Certus Canada had warehouse and logistics staff located in the Greater Toronto Area.
17. KPI Canada was incorporated in Ontario in 2006 and was engaged in the business of distributing automobile parts internationally.
18. The Debtors are jointly controlled by Rob Mollenhauer ("**Mollenhauer**") and James Prokopetz ("**Prokopetz**", and together with Mollenhauer, the "**Principals**") who directly and indirectly own substantially all of the common shares of the Debtors.
19. Certus Automotive, Inc. (US) ("**Certus US**") is a US-based subsidiary of Certus Canada based in Auburn Hills, Michigan whose operations included sales, engineering, and quality control.
20. As set out above, Certus Mexico is a Mexico-based subsidiary which was involved in the manufacturing of automobile parts. Certus Mexico is 99.9% owned by Certus Canada, and the remaining 0.01% is owned by a holding company controlled by Mollenhauer. Certus Mexico ceased operations in early 2021, prior to the Receivership Date, and terminated 388 of its 400 employees in April 2021. Certus Mexico has limited assets of value, has considerable outstanding

liabilities and is not subject to any insolvency or liquidation proceedings. Activity at Certus Mexico has been under the direction of the Principals since the Receivership Date.

21. Certus Automotive (Europe) GmbH (“**Certus Germany**”) is a Germany-based subsidiary located in Hamburg whose operations involved European sales, marketing, and distribution of automobile parts sourced from the Certus Automotive Group’s operations in China and Mexico. In May 2021, Certus Germany commenced an application for a voluntary insolvency proceeding in Germany. The Receiver understands that this application was subsequently rescinded and Certus Germany is pursuing a wind-down process driven by its management.
22. Certus Automotive, (HK) Limited (“**Certus HK**”) is a Hong Kong-based subsidiary and holding company with a 50% ownership in two joint ventures.
23. As of the Receivership Date, there were three remaining employees of the Debtors in Canada who worked on a very limited part-time basis. Certus Mexico’s remaining employees consist of care and maintenance staff and finance personnel.

RECEIVER’S ACTIVITIES

24. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:
 - (a) continued communications with the Principals and local management of Certus Mexico with respect to prospective buyer site visits, weekly cash budgets, inventory, tax information, , security concerns and other matters;
 - (b) coordinated additional Receiver’s Borrowings to fund ongoing operational and protective disbursements at Certus Mexico and receivership obligations, as described in more detail below;
 - (c) administered the *Wage Earner Protection Program Act* (“**WEPPA**”), which included reviewing proofs of claim and correspondence with employees and Service Canada;
 - (d) continued correspondence with the three Canadian former employees of the Debtors who are temporarily retained by the Receiver to provide assistance with, among other things, banking, collection of accounts receivable, payroll, WEPPA, addressing stakeholder inquiries, negotiations with warehouses, compilation of financial information, and realization efforts;

- (e) ongoing discussions with the various warehouses of the Certus Automotive Group to obtain inventory details to facilitate discussions with customers and an OEM to assess the saleability of inventory;
- (f) successfully negotiated inventory sale and settlement agreements with certain customers and negotiated payments with warehouses to release inventory and coordinate logistics;
- (g) continued communications with the Landlord (as defined herein) of the Mexico Plant in respect of the Receiver's intended course of action and timeline for the sale of the M&E, and subsequent steps taken in Mexico;
- (h) negotiations and correspondence in connection with the MTNA Exit Agreement (as defined herein), as described in more detail below;
- (i) held additional discussions with FGI and its counsel in respect of, among other things, surplus funds held by FGI and accounts receivable, as described in more detail below;
- (j) issued demand letters in respect of outstanding accounts receivable, communications with customers, and other collection activities;
- (k) communicated with the incumbent insurance broker, obtained new coverage, and coordinated renewals of additional policies;
- (l) continued correspondence with Canada Revenue Agency with respect to payroll and HST filings, and audits of the pre-receivership accounts of the Debtors;
- (m) corresponded with creditors and other interested parties;
- (n) corresponded with Dentons on various legal matters relating to the receivership, which includes the involvement of Dentons Lopez Velarde ("**Dentons Mexico**"), as required;
- (o) implemented the Sale Process in accordance with the Sale Process Order as described in more detail below, including correspondence with Conway MacKenzie, LLC ("**Conway MacKenzie**" or the "**Sale Advisor**") and interested parties, reviewing bids, and negotiating the terms of an asset purchase agreement;
- (p) communicated with BancoMext (as defined herein), described in more detail below;
- (q) worked with the Principals to, among other things, review the available books and records, and discuss accounts receivable, inventory, matters relating to the M&E, all known bank accounts, funding of protective disbursements relating to the Mexico Plant, where Certus Canada's M&E is located, and addressing various stakeholder issues;

- (r) corresponded with the Principals concerning the status of the consulting agreements entered into with the Receiver (i.e., the consulting agreements entered into with the Principals that define their obligations to assist and support the Receiver and the related compensation for same), including the terms to extend such agreements and the performance of the Principals' obligations thereunder; and
- (s) addressed additional matters as they arose from time to time.

UPDATE ON MTNA EXIT AGREEMENT AND BOYUAN NEGOTIATIONS

- 25. As summarized at paragraph 32(1) of the First Report, the Receiver negotiated an exit agreement (the "**MTNA Exit Agreement**") between, among other parties, the Debtors, the Receiver, TD, FGI, Moriroku Technology North America and certain related entities ("**MTNA**") and Nantong Boyuan Automotive Parts Co., Ltd. ("**Boyuan**").
- 26. MTNA was a customer of the Certus Automotive Group. Boyuan was a supplier to Certus Canada pursuant to a supply agreement dated May 24, 2016 (the "**BY Supply Agreement**"). Certain subsidiaries of Certus Canada, including Certus Germany, placed purchase orders pursuant to the BY Supply Agreement and accrued an unpaid balance as at the Receivership Date. Boyuan was also party to a joint venture agreement with Certus Canada's subsidiary, Certus HK (the "**BY JV Agreement**"), in respect of a joint venture company under the laws of the People's Republic of China.
- 27. The MTNA Exit Agreement, which was substantially negotiated between MTNA and the Certus Automotive Group prior to the Receivership Date, was intended to wind up the supplier/customer relationships among the various parties thereto and settle all outstanding obligations between the parties.
- 28. Most of the parties signed the MTNA Exit Agreement in or about July 2021, however, Boyuan advised the Receiver that it was not prepared to execute the MTNA Exit Agreement until all matters relating to the BY Supply Agreement and the BY JV Agreement were resolved. Consequently, the MTNA Exit Agreement was put on hold, together with the delivery of all amounts due and payable by MTNA to the Receiver under the MTNA Exit Agreement.
- 29. In December 2021, following protracted negotiations, the Receiver, Boyuan, and certain other interested parties entered into a standalone agreement (the "**Equity Transfer and Release Agreement**"), which, among other things, (i) terminated the Supply Agreement, and (ii) facilitated a transfer of Certus HK's equity interest in the BY JV Agreement to Boyuan.

30. As a result of the completion of the Equity Transfer and Release Agreement, Boyuan consented to and executed the MTNA Exit Agreement. Accordingly, as at December 2021, the MTNA Exit Agreement was fully executed by all parties. On December 20, 2021, the Receiver received the total amounts due to the Certus Automotive Group payable under the MTNA Exit Agreement from MTNA, being the amount \$601,575.
31. As the proceeds payable by MTNA under the MTNA Exit Agreement are subject to FGI's and TD's security, the Receiver negotiated a separate agreement with FGI and TD in July 2021 to permit the Receiver to receive the proceeds resulting from the implementation of the MTNA Exit Agreement, but to hold such proceeds in trust pending resolution of the expense and fee claims and reserves asserted by FGI.

UPDATE ON FGI NEGOTIATIONS

32. As noted above, FGI was a secured creditor of the Certus Automotive Group. Paragraph 32(i) of the First Report set out that the Receiver "*initiated discussions with FGI and its counsel in respect of, among other things, amounts collected to date and a comprehensive reconciliation of potential surplus funds held by FGI (i.e., in excess of amounts advanced to the Certus Automotive Group) against which FGI is asserting certain reserves that may in total exceed the surplus*".
33. The Receiver, FGI and TD had several discussions regarding a reconciliation and negotiation over an allocation and release of certain surplus receivable proceeds collected by FGI prior to the Receivership Date pursuant to its loan agreements with the Debtors and the Intercreditor Agreement. In short, following the full repayment of the FGI indebtedness, FGI collected/received further proceeds due to the Debtors (the "**Surplus Proceeds**"), which form part of the receivership estate and part of TD's secured claim.
34. Notwithstanding the surplus position, FGI asserted various holdbacks based on third party contingent claims that may be asserted against FGI such that in the event such claims are payable, FGI would suffer a shortfall on the current full repayment (the "**Clawback Amounts**"). Additionally, FGI asserted various claims for fees and expenses due and payable by the Certus Automotive Group (the "**Fee Amounts**"). As a result of these holdbacks and claims, FGI would not release the Surplus Proceeds to the Receiver. The Receiver and TD disputed the validity of the claims asserted by FGI outlined above. Attached as **Schedule "A"** to the **Confidential Supplement** is a summary of the Clawback Amounts and Fee Amounts claimed by FGI.

35. Following numerous discussions between the Receiver, FGI and TD, the parties have now resolved the outstanding matters between them. The parties are working to execute a settlement agreement (the “**FGI Settlement Agreement**”) in respect of the payment of the Surplus Proceeds, the asserted Clawback Reserves, and the payment of the Fee Amounts. In summary, the FGI Settlement Agreement provides for the payment of a portion of the Surplus Proceeds in FGI’s possession to the Receiver along with the delivery of releases. Attached to **Schedule “B”** of the **Confidential Supplement** is a copy of the draft FGI Settlement Agreement. The draft FGI Settlement Agreement was provided to FGI’s counsel on January 12, 2022. The Receiver is working with FGI and TD to finalize the FGI Settlement Agreement and will provide the Court with an update on January 21, 2022.
36. The Receiver is of the view that the draft FGI Settlement Agreement is appropriate and reasonable in the circumstances.
37. The Receiver seeks approval of the draft FGI Settlement Agreement, substantially in the form attached to **Schedule “B”** of the **Confidential Supplement**. TD has reviewed the FGI Settlement Agreement and supports the form of Order appended to the FGI Settlement Agreement.

THE M&E, CERTUS MEXICO AND THE MEXICO PLANT

38. Based on the Receiver’s review of books and records of the Debtors, direct advice from the Principals, and values allocated to the M&E by Potential Purchasers (as defined below), the Receiver understands that the M&E located at the Mexico Plant represents substantially all of the Property of realizable value. As noted above, the Mexico Plant is leased to Certus Mexico.
39. Certus Canada owns 99.9% of Certus Mexico. While the Receiver is not in possession of Certus Mexico, it has worked closely with the Principals to ensure that asset preservation and realization activities in Mexico are undertaken to maximize the realizations in respect of the M&E. As Certus Mexico does not have its own financial resources, the Receiver has had to advance funds to Certus Mexico as a borrowing to fund the asset preservation and realization activities. To date, approximately \$589,585 has been advanced to Certus Mexico. The Receiver anticipates that any recovery of these advances will be minimal.
40. Moreover, Certus Mexico’s lack of resources, considerable liabilities and failure to initiate a restructuring or liquidation proceeding has resulted in several of its stakeholders initiating recovery actions through the court system in Mexico. As discussed further herein, these actions have frustrated the Receiver’s realization efforts. Accordingly, a significant portion of the Receiver’s

activities have been in respect of securing the M&E located in Queretaro at the Mexico Plant, preparing it for sale, addressing various matters between Certus Mexico and Certus Canada, and assessing the claims filed in Mexico.

UPDATE ON THE SALE PROCESS

Sale Process Implementation

41. As noted in paragraph 33 of the First Report, the Certus Automotive Group carried out a sale process in 2020, which did not result in a successful transaction (the “**Pre-Receivership Sale Process**”).
42. On August 12, 2021, the Court granted the Sale Process Order. Paragraphs 34 to 37 of the First Report summarized the Sale Process proposed by the Receiver, a copy of which is attached as **Appendix “C”** to this Second Report (refer to Schedule “A” to the Sale Process Order).
43. To assist in the implementation of the Sale Process, the Receiver retained an automotive industry turnaround specialist with Conway MacKenzie, who had previously advised the Certus Automotive Group in the 12-month period prior to the Receivership Date and also has extensive knowledge of the Debtors’ assets and operations, the Pre-Receivership Sale Process and the likely universe of potential purchasers.
44. In accordance with the Sale Process Order, the Receiver implemented the Sale Process which generated considerable interest in the M&E and resulted in the selection of a successful bidder.
45. A chronology of the key activities undertaken by the Receiver in respect of the Sale Process is as follows:

Timing	Activity
June 25, 2021 to July 20, 2021	<ul style="list-style-type: none"> • Identified potential purchasers (each, a “Potential Purchaser”). • Prepared a marketing teaser (the “Teaser”) and form of non-disclosure agreement (“NDA”) for circulation to Potential Purchasers. • Compiled and reviewed information required by Potential Purchasers to assess the assets. • Arranged third-party inspection of assets and prepared an equipment listing for use by Potential Purchasers. • Responded to calls and inquiries from Potential Purchasers.
July 21, 2021	<ul style="list-style-type: none"> • Distributed the Teaser and NDA to Potential Purchasers.

Timing	Activity
July 29, 2021	<ul style="list-style-type: none"> Established an electronic data room (the “Data Room”) with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity.
July 22, 2021 to September 1, 2021	<ul style="list-style-type: none"> Continued support to Potential Purchasers (e.g., responded to inquiries, negotiated NDA’s, arranged site visits). Placed an advertisement in Automotive News, an industry publication.
September 2, 2021	<ul style="list-style-type: none"> Deadline for submission of offers.
September 2, 2021 to September 16, 2021	<ul style="list-style-type: none"> Reviewed and clarified bids (each, a “Bid”), selected, shortlisted Bids (each a “Shortlisted Bid”) and consulted with stakeholders about the results of the Sale Process. Selection of the most advantageous Shortlisted Bid conditional on Court approval.
September 16, 2021 to September 21, 2021	<ul style="list-style-type: none"> Negotiated terms of an agreement of purchase and sale (“APA”) with the successful bidder (the “Successful Bidder”).
September 21, 2021	<ul style="list-style-type: none"> Notified the Successful Bidder that the Sale Process was required to be suspended due to the actions of certain Certus Mexico creditors in Mexico.

46. The Sale Process results are summarized in the table below:

Parties Contacted	Parties Contacted	NDAs Executed	Bids Submitted⁽¹⁾	Successful Bid
Auctioneers/Liquidators			5	1
Strategic bidders (industry participants)			1	0
Total	21	18	6	1

⁽¹⁾ Several auctioneers collaborated on their bids

47. A summary of the key terms of the six Bids received on or prior to the Deadline is attached to **Schedule “C”** of the **Confidential Supplement**.

48. The Successful Bidder’s offer contemplated a marketing and auction process of Certus Canada’s M&E, with a targeted exit of the Mexico Plant by December 31, 2021.

The Sale Process is Frustrated

49. In September 2021, following the determination of the Successful Bidder, the Receiver, the Successful Bidder, and their respective counsel, commenced negotiations in respect of an agreement of purchase sale. However, during the course of the negotiations, the Receiver became

aware of various issues in Mexico which served to frustrate the Receiver's ability to conclude an asset purchase agreement with the Successful Bidder in accordance with the Sale Process.

50. First, Banco Nacional de Comercio Exterior ("**BancoMext**"), which is a state-owned or affiliated bank in Mexico, obtained a \$6,000,000 judgment against Certus Mexico in connection with a loan agreement between Certus Mexico and BancoMext. The Receiver understands that Certus Automotive Group guaranteed Certus Mexico's obligations under the loan agreement. The Receiver understands that BancoMext's lawsuit was initiated in or around May 2021, but the Receiver did not learn of the lawsuit and judgment until September 2021.
51. The Receiver is advised by its Mexican legal counsel, Dentons Mexico, that BancoMext is a secured creditor of Certus Mexico, but its security is subordinate to TD's security and that BancoMext has not asserted a direct claim against Certus Canada. As such, the Receiver is advised that BancoMext's consent is not required in order to deal with the M&E. However, despite this, and due to the various steps taken by BancoMext in its action, including steps to appoint a local judicial administrator to monitor the assets located at the Mexico Plant and to seize or "attach" its claim to the M&E located at the Mexico Plant (regardless of the ownership of the M&E), the BancoMext action presented significant issues in completing a sale of the M&E. In particular, the Receiver was unable to deliver any sold M&E to a purchaser with the threat of the judicial administrator asserting a claim over the M&E that had to be litigated in court in Mexico. The delay and uncertainty as to the timing of and/or a potential ruling in favour of the judicial administrator prevented the Receiver from concluding a transaction pursuant to the Sale Process.
52. Second, in conjunction with the Receiver's efforts to negotiate with the Successful Bidder, the Receiver was also engaged in without prejudice discussions with the landlord of the Mexico Plant, Arquitectura Habitacional e Industrial, S.A. de C.V., Parques American Industries, S.A. de C.V., e Impulsora Quertana de Inmuebles and S.A. de C.V. (the "**Landlord**"), regarding an access agreement. Unfortunately, those discussions did not result in any agreement.
53. Prospective purchasers of the M&E require unfettered access to the Mexico Plant in order to take possession of and remove the purchased M&E from the Mexico Plant. Due to the unresolved rent and access issues with the Landlord, the Receiver has been unable to guarantee access to the Mexico Plant. Of note, the rent payable by Certus Mexico to the Landlord was approximately \$108,000 monthly and Certus Mexico has not paid rent since January 1, 2021.
54. To secure payment of the rental arrears and/or seek the return of the Mexico Plant, the Landlord filed a lawsuit in Mexico asserting a claim against Certus Mexico for rental arrears and damages

and initiated the required procedural steps to have Certus Mexico evicted from the Mexico Plant. The Receiver learned of such claim in September, 2021. In late November, 2021, in discussions with the Landlord, the Receiver was advised that an eviction order could be obtained in January, 2022 and an eviction could be effected within the 30-45 days following issuance of such order (the “**Mexico Eviction Process**”).

55. Third, the Receiver understands that any purchaser will require various customs forms and purchase/ownership documentation in respect of the purchased M&E, including *pedimentos* (i.e., customs forms) which are to be duly executed by the Principals on behalf of Certus Mexico; the Principals alone have authority to complete this task. To date, the Principals have not agreed to sign such forms, which has delayed the Receiver’s sale efforts. Without such executed documents, the Receiver is unable to sell the M&E. The Receiver is actively negotiating with the Principals to obtain their cooperation pursuant to the consulting agreements. As of the date of this Second Report, the Principals have not committed to support the Receiver to complete the necessary tasks to sell the M&E. The Receiver will update the Court on the status of these discussions on January 21, 2022.
56. Fourth, in addition to the BancoMext lawsuit noted above, the Receiver understands that there are an additional nine other outstanding lawsuits (with total aggregate claims of at least \$1,441,530) issued against Certus Mexico (and in some instances, the Debtors) which has created a tremendous amount of uncertainty regarding the M&E located at the Mexico Plant.
57. In response to the obstacles described above, the Receiver discussed various strategies with its Mexican counsel, Dentons Mexico, with a view to addressing the risks associated with, and the development of strategies for, the sale or removal of the M&E from the Mexican Plant without creating any civil or criminal liability against the Receiver, Certus Automotive Group, the Principals or any prospective purchaser of the M&E.
58. Counsel to the Receiver in Mexico has advised that while commencing a formal insolvency proceeding in Mexico would address the risks and uncertainties discussed above, it would procedurally involve an unjustifiable amount of time to attain a formal determination from the Mexican Courts, and more importantly, in the circumstances, would be cost prohibitive (on this point, the Receiver notes that any formal insolvency proceeding in Mexico would require additional borrowings under the Receivership Order to fund the costs with indeterminate results).

59. Save for the claims referenced above, the full breadth of claims in Mexico is unknown to the Receiver and given the current creditor and landlord issues in Mexico, the Receiver has determined that it would not be able to conclude any transaction pursuant to the terms of any Shortlisted Bid.
60. The Receiver notified the Successful Bidder of these developments and returned the deposit. Currently, the Receiver has suspended the Sale Process and continues to consider sale options in Mexico.

Discussions with Stakeholders and the Receiver's Revised Sale Efforts

61. While the Receiver has suspended the Sale Process, it has continued to engage in discussions with parties interested in the M&E with a view to determining if it can conclude alternate transactions within an expedited timeframe and in a commercially reasonable manner that would benefit the Debtors' stakeholders while it attempts to resolve the outstanding issues with BancoMext, the Landlord, the Principals and other stakeholders of the Debtors and Certus Mexico.
62. Following the Landlord's advice that it has initiated the Mexico Eviction Process, the Receiver reviewed the Bids received pursuant to the Sale Process and solicited fresh offers for a "quick sale" of the M&E (unlike the Successful Bid which entailed conducting an auction at the Mexico Plant). In this regard, the Receiver has identified two potential transactions (the "**Quick Sale Transactions**") whereby the purchaser would immediately acquire specific pieces of M&E and remove the M&E within a short timeframe. The Receiver is of the view that completion of Quick Sale Transactions may be achievable given the Landlord's desire to have the Mexico Plant cleared of all M&E in the immediate term and also because the Quick Sale Transactions do not involve an auction of the M&E such that access to the Mexico Plant for an extended period of time would not be required.
63. Accordingly, the Receiver is requesting an Order amending the monetary sale thresholds contained in section 3(k)(i) of the Appointment Order from CA\$800,000 and CA\$1,500,000 to CA\$1,500,000 and CA\$3,000,000, respectively. The Receiver is of the view that, given the nature and value of the M&E, individual transactions can be administered under a tight timeline and in a standardized manner without requiring additional Court attendances such that the proposed amendment to the sale thresholds will provide the Receiver the necessary authority to conclude appropriate transactions in short order. The Receiver notes that the only creditor with an economic interest in the proceeds from the Certus Canada estate is TD.

Target Assets

64. Certus Canada made significant capital investments in the chrome plating line (the “**Plating Line**”). The Plating Line is a highly specialized and physically large system which is not readily or economically transferable to another facility. The Receiver did not receive a commercially reasonable offer from a strategic buyer or going-concern purchaser with the intent to continue operations at the Mexico Plant. However, the Receiver understands there may be scrap value for the Plating Line upon completing a dismantle and removal.
65. Based on the Receiver’s review of offers for the M&E, negotiations with prospective purchasers, and discussions with the Principals, the most significant value is concentrated in approximately 13 injection molding machines (“**IMM**”) and ancillary equipment which consist of numerous lower value units important to end-user buyers of the IMM units, which the Receiver will seek to sell as part of the transactions.

RECEIVER’S BORROWINGS

66. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow funds, as it considers necessary, to a maximum outstanding principal amount of CA\$2,000,000 without further Order of the Court, all of which is subject to the Receiver’s Borrowing Charge (as defined in the Appointment Order).
67. The Certus Automotive Group remains non-operational and there were surplus funds in connection with MTNA and FGI which were not immediately available to the receivership estate. Before the MTNA proceeds were collected in December 2021, substantially all cash inflow to the receivership estate to date was provided from the Receiver’s borrowings and recoveries from residual inventory sales and accounts receivable collections.
68. In order to fund immediate and ongoing protective disbursements from the Receivership date through to December 31, 2021, the Receiver has borrowed \$600,000 by way of two (2) Receiver’s Certificates, excluding interest, as follows: (i) \$250,000 (as reported in paragraph 39 of the First Report), plus (ii) \$350,000.
69. At this time, the Receiver is seeking to fund existing and ongoing obligations from future realizations on the sale of the M&E of Certus Canada and is not seeking an increase to the borrowing limit set out in the Appointment Order.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

70. Attached as **Appendix “D”** is a combined Statement of Receipts and Disbursements for the interim period August 4, 2021 to December 31, 2021 and cumulative period June 25, 2021 to December 31, 2021 (the “**R&D**”). As at December 31, 2021, the closing cash balance was: (i) US\$555,214 in the Receiver’s US dollar trust account and (ii) CA\$9,239 in the Receiver’s Canadian dollar trust account.

PROFESSIONAL FEES

71. The Receiver, and its legal counsel, Dentons, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraphs 19 and 20 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver’s Charge over the Property.
72. The fees of the Receiver during the period July 24, 2021 to December 31, 2021 amount to CA \$515,981, and together with disbursements of CA\$30 plus HST in the amount of CA \$67,081, total CA \$583,092. The time spent by the Receiver is more particularly described in the Affidavit of Jordan Sleeth of Deloitte, sworn January 17, 2022 (the “**Sleeth Affidavit**”) in support hereof and is attached hereto as **Appendix “E”**.
73. The legal fees incurred by Dentons during the period August 1, 2021 to December 31, 2021 amount to CA \$460,590.89, and inclusive of with disbursements and HST. The time spent by Dentons personnel is more particularly described in the Affidavit of Robert Kennedy of Dentons, sworn January 17, 2022 (the “**Kennedy Affidavit**”) in support hereof and is attached hereto as **Appendix “F”**.
74. The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the Sleeth Affidavit and the Kennedy Affidavit (collectively, the “**Professional Fees**”) are reasonable in the circumstances of this case and have been validly incurred in accordance with the provisions of the Appointment Order. Accordingly, the Receiver requests the approval of the Professional Fees.

APPROVAL OF SEALING ORDER

75. The information contained in the **Confidential Supplement**, and its corresponding schedules, contain confidential and commercially sensitive information in relation to the FGI Settlement Agreement and Sale Process. If made public, this information would impair the Sale Process and


the Debtors' estate more generally, and negatively effect the businesses of the counterparties. The Receiver is of the view that providing a sealing order is fair and reasonable in the circumstances.

RECEIVER'S RECOMMENDATIONS

76. For the reasons set out above, the Receiver respectfully recommends that the Court make an Order:
- (a) if necessary, abridging the time for service of the Notice of Motion dated January 18, 2022 and the Motion Record dated January 18, 2022, and validating service thereof;
 - (b) amending Section 3(k)(i) of the Appointment Order to increase the monetary sale thresholds contemplated therein;
 - (c) approving and authorizing the FGI Settlement Agreement;
 - (d) approving this Second Report and the activities of the Receiver, including steps taken in dealing with the Property, as described in this Second Report, the Confidential Supplement and its corresponding schedules;
 - (e) sealing the Confidential Supplement to this Second Report and its corresponding schedules, filed with this Court from the public record until further Order of this Court;
 - (f) approving the Professional Fees;
 - (g) approving R&D; and
 - (h) such further and other grounds as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted at Toronto, Ontario this 18th day of January, 2022.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the
Court-appointed Receiver and Manager of
Certus Automotive Inc. and Keen Point
International Inc., and
without personal or corporate liability



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



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

-and-

THE TORONTO-DOMINION BANK

Respondents

Applicant

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

PROCEEDING COMMENCED AT
TORONTO

**SECOND REPORT OF THE RECEIVER AND MANAGER,
DELOITTE RESTRUCTURING INC.**

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INC. and KEEN POINT INTERNATIONAL INC.*

Appendix “E”
to the Third Report of the Receiver

Court File No. CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE CONWAY

)
)
)

FRIDAY, THE 21st DAY
OF JANUARY, 2022

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED

APPROVAL ORDER

THIS MOTION, made by Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as the court-appointed receiver and manager (the "**Receiver**") of Certus Automotive Inc. and Keen Point International Inc. (collectively, the "**Debtors**"), for an order,

- (a) abridging the time for service of the Notice of Motion dated January 18, 2022 (the "**Notice of Motion**") and the Motion Record dated January 18, 2022 (the "**Motion Record**") herein and validating service thereof;
- (b) amending Section 3(k)(i) of the receivership order dated June 25, 2021 (the "**Receivership Order**") to increase the monetary sale thresholds contemplated therein;

- (c) approving the second report of the Receiver dated January 18, 2022 (the “**Second Report**”), and the activities of the Receiver as described therein;
- (d) ordering that the confidential supplement to the Second Report of the Receiver appended to the Second Report, and its corresponding schedules (collectively, the “**Confidential Supplement**”), be sealed from the public record up and until further Order of the Court;
- (e) approving the fees and disbursements of the Receiver as set out in the affidavit of Jordan Sleeth sworn January 17, 2022 (the “**Sleeth Affidavit**”), and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn January 17, 2022 (the “**Kennedy Affidavit**”, and together with the Sleeth Affidavit, the “**Fee Affidavits**”);
- (f) approving the Receiver’s statement of receipts and disbursements for the period of August 4, 2021 to December 31, 2021 (the “**Interim R&D**”); and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day by video conference.

ON READING the Motion Record, the Second Report, together with the Confidential Supplement its corresponding schedules, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn January 18, 2022, filed:

SERVICE

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

RECEIVERSHIP ORDER AMENDMENT

2. **THIS COURT ORDERS** that the monetary sale thresholds set forth at section 3(k)(i) of the Receivership Order, being “\$800,000” and “\$1,500,000”, are hereby increased and amended to “CA \$1,500,000” and “CA \$3,000,000”, respectively.

SEALING

3. **THIS COURT ORDERS** that the Confidential Supplement, together with the corresponding schedules, shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order up and until further order of the Court.

RECEIVER’S ACTIVITIES

4. **THIS COURT ORDERS** that the Second Report, the Confidential Supplement and the activities of the Receiver, as described in the Second Report and the Confidential Supplement, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Second Report and in the Fee Affidavits, are hereby approved.

6. **THIS COURT ORDERS** that the Interim R&D is hereby approved.



Court File No: CV-21-00664429-00C
CERTUS AUTOMOTIVE INC., et :

THE TORONTO-DOMINION BANK

- and -

Applicant

Responder

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO
APPROVAL ORDER

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COUNSEL SLIP

COURT FILE

January 21 2022

NO.: CV-21-00664429-00CL

DATE: _____

NO. ON LIST 3TITLE OF
PROCEEDING

TD BANK V CERTUS AUTOMOTIVE INC

COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S)

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EMAIL daniel.loberto@dentons.com
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jsleeth@deloitte.ca
sgreenbaum@deloitte.ca;
chris.burr@blakes.comJUDICIAL NOTES:Conway J. Endorsement

The Receiver brings this motion for various relief including an increase in the monetary sale thresholds in the existing receivership order, approval of the "FGI Settlement Agreement", approval of the Receiver's second report, sealing the confidential supplement to the Receiver's second report, and approval of the Receiver's fees and disbursements.

Counsel advised today that the FGI Settlement Agreement has not been finalized as yet but they are close. I am adjourning that part of the motion to **a scheduling appointment on January 31, 2022 at 9:45 a.m. before me for 15 minutes (confirmed with the CL office).**

The remainder of the relief sought in the motion is unopposed and is satisfactory to me.

Order to go as signed by me and attached to this endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.



Appendix “F”
to the Third Report of the Receiver

confidential supplement to the Second Report and its corresponding schedules (the “**Confidential Supplement**”), and a copy of the fully executed Settlement Agreement, and on hearing the submissions of counsel for each of the Receiver, TD and FGI, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn January 18, 2022, filed:

SERVICE

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

APPROVAL OF THE SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS** that the Settlement Agreement is hereby authorized and approved, and that TD, FGI and the Receiver are authorized and directed to take all steps necessary to give effect to the terms of the Settlement Agreement.

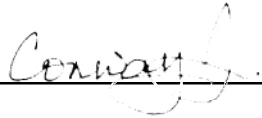
3. **THIS COURT ORDERS** that, notwithstanding:

- (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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the approval of the Settlement Agreement pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, 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.

SEALING

4. **THIS COURT ORDERS** that the Settlement Agreement shall be filed together with the Confidential Supplement and sealed on the same basis and on analogous terms as the Sealing Order granted by this Court on January 21, 2022, in respect of the Confidential Supplement.



Court File No: CV-21-00664429-00C

THE TORONTO-DOMINION BANK

- and -

CERTUS AUTOMOTIVE INC., et :

Applicant

Respondent

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

SETTLEMENT APPROVAL ORDER

DENTONS CANADA LLP

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Tel: (416) 863-4760

daniel.loberto@dentons.com

*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

COUNSEL SLIP

COURT FILE

NO.: CV-21-664429-00CLDATE: January 31, 2022

NO. ON LIST _____

TITLE OF
PROCEEDING

THE TD BANK v. CERTUS AUTOMOTIVE INC.

COUNSEL FOR: Jeffery Carhart and Geoffrey
Marinangeli

- PLAINTIFF(S)
 APPLICANT(S)
 PETITIONER(S)

PHONE _____

FAX jcarhart@millerthomson.comEMAIL gmarinangeli@millerthomson.comCOUNSEL FOR: Christopher Burr for FGI Worldwide LLC

- DEFENDANT(S)
 RESPONDENT(S)

PHONE _____

EMAIL Chris.burr@blakes.comMark Freake, and Daniel Loberto for Deloitte Restructuring
Inc.EMAIL Mark.freake@dentins.comEMAIL Daniel.loberto@dentons.com

Jordan Sleeth for the Receiver

EMAIL jsleeth@deloitte.caJUDICIAL NOTES:

Further to the attendance on January 21, 2022, counsel advised that the FGI Settlement has been finalized and the documentation is being signed by all parties today or tomorrow at the latest. Counsel confirmed that there is no new information regarding the settlement beyond what was presented to the court in the January 21, 2022 motion materials.

Once the settlement documents have been signed, they may be sent to me directly by email (all counsel to be copied on the email). I will sign and send the order back once I receive it.



Appendix “G”
to the Third Report of the Receiver

**In the Matter of the Receivership of
Certus Automotive Inc. and Keen Point International Inc.
Statement of Receipts and Disbursements
For the Interim Period January 1, 2022 to April 15, 2022 and
For the Cumulative Period June 25, 2021 to April 15, 2022**

	<i>Interim</i>		<i>Interim</i>		<i>Cumulative</i>	
	June 25, 2021 to December 31, 2021		January 1, 2022 to April 15, 2022		June 25, 2021 to April 15, 2022	
	US \$ A/C	Cdn \$ A/C	US \$ A/C	Cdn \$ A/C	US \$ A/C	Cdn \$ A/C
Receipts						
Accounts receivable collections	686,068	-	133,600	-	819,668	-
Sale of inventory	160,584	-	-	-	160,584	-
Other recoveries	500	8,316	190,000	-	190,500	8,316
Cash on hand	2,836	6,500	49,241	-	52,076	6,500
Insurance refund	6,193	-	-	-	6,193	-
Transfer between US/Cdn trust accounts	-	6,151	-	1,295,387	-	1,301,538
HST refund	-	-	-	15,356	-	15,356
Total receipts	856,181	20,967	372,841	1,310,743	1,229,021	1,331,710
Disbursements						
Canadian employee payroll costs	-	7,354	-	2,053	-	9,407
Receiver's fees	-	-	-	662,361	-	662,361
Legal fees	-	-	-	485,699	-	485,699
Advances to Certus subsidiaries re protective disbursements	589,585	-	132,431	-	722,016	-
Funding to Certus Principals	213,000	-	63,900	-	276,900	-
Insurance	62,174	-	-	-	62,174	-
Transfer between US/Cdn trust accounts	5,000	-	1,025,000	-	1,030,000	-
Operating expenses, including warehouse charges	30,586	3,000	56,447	-	87,033	3,000
Banking charges and administrative costs	621	803	148	400	769	1,203
Filing fees paid to the Official Receiver	-	146	-	-	-	146
HST paid	-	425	-	149,243	-	149,668
Total disbursements	900,966	11,728	1,277,926	1,299,757	2,178,892	1,311,485
Excess (deficiency) of receipts over disbursements	(44,786)	9,239	(905,085)	10,986	(949,871)	20,225
Principal amount of the Receiver's Borrowings	600,000	-	650,000	-	1,250,000	-
Ending cash balance	555,214	9,239	(255,085)	10,986	300,129	20,225

Appendix “H”
to the Third Report of the Receiver

Court File No. Court File No. CV-21-00664429-00CL

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

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

**AFFIDAVIT OF JORDEN SLEETH
(Sworn April 22, 2022)**

I, **JORDEN SLEETH**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario, a Licensed Insolvency Trustee and a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court-Appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Certus Automotive Inc. and Keen Point International Inc. (the "**Debtors**"). Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "**A**" is a schedule summarizing the invoices in Exhibit "**B**", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

3. Attached hereto as Exhibit "**B**" is true copies of the invoices for fees and disbursements incurred by Deloitte in the course of the Receiver's administration for the period

January 1 to March 31, 2022, including fees incurred by Deloitte Mexico for the period June to December 2021.

4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services and are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

5. The Receiver retained a Deloitte member firm in Mexico, Deloitte Asesoría Financiera, S.C. (“**Deloitte Mexico**”), to advise on matters in Mexico that affected the receivership (e.g., tax advice, customs requirements to transfer asset ownership, insolvency laws and procedures in Mexico). Since the start of the receivership to December 31, 2021, Deloitte Mexico incurred professional fees of USD74,780, and with taxes the invoice for these services totals USD96,751. A true copy of this invoice is included in Exhibit “**B**”.

6. The fees of the Receiver for future activities to finalize the estate and file a Receiver certificate to confirm that such activities are complete and the Receiver is discharged are estimated to be approximately CAD75,000 before disbursements and applicable taxes.

7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver incurred to March 31, 2022 and as estimated to complete the administration of this receivership.

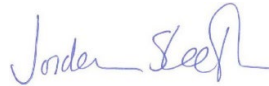
SWORN BEFORE ME via video-conference

This 22nd day of April, 2022.



Mark Freake, LSO# 63656H

A Commissioner for taking Affidavits *(or as may be)*



JORDEN SLEETH

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and the Law Society of Ontario: COVID-19 Response Statement interpretation of that Act, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit and transmitted the full electronic affidavit, as sworn or affirmed, including exhibits to the commissioner, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

This is Exhibit "A" referred to in the Affidavit of Jordan Sleeth
sworn April 22nd, 2022

A handwritten signature in black ink, appearing to read "M. J. [unclear]".

Commissioner for Taking Affidavits (or as may be)

EXHIBIT “A”

**In the matter of the Receivership of Certus Automotive Inc. and Keen Point International Inc.
 Calculation of Average Hourly Billing Rates of
 Deloitte Restructuring Inc.
 January 1 to March 31, 2022
 CAD**

Invoice Number	Period		Hours	Net Fees	Avg Rate	Expenses	HST	Total
	Start	End						
8002461514	1-Jan-22	31-Jan-21	163.1	\$ 85,374.00	\$ 523.45	\$ -	\$ 11,098.62	\$ 96,472.62
8002537573	1-Feb-22	28-Feb-22	64.8	\$ 32,983.50	\$ 509.00	\$ 32.90	\$ 4,292.13	\$ 37,308.53
8002544548	1-Mar-22	31-Mar-22	74.9	\$ 45,694.00	\$ 610.07	\$ 60.16	\$ 5,948.04	\$ 51,702.20
			302.8	\$ 164,051.50	\$ 541.78	\$ 93.06	\$ 21,338.79	\$ 185,483.35

**Calculation of Average Hourly Billing Rates of
 Deloitte Asesoria Financiera, S.C.
 June 21 to December, 2021
 USD**

Invoice Number	Period		Hours	Net Fees	Avg Rate	Expenses	Tax	Total
	Start	End						
CMX007215	June 2021	Dec 2021	184.0	\$ 74,780.00	\$ 406.41	\$ -	\$ 21,971.00	\$ 96,751.00

This is Exhibit “**B**” referred to in the Affidavit of Jordan Sleeth sworn April 22nd, 2022

A handwritten signature in black ink, appearing to read "M. J. [unclear]".

Commissioner for Taking Affidavits (or as may be)


Invoice 8002461514
Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Mr. Jordan Sleeth
Deloitte Restructuring Inc., Receiver of Certus Automotive Inc. et al.

c/o Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: March 14, 2022
Client No.: 1139799
WBS#: TDB00546
Engagement Partner: Jordan Sleeth
HST Registration : 122893605RT0001

For professional services rendered
Fees

Professional services rendered in our capacity as Court-appointed receiver and manager of Certus Automotive Inc. and Keen Point International Inc. for the period January 1 to 31, 2022. Refer to the attached detailed time descriptions.

Sales Tax

HST applicable	85,374.00
HST at 13.00 %	<u>11,098.62</u>
Total Amount Due (CAD)	<u>96,472.62</u>



Appendix #1

Summary of Fees

Name	Level	Hours	Rate	Amount
Sleeth, Jordan	Partner	56.2	695.00	39,059.00
Damiani, Stefano	Director	58.3	580.00	33,814.00
Bricks, Hartley	Director	2.8	580.00	1,624.00
Greenbaum, Stacey	Senior Manager	36.7	505.00	18,533.50
Tsianos, Nicolette	Senior	2.8	395.00	1,106.00
Brown, Rose	Trust Administration Manager	0.9	325.00	292.50
Conorton, Laura	Consultant	5.4	175.00	945.00
Total Professional Hours and Fees		163.1		95,374.00
Courtesy Discount				(10,000.00)
Out of pocket Expenses				-
Total Fees and Expenses (CAD)				85,374.00



Appendix #2

Work performed for the period January 1, 2022 to January 31, 2022

Date	Name	Narrative	Hours
04-01-22	Damiani, Stefano	Conference call with Dentons; telephone and email correspondence with prospective purchaser; review emails.	1.0
04-01-22	Greenbaum, Stacey	Team update call re current priorities.	1.0
04-01-22	Sleeth, Jordan	Call with S. Greenbaum and S. Damiani re: asset sale, court report, steps to complete sale transaction, A/R collection, FGI status.	1.0
05-01-22	Conorton, Laura	Processing wire transfer to Certus for funding	0.7
05-01-22	Damiani, Stefano	Conference call with principals; review payment schedule; call with Team; emails with Buyer group; review Toshiba documents and comments, emails on same; call with S. Greenbaum; follow up email to Preh re A/R; emails with end user buyer; conference call with prospective buyer group; call with Dentons; Landlord email.	2.4
05-01-22	Greenbaum, Stacey	Update call with Certus Principals and debrief; team call with prospective buyer group re M&E sale and debrief call with team and Dentons; review of weekly payments and send for processing.	4.5
05-01-22	Sleeth, Jordan	Status update call with S. Greenbaum, S. Damiani and Certus principals re: asset realization requirements and sequence of events required to consummate transactions, regroup with S. Greenbaum and S. Damiani; call with prospective buyer group re: ██████████ debrief call with Receiver team and R. Kennedy (Dentons); call with M. Marquez of landlord group, draft proposal memo to Landlord, circulate to R. Kennedy for comment.	4.1
06-01-22	Damiani, Stefano	Draft email to principals re ██████████ conference call with end-user equipment buyer, review equipment details, email to J. Sleeth on same; team call; emails with counsel.	2.3
06-01-22	Greenbaum, Stacey	Team call re M&E sale and next steps; call with end user equipment buyer; discussion re bill of sale; review ██████████ Certus Mexico expenses.	2.9
06-01-22	Sleeth, Jordan	Call with prospective asset purchaser; draft and send email to auction bidder re: revised offer; call with R. Kennedy (Dentons) re: sale process, coordinating offers to Landlord, Principals, prospective buyer group, BancoMext approach, internal memo memorializing same; consider FGI settlement offer; Call with Certus Principals re: asset realization process, assets available for Certus Mexico; circulate prospective buyer group purchase list to Principals.	3.8

Date	Name	Narrative	Hours
07-01-22	Damiani, Stefano	Conference call with representatives of end user equipment buyer; emails with B. Pettit (Payroll Manager) re Canadian employee T4's; conference call with Dentons; review and amend form of Bills of Sale re end user equipment buyer, emails on same; email to Dentons re affidavit.	2.7
07-01-22	Greenbaum, Stacey	Call with NYX re outstanding receivable; internal team call re current file status and priorities; review weekly expenses for Certus Mx; emails with Principals.	2.8
07-01-22	Sleeth, Jordan	Telephone call with prospective buyer group re: asset sale; internal call with R. Kennedy (Dentons), S. Greenbaum and S. Damiani; draft occupancy proposal to Landlord and circulate, call with R. Kennedy re: Landlord response; memo to TD re: FGI proposal.	1.8
10-01-22	Damiani, Stefano	Conference call with JSS re A/R dispute; e-mails with ██████████ and R. Mollenhauer re agreements; drafting of Court Report; email to end user equipment buyer re bill of sale; call with Team.	3.6
10-01-22	Greenbaum, Stacey	Call with JSS re Certus account; update call with team; call with Barb re T4s and follow up call to CRA re the same; review bill of sale.	1.9
10-01-22	Sleeth, Jordan	Review Toshiba release documents and approve same; review end user buyer bill of sale and provide comments re same; update memos for prospective buyer group & Landlord; consider Principals's response and circulate same; call with vendor; status update call with Receiver team.	3.9
11-01-22	Damiani, Stefano	Email correspondence re end-user equipment buyer; drafting of Court Report.	3.4
11-01-22	Sleeth, Jordan	Call with Banco, debrief with R. Kennedy (Dentons); review and comment on draft FGI agreement; email to end user buyer re: customs requirements; revise and circulate deal terms to Principals.	1.8
12-01-22	Conorton, Laura	Processing wire transfer to Certus, funding	0.5
12-01-22	Damiani, Stefano	Drafting of Court Report; conference call with representatives of ██████████; review and approve funding of expenses re Certus Mexico; call with D. Loberto of Dentons.	4.7
12-01-22	Greenbaum, Stacey	Weekly payment funding request; compile information.	2.9
12-01-22	Sleeth, Jordan	Prepare for and attend call with BancoMext re: asset sale, debrief with R. Kennedy; status update call with TD Bank (J. Swan); call with Principals re: asset realization strategy in Mexico; review response from Principals; follow up with J. Prokopetz for MTNA side letter; review landlord response to access proposal; draft written proposal for BancoMext.	3.2
13-01-22	Brown, Rose	Trust Banking Administration: Pull online bank reports, reconcile to general ledger, emails.	0.5

Date	Name	Narrative	Hours
13-01-22	Damiani, Stefano	Emails with end-user equipment buyer and J. Prokopetz re customs, transport matters; drafting of Court Report; emails with team; Toshiba release documents and Exhibit.	5.4
13-01-22	Greenbaum, Stacey	Update call with team; prepare fee affidavit and R&D to December 31 for court report; review court report and edit; review M&E listings and reconcile.	5.3
13-01-22	Sleeth, Jordan	Call with S. Greenbaum and S. Damiani; call with TD team re: approach with Principals and Mexico realization strategy; review draft court report and provide edits; [REDACTED]	3.0
14-01-22	Damiani, Stefano	Court Report; email to D. Loberto (Dentons) re agreements; emails with L. Thomas of Dura re parts delivery; emails with JSS re A/R dispute; call and emails with M. Freake (Dentons).	4.9
14-01-22	Sleeth, Jordan	Status update call with J. Swan, consult re: guarantee request from Principals, respond to Principals; draft and circulate memo to Principals re: cooperation with Mexico asset realizations; Court report; call with R. Kennedy (Dentons).	3.2
15-01-22	Damiani, Stefano	Review amendments to the draft Report; emails with counsel; drafting of Confidential Supplement; prepare confidential schedule to the Confidential Supplement.	3.1
15-01-22	Greenbaum, Stacey	Prepare FGI settlement summary for court report; correspondence with team.	0.7
16-01-22	Damiani, Stefano	Conference call with Team; review and amend Court Report; update Confidential Supplement and email to team; emails with Dentons.	5.6
16-01-22	Greenbaum, Stacey	Review court report provided by Dentons and make comments, call with J. Sleeth and S. Damiani and revise report.	3.7
16-01-22	Sleeth, Jordan	Court report - review comments from Dentons, call with team re: report, supplement, affidavit, revise report and circulate to Dentons; misc emails to Principals and prospective buyer group.	4.5
17-01-22	Bricks, Hartley	Review and amend Report to Court and Supplemental Report.	2.8
17-01-22	Conorton, Laura	Estate banking administration.	0.5
17-01-22	Damiani, Stefano	Conference calls with Dentons; review and amend Court report; review and amend Confidential Supplement; correspondence with Team; emails with Dentons re Report; review amended form of Order and Notice of Motion.	4.8
17-01-22	Greenbaum, Stacey	Various calls with Deloitte and Dentons re court report; update FGI settlement summary appendix; update report appendices.	3.6

Date	Name	Narrative	Hours
17-01-22	Sleeth, Jordan	Court report - finalize materials, swear fee affidavit, review comments on confidential supplement and finalize same; call with J. Swan and R. Phongsivorabouth and R. Kennedy re: Principal's request.	3.9
18-01-22	Brown, Rose	Prepare transfer between account to cover service fee for online banking.	0.2
18-01-22	Damiani, Stefano	Telephone call with M. Freake (Dentons); finalize and sign Court report and confidential supplement; calls with J. Sleeth and S. Greenbaum; emails with Dentons; emails with vendor.	2.2
18-01-22	Greenbaum, Stacey	Prepare information package for court report; call with Principals and J. Sleeth and update call with TD; review notice of motion and approval order; prepare cover letters; review confidential supplement.	2.4
18-01-22	Sleeth, Jordan	Call with Principals, debrief with J. Swan and R. Phongsivorabouth; various emails to Principals re: documents to execute; review FGI comments on settlement agreement; review Bancomext response; Court report service - review and comment on notice of motion, court order, calls with receiver and Dentons teams re: materials, final review before service.	3.3
19-01-22	Damiani, Stefano	Emails re JSS unpaid A/R, comments of J. Prokopetz; conference call with prospective purchaser group; correspondence with J. Sleeth; emails with controller (T. Torres), review funding request.	0.9
19-01-22	Greenbaum, Stacey	Discussion re payments, send email to Controller and A/P Manager on same, review emails; creditor inquiries; email to Principals re JSS; email to CNA re ZF claim; draft S.246 report.	2.3
19-01-22	Sleeth, Jordan	Call with Landlord re: [REDACTED] call with J. Carhart and R. Kennedy re: FGI agreement and FGI comments; prepare for and attend call with prospective buyer group re: pedimentos and PoA option; circulate FGI agreement to Principals, call with R. Mollenhaur re: same; status update memo to S. Greenbaum and S. Damiani.	2.8
19-01-22	Tsianos, Nicolette	Call with S.Greenbaum re: payment confirmations.	0.7
20-01-22	Damiani, Stefano	Conference call with JSS re drawback claim; review and amend OSB reporting; conference call with team; Certus Mexico funding request; telephone call with representatives of end-user equipment buyer.	0.8
20-01-22	Greenbaum, Stacey	Call with Tradewin re JSS account; update call with S. Damiani and J. Sleeth; call with T. Torres (Controller) re weekly payments and payment confirmations; prepare weekly funding request; disc. M&E listing with J. Sleeth and email to Jim Prokopetz.	2.4

Date	Name	Narrative	Hours
20-01-22	Sleeth, Jordan	Internal call with S. Damiani and S. Greenbaum re: sale transactions, s. 246 reports, A/R collections, realization strategy after court attendance; call with C. Burr and R. Kennedy re: FGI release, review Principals comments to release agreement and circulate same; follow up emails to Bancomex; [REDACTED]	2.8
20-01-22	Tsianos, Nicolette	Made updates to payment confirmation tracker.	1.3
21-01-22	Conorton, Laura	Processing transfer to Certus for funding.	0.5
21-01-22	Damiani, Stefano	Review and approve wire payment; emails with B. Pettit (Payroll Manager); emails with J. Barnes (Dura) re inventory sale; review Court Order and Endorsement of Conway J.; emails with Dentons.	0.6
21-01-22	Greenbaum, Stacey	Emails re payroll; coordinate weekly funding to Mexico.	0.3
21-01-22	Sleeth, Jordan	Prepare for and attend court hearing, debrief same with R. Kennedy; call with J. Carhart and R. Kennedy re: FGI settlement.	1.1
24-01-22	Damiani, Stefano	Emails with Dentons; review insurance documentation, emails with Broker and email to Principals on same; emails with Principals; review Certus Mexico incorporating document.	1.4
25-01-22	Damiani, Stefano	Conference call with Buyer group; emails with warehouse; telephone call with J. Barnes of Dura; emails with Dentons Mexico re incorporating documents; email to R. Mollenhauer re Certus Mexico documents; emails with J. Sleeth; email to T. Torres (Controller); Toshiba emails.	2.3
25-01-22	Sleeth, Jordan	Call with R. Kennedy and TD Counsel re: FGI agreement, follow up call with R. Kennedy; calls with prospective buyer group re: [REDACTED] follow ups with BancoMext and Landlord; review s.246 reports and circulate with comments.	2.2
26-01-22	Conorton, Laura	Trust accounting.	0.2
26-01-22	Damiani, Stefano	Conference call with team; emails re [REDACTED] conference call with Principals; conference call and emails with Dentons; email to J. Sleeth; review Dentons letter.	1.9
26-01-22	Sleeth, Jordan	Realization strategy call with S. Greenbaum and S. Damiani; follow up call with R. Kennedy; email to prospective buyer group, email to Principals; call with Principals re: realization update, [REDACTED] debrief with R. Kennedy and J. Swan; review Dentons letter to Principals re: document production and deliver.	3.2
27-01-22	Brown, Rose	Review correspondence.	0.1
27-01-22	Damiani, Stefano	Review fully executed Toshiba agreement; emails with R. Mollenhauer; emails with Dentons and J. Sleeth; draft email to Toshiba; email to J. Sleeth re options; emails with Controller, review financial statements.	1.9

Date	Name	Narrative	Hours
27-01-22	Sleeth, Jordan	Calls with R. Kennedy re deal structure, prepare for and attend call with prospective buyer group re: same; call with counsel to TD re: FGI settlement.	2.0
28-01-22	Conorton, Laura	Recording incoming wire, correspondence with J. Sleeth and TD bank on conversion rates and transfer of funds.	1.5
28-01-22	Damiani, Stefano	Wire approval; review email of Certus Mexico counsel; emails with Dentons Mexico; emails with warehouse.	0.7
28-01-22	Sleeth, Jordan	Call with prospective buyer group re: [REDACTED] update call with R. Kennedy re: same; liaise with Landlord re: [REDACTED] update call with S. Damiani; call with C. Burr re: FGI settlement, circulate updates from Principals; review revised blackline from FGI; email memo to Principals re: settlement.	2.5
30-01-22	Damiani, Stefano	Email to Dentons re deal structure; emails with prospective purchaser re [REDACTED]	0.6
30-01-22	Sleeth, Jordan	FGI Settlement - email exchanges with Principals and Dentons re: finalizing form of settlement agreement.	0.7
31-01-22	Brown, Rose	Trust Banking Administration.	0.1
31-01-22	Conorton, Laura	Completing transfer recording and filing; processing wire payments.	1.5
31-01-22	Damiani, Stefano	Review and sign wire transfers; conference call with prospective buyer and Landlord (M. Marquez); email to Controller; telephone call with retail buyer re 2 units.	1.1
31-01-22	Sleeth, Jordan	Call with Landlord and prospective buyer group, follow up with prospective buyer group, update to R. Kennedy; FGI settlement - attend court, execute final settlement, review correspondence from Miller Thomson.	1.4
31-01-22	Tsianos, Nicolette	Prepared payment request for week of January 24, 2022	0.8
Total			163.1


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ATTN: Mr. Jordan Sleeth
Deloitte Restructuring Inc., Receiver of Certus Automotive Inc. et al.

c/o Deloitte Restructuring Inc.
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Toronto ON M5H 0A9
Canada

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Date: April 13, 2022
Client No.: 1139799
WBS#: TDB00546
Engagement Partner: Jordan Sleeth

HST Registration : 122893605RT0001

For professional services rendered
Fees

In our capacity as Court-appointed receiver and manager of Certus Automotive Inc. and Keen Point International Inc. for the period February 1, 2022 to February 28, 2022. Refer to the attached detailed time descriptions.

HST applicable 32,983.50

Expense

Out-of-pocket Expenses

HST applicable 32.90

Sales Tax

HST at 13.00 % 4,292.13

Total Amount Due (CAD) 37,308.53



Appendix #1
Summary of Fees

Name	Level	Hours	Rate	Amount
Sleeth, Jordan	Partner	12.8	695.00	8,896.00
Damiani, Stefano	Director	16.3	580.00	9,454.00
Greenbaum, Stacey	Senior Manager	11.1	505.00	5,605.50
Tsianos, Nicolette	Senior	19.9	395.00	7,860.50
Brown, Rose	Trust Administration Manager	2.3	325.00	747.50
Conorton, Laura	Consultant	2.4	175.00	420.00
Total Professional Hours and Fees		64.8		32,983.50
Out-of-pocket Expenses				32.90
Total Fees and Expenses (CAD)				33,016.40


Appendix #2
Work performed from February 1, 2022 to February 28, 2022

Date	Name	Narrative	Hours
01-02-22	Damiani, Stefano	Voicemail to J. Dyal of NYX re A/R dispute; review account breakdowns from Certus Mexico, emails with prospective purchaser on same; review weekly cash budget, emails with Controller, banking instructions to team, sign wire.	1.4
01-02-22	Conorton, Laura	Process wire payment to Certus funding, report printout.	0.5
02-02-22	Sleeth, Jordan	██████████ planning call with R. Kennedy and M. Freake; follow up call with J. Swan.	0.9
02-02-22	Damiani, Stefano	Conference call and emails with Dentons; draft email response to buyer group.	1.0
02-02-22	Tsianos, Nicolette	Document payment confirmations.	1.2
03-02-22	Sleeth, Jordan	Call with S. Zweig (counsel to principals) re: ██████████, status update, prepare for same with R. Kennedy.	0.9
03-02-22	Damiani, Stefano	Emails re Certus Mexico funding, review and approve request; emails with buyer group; review draft documents and email of Dentons Mexico.	1.5
03-02-22	Tsianos, Nicolette	Prepare Certus weekly funding; document payment confirmations.	4.9
03-02-22	Conorton, Laura	Process transfer to Certus.	0.4
04-02-22	Sleeth, Jordan	Call with ██████████ and R. Kennedy re: ██████████ ██████████ debrief separately with ██████████ and R. Kennedy; research BancoMext administrator contact details.	0.8
04-02-22	Damiani, Stefano	Emails with B. Pettit (Payroll Manager); email of J. Prokopetz.	0.2
04-02-22	Tsianos, Nicolette	Document payment confirmations; send payment confirmation requests.	4.2
07-02-22	Sleeth, Jordan	Attend call with ██████████ and Certus principals, debrief with R. Kennedy.	0.6
07-02-22	Greenbaum, Stacey	Update call with J. Sleeth and S. Damiani; correspondence with R. Mollenhauer and B. Pettit re Yuta payment.	1.0
07-02-22	Brown, Rose	Scan mail received and send to S. Greenbaum.	0.1
07-02-22	Tsianos, Nicolette	Emails re: payment confirmations.	0.3

Date	Name	Narrative	Hours
08-02-22	Sleeth, Jordan	Update and planning call with S. Greenbaum and S. Damiani; draft status update email to TD and MT, follow up call with M. Vos and J. Carhart re: assignment agreement, terms therein, other considerations.	1.4
08-02-22	Damiani, Stefano	Update call with team; email to J. Barnes of Dura; emails with B. Pettit (Payroll Manager) re T4's, CRA; emails re JSS A/R.	1.0
08-02-22	Greenbaum, Stacey	Update call with J. Sleeth and S. Damiani; update S.246 report; review R&D to Jan 31; call to NYX; email to JSS; emails re T4s.	1.4
09-02-22	Sleeth, Jordan	Review TD Debt assignment agreement, provide comments to R. Kennedy, circulate to J. Carhart.	0.6
09-02-22	Damiani, Stefano	Conference call with J. Dyal (NYX); review NYX analysis; emails with C. Martin (Insurance Broker); email to J. Prokopetz re insurance; CRA correspondence; email to J. Sleeth.	1.2
09-02-22	Greenbaum, Stacey	Call with W. Reuger (CRA) re file status and outstanding matters; call with J. Dyal (NYX) re A/R settlement; review of mail.	1.9
09-02-22	Tsianos, Nicolette	Update payment confirmations tracker.	1.2
10-02-22	Sleeth, Jordan	Review correspondence from Mexico principals to ██████ review debt assignment agreement, circulate same to ██████	0.7
10-02-22	Damiani, Stefano	Emails with Insurance Broker and J. Prokopetz; conference call and emails with J. Barnes of Dura re inventory sale; review cash budget re Certus Mexico; employee T4's.	1.3
10-02-22	Greenbaum, Stacey	Review of weekly expenses; call with S. Damiani and J. Barnes of Dura re inventory; draft NYX settlement agreement.	1.3
10-02-22	Brown, Rose	Review disbursement as requested by S. Greenbaum; pick up courier packages from Payworks; prepare return address labels for mailing out T4's, scan the front of T4 slips and mail received and send to S. Greenbaum.	1.1
10-02-22	Tsianos, Nicolette	Prepare weekly funding cheque requisition.	1.1
10-02-22	Conorton, Laura	Prepare wire payment to Certus; correspondence with N. Tsianos.	0.3
11-02-22	Sleeth, Jordan	FGI settlement - correspondence with B. Burr, process wire receipt; review s.246 report and provide comments.	0.5
11-02-22	Damiani, Stefano	Emails re expenses, sign wire payment; review amended form of NYX settlement agreement, emails with Dentons; voicemail to M. Sennot.	0.7
11-02-22	Greenbaum, Stacey	Weekly expense review and coordination; email communication re weekly funding, T4s, NYX settlement agreement.	1.3
11-02-22	Tsianos, Nicolette	Prepare RC342 tax form.	0.5

Date	Name	Narrative	Hours
11-02-22	Conorton, Laura	Revise and complete transfer payment to Certus, funding; correspondence with J. Sleeth on incoming wire.	0.6
13-02-22	Sleeth, Jorden	Review and circulate TD security documents to [REDACTED]	0.3
14-02-22	Sleeth, Jorden	Draft email update for TD re: status of realization activities, circulate to S. Greenbaum.	0.4
14-02-22	Damiani, Stefano	Conference call with Dentons re NYX agreement; review employee T4 package, emails of B. Pettit (Payroll Manager); emails re prospective bidder; reporting email.	0.9
14-02-22	Greenbaum, Stacey	Call with M. Freake re NYX settlement agreement, finalize the same; call with Qualita; finalize and fax S.246 report to OSB.	1.5
14-02-22	Brown, Rose	Trust Banking Administration - review account online for incoming wire and send email confirming funds received; complete mailing of T4 slips and take to mail room.	0.5
15-02-22	Sleeth, Jorden	Review Conway Mackenzie time details, email to S. Damiani; circulate update email to TD.	0.8
15-02-22	Greenbaum, Stacey	Discuss NYX account with J. Sleeth.	0.3
15-02-22	Tsianos, Nicolette	Call with WSIB re: notification of receivership; prepare WSIB authorization form; review HST notice of assessments received.	1.7
15-02-22	Conorton, Laura	Process incoming wire from FGI.	0.2
16-02-22	Sleeth, Jorden	Call with Landlord.	0.3
16-02-22	Damiani, Stefano	Emails re insurance; emails with prospective bidder re 2 units; emails with B. Pettit (Payroll Manager) re employee tax slips; review CRA waiver form.	1.1
16-02-22	Greenbaum, Stacey	Review of WSIB form; CRA matters.	0.5
16-02-22	Tsianos, Nicolette	Review payment confirmations.	1.5
17-02-22	Sleeth, Jorden	Internal update call with S. Greenbaum and S. Damiani; call with [REDACTED] re: Assignment Agreement.	1.0
17-02-22	Damiani, Stefano	Conference call with team; email to J. Sleeth; conference call and emails with prospective buyer and counsel; email UCC documents to prospective buyer.	1.5
17-02-22	Greenbaum, Stacey	Update call with J. Sleeth and S. Damiani.	0.5
18-02-22	Sleeth, Jorden	[REDACTED] review AA from [REDACTED] circulate to TD.	0.8
18-02-22	Damiani, Stefano	Email correspondence with B. Pettit (Payroll Manager); telephone call with prospective bidder re 2 units; review prospective buyer's amended form of assignment agreement.	0.9
18-02-22	Tsianos, Nicolette	Prepare HST returns for June 25 - June 30, 2021 & December 2021; prepare CRA HST letter.	1.2
21-02-22	Sleeth, Jorden	Review AA changes from [REDACTED] circulate to TD and MT.	0.3

Date	Name	Narrative	Hours
22-02-22	Sleeth, Jordan	Assignment Agreement - call with TD and MT re: Assignment agreement and █████ comments.	0.5
22-02-22	Damiani, Stefano	Email correspondence with creditor; emails with Payroll Manager; conference call with TD and counsel re assignment comments; email to R. Lopez-Velarde (Dentons Mexico); email to R. Kennedy (Dentons) re █████ email re insurance.	1.4
22-02-22	Greenbaum, Stacey	Canadian payroll admin - call with N. Tsianos re same.	0.2
22-02-22	Brown, Rose	Scan and send mail to S. Greenbaum.	0.1
22-02-22	Tsianos, Nicolette	Prepare CAI & KPI payroll funding.	1.8
23-02-22	Sleeth, Jordan	Call with █████ re: Assignment Agreement, email memo to █████	0.6
23-02-22	Damiani, Stefano	Review payroll, sign wire payment; review emails with prospective bidder; call with J. Dyal (NYX) re A/R dispute.	0.5
23-02-22	Greenbaum, Stacey	Update call with NYX.	0.2
23-02-22	Brown, Rose	Scan and send mail received to S. Damiani.	0.2
23-02-22	Tsianos, Nicolette	Prepare CAI & KPI payroll funding.	0.3
23-02-22	Conorton, Laura	Process wire payment to Payworks.	0.4
24-02-22	Sleeth, Jordan	Internal call with S. Greenbaum, S. Damiani, R. Kennedy.	0.5
24-02-22	Damiani, Stefano	Conference call with Dentons; emails re insurance.	0.6
24-02-22	Greenbaum, Stacey	Team update call with Dentons.	0.5
24-02-22	Brown, Rose	Pull online report and review Ascend to confirm reconcile and send report to S. Greenbaum; scan mail received and send to S. Greenbaum.	0.2
25-02-22	Sleeth, Jordan	Various - emails with █████ on AA progress, email to Landlord re: █████.	0.4
25-02-22	Damiani, Stefano	Emails with Rhodes Williams re insurance; telephone call and emails re plating line.	0.2
28-02-22	Sleeth, Jordan	Call with TD and MT re: status of █████ debt assignment; email to █████	0.5
28-02-22	Damiani, Stefano	CRA correspondence; emails with C. Martin of Rhodes Williams (insurance), follow up with Principals on same; Landlord update.	0.9
28-02-22	Greenbaum, Stacey	CRA matters including call with W. Reuger, review HST letter prepared by N. Tsianos, EHT, RC342 forms.	0.5
28-02-22	Brown, Rose	Scan and send mail received to S. Greenbaum and S. Damiani.	0.1
Total			64.8


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Date: April 19, 2022
Client No.: 1139799
WBS#: TDB00546
Engagement Partner: Jordan Sleeth

GST/HST Registration: 122893605RT0001
QST Registration: 1000870419TQ0002

For professional services rendered
Fees

In our capacity as Court-appointed receiver and manager of Certus Automotive Inc. and Keen Point International Inc. for the period March 1 to March 31, 2022. Refer to the attached detailed time descriptions.

HST applicable 45,694.00

Expense

Out-of-pocket Expenses

HST applicable 60.16

Sales Tax

HST at 13.00 % 5,948.04

Total Amount Due (CAD) 51,702.20



Appendix #1
Summary of Fees

Name	Level	Hours	Rate	Amount
Sleeth, Jordan	Partner	42.9	695.00	29,815.50
Damiani, Stefano	Director	16.5	580.00	9,570.00
Greenbaum, Stacey	Senior Manager	7.7	505.00	3,888.50
Tsianos, Nicolette	Senior	3.5	395.00	1,382.50
Brown, Rose	Trust Administration Manager	1.9	325.00	617.50
Conorton, Laura	Consultant	2.4	175.00	420.00
Total Professional Hours and Fees		74.9		45,694.00
Out-of-pocket Expenses				60.16
Total Fees and Expenses (CAD)				45,754.16


Appendix #2
Work performed from March 1, 2022 to March 31, 2022

Date	Name	Narrative	Hours
01-03-22	Conorton, Laura	Processing USD funding transfer	0.4
01-03-22	Tsianos, Nicolette	Prepared Certus Mexico funding for week of Feb 14; call to CRA confirming receipt of RC342 forms; call to CRA re: HST returns	0.9
01-03-22	Brown, Rose	Scanning mail and send to SG.	0.1
02-03-22	Greenbaum, Stacey	Call with NYX re account, follow up call with J. Dyal re docs needed; call with counsel re NYX.	1.0
02-03-22	Sleeth, Jordan	Prepare for and attend call with NYX re: receivable settlement; update memo for TD re: NYX and [REDACTED]	0.8
03-03-22	Sleeth, Jordan	Call with [REDACTED] review email re: same.	0.6
04-03-22	Greenbaum, Stacey	Team meeting with TD re [REDACTED]	0.3
04-03-22	Sleeth, Jordan	Memo to TD re: [REDACTED] revised offer, call [REDACTED]	0.9
07-03-22	Greenbaum, Stacey	Call with Dentons and S. Damiani re NYX.	0.2
07-03-22	Sleeth, Jordan	Memo to TD re: [REDACTED] follow up email to [REDACTED]	1.2
08-03-22	Sleeth, Jordan	Email to A. Racey @Conway Mackenzie re: fees.	0.3
09-03-22	Sleeth, Jordan	Review and circulate Assignment Agreement to [REDACTED]	0.3
10-03-22	Sleeth, Jordan	Email memo to Dentons re: NYX, Conway and Principals' releases.	0.3
10-03-22	Tsianos, Nicolette	Prepared updated Jan HST returns; Prepared EHT letter to Ministry of Finance	1.8
11-03-22	Sleeth, Jordan	Receive information request from [REDACTED] circulate to TD, respond to [REDACTED]	0.6
11-03-22	Tsianos, Nicolette	Prepared EHT letter to Ministry of Finance	0.2
14-03-22	Damiani, Stefano	Telephone and email correspondence with warehouse (Laredo); review and amend Release agreement, emails with Dentons on same; emails re A/R; draft email to Principals.	1.5
14-03-22	Sleeth, Jordan	Call with [REDACTED] review NYX analysis, emails to Dentons re: same; email to Principals re: payments, review draft release and provide comments.	1.2

Date	Name	Narrative	Hours
15-03-22	Damiani, Stefano	Telephone call with M. Freake (Dentons); draft letter; emails re Certus Mexico funding requests; email summary of Payroll Manager; review further amended release agreement; detailed email re A/R dispute.	1.2
15-03-22	Sleeth, Jordan	Review operating expenses and provide notice to Certus Mexico of funding termination; review Principals' release and comment; email to ██████ re: status update of assignment agreement, call with ██████ and draft update memo to TD Bank, circulate same to TD Bank.	1.8
15-03-22	Greenbaum, Stacey	Review EHT forms; review Mx weekly expenses and summarize.	1.0
16-03-22	Damiani, Stefano	Conference call with TD and counsel; emails; conference call with NYX re A/R; emails with Dura; review email of T. Torres (controller) re expense details; conference call with prospective buyer group and Dentons;	1.7
16-03-22	Sleeth, Jordan	Various - call with TD and MT re: NYX settlement and ██████ assignment; call with NYX, call with ██████ update call with ██████	2.2
16-03-22	Greenbaum, Stacey	Update call with TD; call with NYX re settlement and draft email to TD; finalize EHT matters, disc. with Barb; weekly expenses.	1.1
17-03-22	Brown, Rose	Trust Banking Administration - Wire/transfer request. Scan and send mail rec'd to SG/SD.	0.7
17-03-22	Sleeth, Jordan	Assignment Agreement - review ██████ comments, email to ██████ call with R. Kennedy re: same, c█████; call with ██████ re: status of agreement, deposit; review revised Agreement; call with J. Carhart and R. Kennedy re: strategy ██████	3.1
17-03-22	Sleeth, Jordan	Review memo to TD re: NYX settlement; review Conway release document.	0.2
17-03-22	Greenbaum, Stacey	Review of outstanding payments.	0.5
18-03-22	Sleeth, Jordan	Liaise with NYX re: settlement.	0.2
18-03-22	Sleeth, Jordan	Call with M. Vos and J. Carhart re: ██████ changes to Assignment Agreement, review revised draft and comment, draft cover email and circulate same to ██████ receive and consider ██████ comments.	2.8
19-03-22	Sleeth, Jordan	Review email from ██████, circulate response to ██████	0.5
21-03-22	Greenbaum, Stacey	Amend NYX settlement agreement, emails with Dentons and NYX re the same.	0.5

Date	Name	Narrative	Hours
07-03-22	Damiani, Stefano	Review email of B. Pettit (Payroll Manager); conference call with M. Freake (Dentons) re NYX; transaction update; landlord letter; email to J. Sleeth.	1.1
28-03-22	Sleeth, Jordan	Assignment Agreement - call with [REDACTED]; call with M. Vos re: status of agreement; emails to [REDACTED]; [REDACTED] circulate comments on AA to MT; consider [REDACTED] change to AA, circulate comments to R. Kennedy.	3.4
28-03-22	Sleeth, Jordan	Various - review revisions to Principals release, circulate comments on release; circulate to Principals.	0.5
29-03-22	Conorton, Laura	Inputting receipt with confirmations; processing wire payment to Certus for consulting fees	1.2
09-03-22	Damiani, Stefano	Review Certus Mexico funding request, email of Controller; emails re vendor.	0.3
10-03-22	Damiani, Stefano	Email to J. Prokopetz re insurance; review email of E. Burke; review CRA notice; review detailed comments of Dentons re A/R matter.	0.7
11-03-22	Damiani, Stefano	Review payroll email; emails re principals; emails with prospective buyer group.	0.4
30-03-22	Tsianos, Nicolette	Call with CRA re: payroll remittance discrepancy	0.2
30-03-22	Greenbaum, Stacey	Update call with J. Sleeth and S. Damiani.	0.6
17-03-22	Damiani, Stefano	Review and amend release agreement, email to J. Sleeth on same; review updated agreement from the prospective buyer group; emails with Dentons; email to vendor; review Mollenhauer email; funding request emails; email to Dura.	1.8
18-03-22	Damiani, Stefano	Payroll emails; NYX correspondence re A/R; email of T. Torres (Controller) re Certus Mexico expenses.	0.3
21-03-22	Damiani, Stefano	Telephone call and emails with Laredo warehouse; email to Qualita warehouse re release; email of Payroll Manager; A/R settlement; emails with Dentons; email to J. Prokopetz; email from Toshiba.	1.2
30-03-22	Sleeth, Jordan	Update call with S. Greenbaum and S. Damiani.	0.5
30-03-22	Sleeth, Jordan	Assignment Agreement - [REDACTED] emails with R. Kennedy re: same; circulate final form of AA to [REDACTED] receive, consider and circulate [REDACTED] comments to MT/TD; email exchanges with [REDACTED] re: AA change.	4.1
31-03-22	Tsianos, Nicolette	Call with CRA re: payroll remittance discrepancy	0.4
22-03-22	Damiani, Stefano	Review CRA assessment; update on prospective transaction; A/R settlement.	0.3

Date	Name	Narrative	Hours
25-03-22	Damiani, Stefano	Review principals correspondence; provide comments on amended form of release.	0.3
28-03-22	Damiani, Stefano	Emails with Laredo warehouse, amend and send form of release; emails re transaction; emails with Dentons; amend Qualita form of release, issue same; telephone call and email to K. Pistole (Dura) re settlement; emails with Principals.	1.4
31-03-22	Sleeth, Jordan	Assignment Agreement - attend to targeted closing, calls with [REDACTED] re: Assignment Agreement and [REDACTED]; review [REDACTED] changes to AA and circulate to TD/MT; [REDACTED] call with TD and MT; circulate emails to [REDACTED] re: final form of AA.	4.6
31-03-22	Sleeth, Jordan	Various - updates to [REDACTED]; review response to Conway Mackenzie.	0.3
30-03-22	Damiani, Stefano	Telephone call with F. Neam-Allah (Dura); email to CH Robinson warehouse; conference call with Team; email to Conway; email to T. Torres.	1.3
31-03-22	Damiani, Stefano	Review email of Conway and draft response; retail buyer inquiry re specific equipment; insurance claim emails; review email of T. Torres (Controller).	0.4
Total			74.9



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DELOITTE RESTRUCTURING INC
 8 ADELAIDE ST W SUITE 200, TORONTO, ON M
 TORONTO, ON
 TORONTO, ON
 CP: M5H 0A9
 RFC: XEXX010101000
Referencia para pago con transferencia electrónica
1803357 / FCMX 007215

Regimen Fiscal
 601 General de Ley Personas Morales

FCMX	007215
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Cantidad	Unidad de Medida	Concepto	Valor Unitario	Importe
1.00	Unidad de servicio	PROFESSIONAL FEES RS ADVISORY - CERTUS RECEIVERSHIP PROCESS CONTACT JORDEN SLEETH WBS TDB00546-01-Fl-01-1000 LOCATION OF SERVICES RENDERED MEXICO, DF		
		HONORARIOS	96,751.00	96,751.00
		SUBTOTAL		96,751.00
		TOTAL USD - DÓLAR AMERICANO		96,751.00
		(NOVENTA Y SEIS MIL SETECIENTOS CINCUENTA Y UN 00 /100 U.S.D.)		
		ESTE CFDI DEBERÁ SER PAGADO EN UNA SOLA EXHIBICIÓN		

Referencia para pago con transferencia electrónica 1803357 / FCMX 007215

ESTE RECIBO NO ES VALIDO SI NO HA SIDO PAGADO A FAVOR DE DELOITTE ASESORIA FINANCIERA, S.C.

No Serie Certificado del Emisor: 00001000000510867312	No Serie Certificado del SAT : 00001000000506202789
Cadena Original del complemento de certificación del SAT: 1.1 5821AD53-899C-402C-A95C-333B636E151D 2022-03-24T18:22:20 SST060807KU0 sj0iSZfvSFC8ZwXu57cLYvzpaJtuFHPtmtReYrpgllsmf0d/CcQ7APHdCocHmqYBK1008EQ+HVQVvbgGzZa64nGetulGRcg35nOXDxuP0SKlu6+QRPg+NNAUUt4nkut3lJiAP1BmFV1LJ1l/qZNIOPi3SNweEQOnUOMUyhGvqISGHgK+BbypEzCpwYpMdmD+JvrmW4Kj1lVeXrS1lQg3af3NMCwou2vd9E6BFzYXlQoYzrLSpesXP+Nz4h9wbslffe+mYMrEr6Mbv4W45tYBxjTSJNrUd9U1Y6bG1vxlj4f4nkZxqMIXXluwmUsj1slw+pzJzScq6+ZrE2YoQ== 00001000000506202789	
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Sello Digital del SAT: rx5tkZGqc2aMFScK8eraItzPVjsfjUXezcil6aNESbt/LeIuu9xt4zrUIAbWgPjD4tdZ8SABwEAQKDio/bfKnwb0ZP5kCH2DV4kwb4A6hTRBDOF+Uqx5rI7sG/jk/9ckAwZgz6W9sSmVGaEzsmL+FfyYmkkwSYaULClubSdSE6hmpNk/XRZntF6SBoA2seeV5iWKpraPqF3r7AeR61Cv32Lqa++pUQg8EYiWQZRUtTckSgpDwZi1s6khlS8S7TSZGke9MIIEcXN2651tN5CA/HSCrB3eKZWAXnV4BrZhkV8pz37bjhnh4bk9iyGPXmbxxwLdGwb0VeB0QuJnfc2w==	
Folio Fiscal: 5821AD53-899C-402C-A95C-333B636E151D Fecha y Hora de Certificación: 2022-03-24T18:22:20	
Tipo de comprobante: I-Ingreso MetodoPago: PPD FormaPago: 99 UsoCFDI: G03 ClaveProdServ: 01010101 Clave Unidad: E48 Version CFDI: 3.3	
Este documento es una representación impresa de un CFDI	

Socio Responsable: 00040633 JUAN JOSE PEROJO CANO
 Gerente: 00042838 ERNESTO FLORES SERRANO
 Cuenta por cobrar: 7235007215
 Orden de servicio: 735004915
 Banco: CITIBANK, N.A. (USD)
 Cuenta: 36382928
 Clabe: 021000089 (ABA)
 Swift: CITIUS33



CEDULA DE IDENTIFICACION FISCAL

SHCP
 SECRETARÍA DE HACIENDA Y CREDITO PÚBLICO

SAT
 Servicio de Administración Tributaria

DAF180101JR7
 Registro Federal de Contribuyentes

DELOITTE ASESORIA FINANCIERA
 Nombre, denominación o razón social

idCIF: 18010344217
 VALIDA TU INFORMACIÓN FISCAL



Appendix “I”
to the Third Report of the Receiver

Court File No.: CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 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 43, AS AMENDED

AFFIDAVIT OF ROBERT KENNEDY
(sworn April 22, 2022)

I, **ROBERT KENNEDY**, of the City of Pickering, in the Province of Ontario, **SWEAR**

AND SAY AS FOLLOWS:

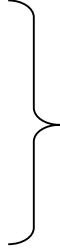
1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated June 25, 2021 (the “**Receivership Order**”), Deloitte Restructuring Inc. was appointed receiver of Certus Automotive Inc. and Keen Point International Inc. in the within proceedings (the “**Receiver**”).
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.
4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.

5. The Dentons fees and disbursements for the period of January 1, 2022 to March 31, 2022 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoices, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit "B"** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit "C"** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.
9. The Dentons fees and disbursements for future activities for the period of April 1, 2022 to the date the Receiver finalizes the receivership estate (by filing a receiver’s certificate) are estimated to be approximately CAD65,000 before disbursements and applicable taxes.
10. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.
11. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

SWORN by Robert Kennedy of the City of Pickering in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on April 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for Taking Affidavits, etc.
Mark Freake, LSO# 63656H



ROBERT KENNEDY

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 22nd DAY OF APRIL, 2022.



A Commissioner for Taking Affidavits, etc.

Dentons Canada LLP
 77 King Street West, Suite 400
 Toronto-Dominion Centre
 Toronto, ON, Canada M5K 0A1

T 416 863 4511
 F 416 863 4592

dentons.com

Deloitte Restructuring Inc.
 22 Adelaide Street West
 Suite 200
 Toronto ON M5H 0A9
 Attention: Jorden Sleeth

INVOICE # 3649904

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2022	569588-000011	Robert Kennedy

Deloitte Restructuring Inc.
Re: Certus Automotive Inc. and Keen Point International Inc.

Professional Fees	\$ 119,616.00
Less: Discount	<u>(9,616.00)</u>
Net Professional Fees	\$ 110,000.00
Disbursements	19,163.21
HST (13.0%) on \$128,843.21	<u>16,749.62</u>
Total Amount Due	<u>\$ 145,912.83 CAD</u>

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Wire Transfer:

Bank of Montreal
 1st Canadian Place, Toronto, ON
 Swift Code: BOFMCAM2
 Bank ID: 001 Transit: 00022
 CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.

Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
03-Jan-22	Robert Kennedy	Review various correspondence re: landlord matters. Correspondence to and from Jordan Sleeth. Review engagement letter re: Certus principals.
04-Jan-22	Mark Freake	Attend status meeting with Receiver and Robert Kennedy. Email correspondence regarding same.
04-Jan-22	Robert Kennedy	Review various correspondence re: M&E sale. Attend conference call with Deloitte re: strategy. Review consulting agreements. Review draft bill of sale. Various correspondence re: Hilco discussion. Conversation with Jordan Sleeth.
05-Jan-22	Mark Freake	[REDACTED] Email Receiver regarding same. Email correspondence regarding Certus Mexico issues.
05-Jan-22	Robert Kennedy	Draft memorandum [REDACTED]. Review various correspondence re: realization matters. Various conversations with Jordan Sleeth re: strategy. [REDACTED] Conversation with Jeff Swan. [REDACTED] Conference with Jordan Sleeth, Stefano Damiani and Stacey Greenbaum re: strategy and next steps.
06-Jan-22	Daniel Loberto	Review correspondence with Court. Review file details. Draft notice of motion.
06-Jan-22	Mark Freake	[REDACTED] Email correspondence with Receiver and Robert Kennedy. Instruct Amanda Campbell regarding scheduling motion.
06-Jan-22	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review and revise correspondence to landlord. Conversation with Jordan Sleeth re: realization strategy. Conference call with Jeff Swan and Jordan Sleeth re: realization strategy. [REDACTED] [REDACTED] Review correspondence from Chris Burr. [REDACTED] [REDACTED] Correspondence to and from Chris Burr. Review correspondence from Jordan Sleeth. Attend to motion scheduling. [REDACTED] [REDACTED] Conference with Mark Freake. Conversation with Jordan Sleeth re: principals discussion.
07-Jan-22	Daniel Loberto	Interoffice discussion with Mark Freake. Draft notice of

Date	Timekeeper	Description of Work
07-Jan-22	Mark Freake	motion. Call with Daniel Loberto regarding motion materials. Review draft Notice of Motion. Email correspondence from Receiver regarding [REDACTED]
07-Jan-22	Robert Kennedy	[REDACTED] Attend conference call with Hilco. Conversation with Jordan Sleeth. Revise correspondence to landlord re: access. Various correspondence to and from Jordan Sleeth. Review FGI matter. Attend conference call with Jordan Sleeth and Jeff Swan re: FGI and M&E matters. Conversation with Jordan Sleeth re: principals agreement. Review correspondence from Hilco. Conversation with Jordan Sleeth re: landlord and Hilco matters. Attend conference call with Deloitte re: strategy and motion matters.
10-Jan-22	Daniel Loberto	Review and prepare redacted accounts. Attend conference call re: status update.
10-Jan-22	Mark Freake	Review Certus Canada tax returns and other documents relating to machinery and equipment ownership. [REDACTED] Email correspondence with Robert Kennedy and Receiver regarding motion materials.
10-Jan-22	Karin Kazakevich	[REDACTED]
10-Jan-22	Robert Kennedy	Work on FGI settlement agreement. Review correspondence from Mike Hochberg. Review service list. Correspondence to Mike Hochberg. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: administration matters. [REDACTED] Review correspondence from Jordan Sleeth re: principals. Review draft correspondence to landlord. Conversation with Jordan Sleeth re: landlord matters. Review draft correspondence to Hilco. Provide comments. Conversation with Jeff Swan.
11-Jan-22	Daniel Loberto	Review correspondence regarding FGI settlement agreement. Correspondence with Mark Freake regarding Certus motion materials. Update notice of motion to reflect FGI settlement agreement.
11-Jan-22	Mark Freake	Review Notice of Motion. Correspondence with Daniel Loberto regarding same. Review FGI settlement agreement.
11-Jan-22	Robert Kennedy	Review correspondence from Hilco. Various correspondence to and from Jordan Sleeth. Work on FGI settlement agreement. Correspondence to Deloitte

Date	Timekeeper	Description of Work
12-Jan-22	Daniel Loberto	group re: FGI settlement agreement. Various conversations with Jordan Sleeth re: administration matters. Correspondence to Jeff Carhart. Consider M&E sale matters. Correspondence with client re: court report. Draft Order in connection to upcoming motion.
12-Jan-22	Mark Freake	Email correspondence with Receiver and Daniel Loberto regarding Second Report. [REDACTED]
12-Jan-22	Robert Kennedy	Work on FGI settlement agreement. Various correspondence to and from Jordan Sleeth. Attend conference call with representatives of Bancomext. Conversation with Jordan Sleeth. review correspondence from Landlord. Preparation for conference call with TD Bank. [REDACTED] Attend conference call with TD Bank re: strategy. Review correspondence from Jeff Carhart. Review and revise FGI settlement agreement. Conversation with Jordan Sleeth re: administration matters. Correspondence to Jeff Carhart. Review draft approval order.
13-Jan-22	Daniel Loberto	Amend Order. Revise notice of motion.
13-Jan-22	Mark Freake	Telephone and email correspondence with Robert Kennedy and Daniel Loberto regarding motion materials. Revise Notice of Motion. [REDACTED] Email correspondence with the Receiver.
13-Jan-22	Robert Kennedy	Review FGI settlement agreement. Review correspondence from Jeff Carhart. Conversation with Jordan Sleeth re: FGI settlement. Voicemail left with Chris Burr. Correspondence to Jeff Carhart. Conversation with Jeff Carhart. Consider strategy re: FGI settlement approval. Work on motion materials. Attend conference call re: strategy and FGI matters.
14-Jan-22	Daniel Loberto	Interoffice discussion regarding upcoming motion and respective materials. Review in preparation for the same. [REDACTED] Revise Court report.
14-Jan-22	Mark Freake	Telephone and email correspondence with Robert Kennedy and Daniel Loberto regarding motion materials. Revise Notice of Motion. Draft and revise Second Report of the Monitor. Revise form of Bill of Sale. Call with Receiver regarding same.
14-Jan-22	Robert Kennedy	Conference with Daniel Loberto re: sale matters. Work on motion materials. Various correspondence to and from Jordan Sleeth. Attend conference call re: motion

Date	Timekeeper	Description of Work
		matters and strategy. Various conversations with Jordan Sleeth. Attend conference call with TD re: strategy. [REDACTED] [REDACTED] Conversation with Jeff Swan. Conversation with Jordan Sleeth. [REDACTED] [REDACTED]
15-Jan-22	Daniel Loberto	Revise Court Report. Correspondence with client.
15-Jan-22	Mark Freake	Review further changes to Second Report. Email correspondence with Robert Kennedy, Daniel Loberto and Receiver.
15-Jan-22	Robert Kennedy	Work on motion materials. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Conference with Mark Freake.
16-Jan-22	Daniel Loberto	Revise notice of motion.
16-Jan-22	Mark Freake	Review and revise Second Report.
17-Jan-22	Daniel Loberto	Various revisions to the notice of motion. Attend conference call regarding court materials. Redact accounts. Revise Order. Interoffice correspondence with Mark Freake.
17-Jan-22	Mark Freake	Continued work on motion materials. Revise Second Report, Confidential Supplement, Notice of Motion and Order. Compile appendices. Various email and telephone correspondence with Receiver, Robert Kennedy and Daniel Loberto. Arrange to commission fee affidavits for Jordan Sleeth and Robert Kennedy. Review and redact invoices. Instruct Amanda Campbell regarding Motion Record and Service.
17-Jan-22	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Work on motion materials. Review various correspondence re: principals cooperation. Attend conference call with TD Bank. Various conferences with Mark Freake and Daniel Loberto.
18-Jan-22	Daniel Loberto	Various revisions to motion materials.
18-Jan-22	Mark Freake	Finalize Second Report, Confidential Supplement, Notice of Motion and draft Order. Review fee affidavits for confidential matters. Various email correspondence with Receiver, Robert Kennedy, Daniel Loberto and Amanda Campbell. Review and revise Service List. Review service email. Sign off on final Motion Record.
18-Jan-22	Robert Kennedy	Work on motion materials. Various correspondence re: motion materials and comments. Review and consider principal agreements. Various correspondence from Jeff Swan. Attend conference call re: M&E strategy. Various correspondence to and from Chris Burr. Work on supplement. Review revised settlement agreement

Date	Timekeeper	Description of Work
		and consider comments. Correspondence to Jeff Carhart.
19-Jan-22	Mark Freake	Email correspondence with Court and Amanda Campbell regarding filing of materials. Email from Receiver regarding prospective purchaser call.
19-Jan-22	Robert Kennedy	Review revised release. Voicemail left with Chris Burr. Correspondence to Jordan Sleeth re: release. Review revised settlement agreement. Various conversations with Jordan Sleeth re: M&E matters. Various correspondence to and from Jeff Carhart. Attend conference call re: settlement agreement. Consider strategy re: M&E sales. [REDACTED] [REDACTED] Conversation with Jordan Sleeth re: strategy. Various correspondence to and from Chris Burr.
20-Jan-22	Mark Freake	Call with Robert Kennedy regarding sale threshold motion and status of FGI settlement. Prepare submissions for motion. Review comments from principals and Miller Thomson regarding FGI settlement. Revise FGI settlement agreement. Call with Daniel Loberto regarding motion.
20-Jan-22	Robert Kennedy	Review revised settlement agreement. Attend conference call with Chris Burr and Jordan Sleeth re: FGI comments. Various correspondence to and from Jordan Sleeth. Conversation with Sean Zweig. Review correspondence from Jeff Carhart. Review comments re: settlement agreement. Review various correspondence re: BancoMext. Conversation with Jordan Sleeth re: M&E matters. Conversation with Jeff Swan re: administration matters. Various correspondence to and from Chris Burr re: settlement agreement. Review motion materials. Review correspondence from Rob Mollenhaur and Jim. Conversation with Chris Burr. Review settlement agreement. Conference with Mark Freake re: motion matters.
21-Jan-22	Daniel Loberto	Interoffice correspondence with Mark Freake regarding upcoming motion. Prepare for and attend motion.
21-Jan-22	Mark Freake	Revise FGI Settlement Agreement. Prepare submissions for court hearing. Calls with Robert Kennedy and Daniel Loberto regarding same. Instruct Amanda Campbell regarding service of Order of Justice Conway and scheduling hearing regarding FGI Settlement Agreement. Email correspondence with the Receiver, Robert Kennedy and Dentons Mexico.
21-Jan-22	Robert Kennedy	Preparation for motion. Review and revise approval order. Correspondence to Justice Conway.

Date	Timekeeper	Description of Work
24-Jan-22	Mark Freake	Conversation with Jordan Sleeth. Conference with Mark Freake. Conference call with Jeff Carhart and Jordan Sleeth. Conversation with Chris Burr. Attend motion. Review endorsement and Order. Correspondence to Rogelio López Velarde re: [REDACTED]. Correspondence with Amanda Campbell regarding issued and entered Approval Order. Correspondence with Dentons Mexico, Receiver and Robert Kennedy [REDACTED].
24-Jan-22	Robert Kennedy	Review blackline of settlement agreement. Correspondence to Jeff Carhart. Review correspondence from Rogelio López-Velarde. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Review revised settlement agreement. Review correspondence from Jeff Carhart.
25-Jan-22	Mark Freake	Further correspondence with Dentons Mexico, the Receiver and Robert Kennedy regarding Certus Mexico [REDACTED].
25-Jan-22	Robert Kennedy	Various correspondence re: Certus Mexico records. Various conversations with Jordan Sleeth re: administration matters. Attend conference call with Miller Thomson re: administration matters. [REDACTED] Review correspondence from Jeff Carhart re: settlement agreement. Attend conference call with representatives of Hilco.
26-Jan-22	Daniel Loberto	Interoffice correspondence with Mark Freake. [REDACTED] [REDACTED] Review corporate structure of Certus Mexico. [REDACTED]
26-Jan-22	Mark Freake	Revise Settlement Agreement. Email and telephone correspondence with Robert Kennedy and Daniel Loberto [REDACTED] [REDACTED] Draft and revise demand letter [REDACTED] [REDACTED] Follow up call with Robert Kennedy.
26-Jan-22	Robert Kennedy	[REDACTED] Conversation with Jordan Sleeth. Conversation with Jeff Swan. Voicemail left with Chris Burr. Correspondence to Chris Burr. Correspondence to Mark Freake re: FGI settlement agreement. Conference call with Jordan Sleeth and Stefano Damiani re: M&E sale matters. Review receivership order. Conference with Mark Freake [REDACTED] Review and revise correspondence. Conversation with Jordan Sleeth.
27-Jan-22	Mark Freake	Correspondence with Receiver, Robert Kennedy and Certus principals [REDACTED]

Date	Timekeeper	Description of Work
27-Jan-22	Robert Kennedy	Various correspondence re: M&E sale matters. Various correspondence re: Certus MX matters. Various conversations with Jordan Sleeth re: administration matters and strategy. Work on FGI settlement agreement matters. Various correspondence and from Jeff Carhart. Attend conference call with Miller Thomson re: FGI settlement agreement matters. [REDACTED] [REDACTED] Conversation with Jordan Sleeth re: M&E sale matters.
28-Jan-22	Daniel Loberto	Review correspondence re FGI settlement agreement. Interoffice discussion with Mark Freake.
28-Jan-22	Mark Freake	Various email correspondence with counsel for TD and FGI regarding amendments to Settlement Agreement. Various revisions to Settlement Agreement. Correspondence with Receiver, Robert Kennedy and Daniel Loberto.
28-Jan-22	Robert Kennedy	Review various correspondence re: FGI settlement agreement. Voicemail from and to Sean Zweig. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Conversation with Sean Zweig. Review revised FGI settlement agreement. Conference with Mark Freake. Review various correspondence from Miller Thomson. Review approval order.
29-Jan-22	Mark Freake	Revise Settlement Agreement. Various email correspondence with Receiver and counsel for TD and FGI. Correspondence with Daniel Loberto.
30-Jan-22	Mark Freake	Revise Settlement Agreement. Various email correspondence with Receiver and counsel for TD and FGI.
31-Jan-22	Daniel Loberto	Preparation for and attend scheduling appointment. Review endorsement. Draft approval order re settlement.
31-Jan-22	Mark Freake	Various email correspondence with counsel for TD and FGI regarding amendments to Settlement Agreement. Email correspondence with Certus principals regarding same. Prepare written submissions for court attendance. Various revisions to Settlement Agreement. Correspondence with Receiver and Robert Kennedy.
31-Jan-22	Robert Kennedy	Review various correspondence re: settlement agreement. Review revised settlement agreement. Conference with Mark Freake. Review various correspondence re: settlement agreement. Review various correspondence re: Court attendance. Review draft approval Order. Conference with Mark Freake. Various correspondence to and from Jeff Carhart. Conversation with Jeff Carhart. Conference with Jordan

Dentons Canada LLP
77 King Street West, Suite 400
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Toronto, ON, Canada M5K 0A1

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F 416 863 4592

dentons.com

Deloitte Restructuring Inc.
22 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Attention: Jordan Sleeth

INVOICE # 3656161

GST/HST # R121996078
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
February 28, 2022	569588-000011	Robert Kennedy

**Deloitte Restructuring Inc.
Re: Certus Automotive Inc. and Keen Point International Inc.**

Professional Fees	\$ 34,486.50
Less: Discount	<u>(1,486.50)</u>
Net Professional Fees	\$ 33,000.00
Other Fees/Charges & Disbursements	<u>42,262.72</u>
HST (13.0%) on \$75,262.72	<u>9,784.15</u>
Total Amount Due	<u>\$ 85,046.87 CAD</u>

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Wire Transfer:

Bank of Montreal
1st Canadian Place, Toronto, ON
Swift Code: BOFMCAM2
Bank ID: 001 Transit: 00022
CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Interac e-Transfer:


e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.

Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
01-Feb-22	Mark Freake	Revise form of Settlement Order. Email correspondence with Jeff Carhart and Chris Burr regarding same. Email Certus Principals. Send form of Order to Justice Conway. Instruct Amanda Campbell regarding service.
01-Feb-22	Robert Kennedy	Review various correspondence re: settlement. Review revised form of approval order. Conference with Mark Freake. Review various correspondence re: approval order. Review various correspondence from Chris Burr. Review executed Order and endorsement. Review various correspondence re: Hilco diligence.
02-Feb-22	Mark Freake	Receive and review issued form of Settlement Order. Email copy of Order to Certus Principals. Email correspondence with Receiver and Robert Kennedy regarding landlord meeting. Call with Receiver regarding asset sale strategy. Emails from Dentons Mexico.
02-Feb-22	Robert Kennedy	Consider transaction matters. Conference call with Jeff Swan re: transaction. Various correspondence to and from Jordan Sleeth. Various conversations with Jordan Sleeth. Draft assignment deal terms. Review correspondence from Jeff Carhart.
03-Feb-22	Mark Freake	
03-Feb-22	Robert Kennedy	Review correspondence from Jordan Sleeth re: Hilco. Provide comments. Various correspondence to and from Jeff Swan. Consider assignment terms. Various correspondence to and from Jeff Carhart. Various conversations with Jordan Sleeth. Review various correspondence from Hilco. Review consultant engagement agreements. Attend conference call with Sean Zweig and Jordan Sleeth re: M&E sale matters and principals. Attend conference call with TD Bank, Miller Thomson and Deloitte. Review and revise assignment terms. Various correspondence to and from Jeff Carhart re: assignment. Correspondence to and from Jordan Sleeth. Correspondence to Jeff Carhart, Michael Vos, Jeff Swan re: assignment terms.
04-Feb-22	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Attend conference call with Hilco. Review assignment terms. Conversation with Jordan Sleeth re: M&E sale matters. Correspondence from and to Rogelio López Velarde. Consider assignment matters.

Date	Timekeeper	Description of Work
07-Feb-22	Robert Kennedy	Conversation with Jordan Sleeth re: administration and M&A sale matters. Attend diligence conference call. Conversation with Jordan Sleeth re: deal points.
08-Feb-22	Mark Freake	[REDACTED] Email Robert Kennedy with summary. Draft email to Chris Burr.
08-Feb-22	Robert Kennedy	Review correspondence from Jordan Sleeth. Review draft assignment agreement. Attend conference call with TD Bank re: assignment transaction. Conversation with Jordan Sleeth re: assignment transaction and FGI agreement. Conference with Mark Freake re: FGI agreement. Review correspondence [REDACTED]
09-Feb-22	Daniel Loberto	[REDACTED] Interoffice discussion with Mark Freake regarding the same.
09-Feb-22	Mark Freake	Various email correspondence with Receiver, Robert Kennedy and Daniel Loberto regarding Assignment Agreement. [REDACTED] Instruct Daniel Loberto regarding further research.
09-Feb-22	Robert Kennedy	Work on assignment agreement. Various correspondence to and from Jordan Sleeth. Draft correspondence re: loan and security documentation. Various conversations with Jordan Sleeth.
10-Feb-22	Robert Kennedy	Review correspondence from Jeff Carhart. Review various correspondence re: assignment transaction. Review various correspondence re: due diligence. Review revised assignment agreement. Various correspondence to and from Jordan Sleeth. Review correspondence from Jeff Carhart. Conversation with Jordan Sleeth (x2) re: assignment transaction. Review correspondence to Hilco re: assignment transaction.
11-Feb-22	Mark Freake	Correspondence with Chris Burr regarding FGI Payment. Review and revise NYX Settlement and Release Agreement. Email correspondence with Stacey Greenbaum regarding same.
14-Feb-22	Mark Freake	Call with Stacey Greenbaum and Stefano Damiani regarding NYX Settlement and Release Agreement. Revise agreement. Email correspondence regarding same.
14-Feb-22	Robert Kennedy	Review Certus MX security. Various correspondence to and from Jordan Sleeth. Correspondence to Geoff Maringelli. Review correspondence from Jordan Sleeth re: administration matters. Conference with Mark Freake. Conversation with Jordan Sleeth. Review

Date	Timekeeper	Description of Work
		various correspondence to NYX receivable. Review various correspondence and documentation re: Conway Mackenzie engagement.
15-Feb-22	Mark Freake	Call with Robert Kennedy regarding NYX issues. Email correspondence regarding same.
15-Feb-22	Robert Kennedy	Review correspondence re: Conway Mackenzie payables. Review NYX settlement document. Conference with Mark Freake re: NYX settlement. Correspondence from and to Jordan Sleeth. C [REDACTED] [REDACTED] Conversation with Jordan Sleeth. Review various correspondence re: Hilco transaction.
16-Feb-22	Daniel Loberto	Correspondence with Mark Freake. Draft settlement agreement. Interoffice discussion with Mark Freake.
16-Feb-22	Mark Freake	Review Qualita settlement agreement documentation. Instruct Daniel Loberto regarding settlement agreement. Review and revise draft settlement agreement. Email Receiver regarding same.
16-Feb-22	Robert Kennedy	Review draft assignment. Various correspondence to and from Jordan Sleeth. Correspondence to Geoff Maringelli and Jeff Carhart re: loan balances.
17-Feb-22	Robert Kennedy	Review various correspondence from Jeff Carhart. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Review draft assignment agreement. Review various correspondence re: FGI accounts. Attend conference call with Hilco re: assignment agreement. Conversation with Jordan Sleeth. Consider assignment deal terms.
18-Feb-22	Robert Kennedy	Review correspondence from Alex Mazer. Review revisions to assignment agreement. Review correspondence from Jordan Sleeth.
21-Feb-22	Robert Kennedy	Correspondence to and from Jordan Sleeth. Review correspondence from Michael Vos. Review correspondence from Jeff Carhart.
22-Feb-22	Mark Freake	Email correspondence from Receiver and Dentons Mexico regarding status of transaction.
22-Feb-22	Robert Kennedy	Review revisions to assignment agreement. Correspondence from and to Jordan Sleeth. Conversation with Jordan Sleeth. Review correspondence to Alex Mazer. [REDACTED] [REDACTED]
23-Feb-22	Robert Kennedy	Conversation with Jordan Sleeth re: administration matters. Review correspondence to Hilco re: transaction. Correspondence to Jordan Sleeth re: Hilco.
24-Feb-22	Daniel Loberto	Review court orders and invoices.

Date	Timekeeper	Description of Work
24-Feb-22	Robert Kennedy	Review various correspondence re: administration matters. Review draft assignment agreement. Correspondence from and to Jordan Sleeth. Attend conference call re: administration matters and strategy. Review correspondence to Hilco re: assignment transaction. Review FGI settlement agreement.
25-Feb-22	Robert Kennedy	Review correspondence from Jordan Sleeth. Correspondence to Jordan Sleeth re: Hilco. Review correspondence re: Hilco update. Correspondence to Jordan Sleeth re: Bank call.
28-Feb-22	Robert Kennedy	Review correspondence re: Hilco transaction. Attend conference call re: strategy. Conversation with Jordan Sleeth re: strategy. Review various correspondence from Alex Mazer.

Timekeeper	Hours	Rate	Fees
Daniel Loberto	3.1	535.00	1,658.50
Mark Freake	8.6	730.00	6,278.00
Robert Kennedy	29.5	900.00	26,550.00
Total	41.2		\$34,486.50

TOTAL PROFESSIONAL FEES	\$ 34,486.50
Less: Discount	(1,486.50)
NET PROFESSIONAL FEES	\$ 33,000.00

TAXABLE OTHER FEES/CHARGES

Technology & Administration Fee	\$ 990.00
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TOTAL TAXABLE OTHER FEES/CHARGES	\$ 990.00
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TAXABLE DISBURSEMENTS

Dentons López Velarde	\$ 41,272.72
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TOTAL TAXABLE DISBURSEMENTS	\$ 41,272.72
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TOTAL OTHER FEES/CHARGES AND DISBURSEMENTS	<u>42,262.72</u>
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TOTAL FEES, OTHER FEES/CHARGES AND DISBURSEMENTS	\$ 75,262.72
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TAXES

HST (13.0%) on Professional Fees of \$33,000.00	\$ 4,290.00
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HST (13.0%) on Taxable Disbursements of \$42,262.72	5,494.15
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TOTAL TAXES	<u>9,784.15</u>
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TOTAL AMOUNT DUE	<u>\$ 85,046.87 CAD</u>
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Dentons Canada LLP
 77 King Street West, Suite 400
 Toronto-Dominion Centre
 Toronto, ON, Canada M5K 0A1

T 416 863 4511
 F 416 863 4592

dentons.com

Deloitte Restructuring Inc.
 22 Adelaide Street West
 Suite 200
 Toronto ON M5H 0A9
 Attention: Jorden Sleeth

INVOICE # 3665189

GST/HST # R121996078
 QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
March 31, 2022	569588-000011	Robert Kennedy

Deloitte Restructuring Inc.
Re: Certus Automotive Inc. and Keen Point International Inc.

Professional Fees	\$ 42,630.00
Less: Discount	<u>(1,630.00)</u>
Net Professional Fees	\$ 41,000.00
Other Fees/Charges & Disbursements	<u>6,564.42</u>
HST (13.0%) on \$47,564.42	<u>6,183.37</u>
Total Amount Due	<u>\$ 53,747.79 CAD</u>

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Wire Transfer:

Bank of Montreal
 1st Canadian Place, Toronto, ON
 Swift Code: BOFMCAM2
 Bank ID: 001 Transit: 00022
 CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Auto-deposit is setup on our accounts and therefore no password required.

Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.
 Payment due on receipt. Interest will be charged at the rate of 8% per annum on all outstanding amounts over 30 days.

Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	Timekeeper	Description of Work
02-Mar-22	Mark Freake	[REDACTED]. Call with Stacey Greenbaum and Stefano Damiani regarding same.
02-Mar-22	Robert Kennedy	Review various correspondence re: NYX receivable. Consider Hilco transaction matters. Attend conference call re: administration matters.
03-Mar-22	Robert Kennedy	Conversation with Jordan Sleeth. Review correspondence re: Hilco transaction. Review correspondence re: NYX receivable.
04-Mar-22	Mark Freake	Email correspondence with Robert Kennedy and Receiver regarding assignment agreement.
07-Mar-22	Mark Freake	Review and consider further purchase order documentation produced by NYX. Attend call with Stacey Greenbaum and Stefano Damiani regarding same.
08-Mar-22	Robert Kennedy	Review correspondence from Alex Mazer. Review various correspondence re: Hilco transaction. Review draft correspondence re: Conway release. Conversation with Jordan Sleeth.
10-Mar-22	Mark Freake	Email Receiver regarding NYX set-off issues.
10-Mar-22	Robert Kennedy	Review various correspondence re: Hilco transaction. Review correspondence from Jordan Sleeth. Conference with Mark Freake. Consider Hilco transaction matters.
14-Mar-22	Mark Freake	Draft and revise Settlement and Release Agreement regarding Certus Principals. [REDACTED] Email correspondence with Receiver and Robert Kennedy.
14-Mar-22	Robert Kennedy	Review various correspondence re: Hilco sale transaction matters. Review release agreements. Review various correspondence re: releases.
15-Mar-22	Mark Freake	[REDACTED] Email correspondence with the Receiver regarding same. Call with Stefano Damiani.
15-Mar-22	Robert Kennedy	Review assignment agreement. Conversation with Michael Vos. Review various correspondence re: assignment agreement. Review various correspondence re: releases. Review release agreement. [REDACTED]

Date	Timekeeper	Description of Work
16-Mar-22	Mark Freake	Conversation with Jordan Sleeth re: Hilco transaction. Review engagement letter with Conway Mackenzie. Review correspondence between Receiver and Conway Mackenzie regarding fees. Draft Settlement and Release Agreement. Correspondence with Robert Kennedy and Receiver regarding FGI Settlement Agreement.
17-Mar-22	Mark Freake	Review correspondence between Receiver and TD regarding NYX settlement. Revise Conway Mackenzie Settlement and Release Agreement. Correspondence with Receiver regarding same.
17-Mar-22	Robert Kennedy	Review various correspondence re: Hilco transaction. Conversation with Jordan Sleeth re: Hilco transaction and strategy. Review assignment agreement. Conference with Mark Freake re: release agreements. Attend conference call with Hilco re: assignment agreement and transaction matters. Review revised assignment agreement. Attend conference call re: revised assignment agreement.
18-Mar-22	Robert Kennedy	Review revised assignment agreement. Various correspondence to and from Jordan Sleeth. Attend conference call re: Hilco transaction strategy. Conversation with Jordan Sleeth. Review and revise correspondence to Hilco. Review revised assignment agreement. Conversation with Geoff Maringelli. Review various correspondence re: Hilco transaction.
21-Mar-22	Mark Freake	Various email correspondence with Receiver and Robert Kennedy regarding settlement and release agreements. Review documentation regarding Carter Logistics. Review revisions to NYX agreement.
21-Mar-22	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth re: administration matters and Hilco transaction. Work on settlement agreements. Review revised assignment agreement. Various correspondence re: Hilco transaction. Attend conference call with Alex Mazer re: transaction. Review correspondence from Carlos Murillo. correspondence to Carlos Murillo re: assignment agreement schedules. Conversation with Jeff Carhart. Review various correspondence from Jeff Carhart. Review NYX settlement agreement. Correspondence to Stacey Greenbaum re: NYX settlement agreement.
22-Mar-22	Mark Freake	Draft and revise Mutual Release regarding Carter Logistics. Email correspondence with Stefano Damiani and Stacey Greenbaum.
22-Mar-22	Robert Kennedy	Review revised assignment agreement. Various correspondence to and from Carlos Murillo.

Date	Timekeeper	Description of Work
23-Mar-22	Robert Kennedy	Conversation with Jordan Sleeth. Attend conference call with Hilco. Conversation with Jordan Sleeth. Review correspondence from Jordan Sleeth. Review correspondence from Jeff Carhart. Review correspondence from Carlos Murillo. Revise assignment agreement. Consider next steps.
23-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement.
24-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement. Conversation with Jordan Sleeth. Review various correspondence re: releases. Review executed NYX settlement agreement. [REDACTED]
25-Mar-22	Robert Kennedy	[REDACTED] Review various correspondence re: Mexican assignment.
25-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement. Various correspondence to and from Jordan Sleeth re: assignment agreement matters and strategy. Various conversations with Jordan Sleeth. Conference call with Jordan Sleeth and Jeff Carhart re: assignment agreement and strategy.
27-Mar-22	Robert Kennedy	Various correspondence to and from Jordan Sleeth. Review assignment agreement. Draft correspondence to Hilco re: assignment agreement. [REDACTED]
28-Mar-22	Mark Freake	Various correspondence from and to Jeff Carhart.
28-Mar-22	Mark Freake	Email correspondence with Jordan Sleeth regarding settlement agreement with Certus principals. Review and revise draft release with Qualita. Email correspondence with Stefano Damiani regarding same.
28-Mar-22	Robert Kennedy	Conversation with Jordan Sleeth. Review various correspondence from Jeff Carhart. Review various correspondence re: assignment agreement. Review various correspondence from Rob Mollenhauer. Conversation with Jordan Sleeth re: Certus Canada authority. [REDACTED] Attend conference call with TD, Deloitte and Miller Thomson re: strategy. Conversation with Jordan Sleeth. Conversation with Alex Mazer. Various correspondence re: Hilco and Bank discussion.
29-Mar-22	Mark Freake	Email correspondence with Robert Kennedy regarding settlement agreements and discharge hearing. Correspondence with Amanda Campbell. Review file regarding same.
29-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement. Conversation with Jordan Sleeth re:

Date	Timekeeper	Description of Work
		assignment agreement. Review correspondence from Alex Mazer. Correspondence to Jeff Carhart. Various conversations with Jordan Sleeth re: assignment agreement. Conversation with Jeff Carhart. Various correspondence to and from Jeff Carhart re: assignment agreement. Correspondence to Michael Vos re: assignment agreement. Review correspondence from Alex Mazer re: assignment and next steps.
30-Mar-22	Mark Freake	Review current draft of Assignment Agreement. Review correspondence between Receiver, Hilco and Carlos Murillo regarding same.
30-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement. Various correspondence to and from Jordan Sleeth. Various conversations with Jordan Sleeth. [REDACTED] Review various correspondence from Jeff Carhart. Review various correspondence from Hilco re: assignment transaction. Review assignment agreement and consider strategy.
31-Mar-22	Mark Freake	Review Conway Mackenzie settlement and release. Email correspondence with Receiver and Robert Kennedy.
31-Mar-22	Robert Kennedy	Review various correspondence re: assignment agreement. Review assignment agreement documentation. Various correspondence to and from Jordan Sleeth re: assignment agreement. Consider strategy and next steps. Attend conference call re: strategy. Review various correspondence re: assignment agreement transaction. Various correspondence re: Mexican documents. Review draft correspondence to Hilco. [REDACTED] [REDACTED] Review various correspondence from Hilco re: assignment agreement. Consider strategy. Attend conference call with Hilco re: assignment agreement. Various correspondence to and from Michael Vos. Various correspondence to and from Jordan Sleeth re: Hilco assignment.

Timekeeper	Hours	Rate	Fees
Mark Freake	15.0	730.00	10,950.00
Robert Kennedy	35.2	900.00	31,680.00
Total	50.2		\$42,630.00

TOTAL PROFESSIONAL FEES	\$ 42,630.00
Less: Discount	(1,630.00)
NET PROFESSIONAL FEES	\$ 41,000.00

TAXABLE OTHER FEES/CHARGES

Technology & Administration Fee \$ 1230.00

TOTAL TAXABLE OTHER FEES/CHARGES \$ 1230.00

TAXABLE DISBURSEMENTS

Dentons López Velarde \$ 5,334.42

TOTAL TAXABLE DISBURSEMENTS \$ 5,334.42

TOTAL OTHER FEES/CHARGES AND DISBURSEMENTS 6,564.42

TOTAL FEES, OTHER FEES/CHARGES AND DISBURSEMENTS \$ 47,564.42

TAXES

HST (13.0%) on Professional Fees of \$41,000.00 \$ 5,330.00

HST (13.0%) on Taxable Disbursements of \$6,564.42 853.37

TOTAL TAXES 6,183.37

TOTAL AMOUNT DUE \$ 53,747.79 CAD

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 22nd DAY OF APRIL, 2022.

A handwritten signature in cursive script, appearing to read "M. J. [unclear]".

A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"**Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP****The Period from January 1, 2022 to March 31, 2022**

Date	Invoice No.	Fees	Discount	Disbursements	Taxes(HST)	Hours	Average Rate	Total
January 31, 2022	3649904	119,616.00	-9,616.00	19,163.21	16,749.62	152.3	610	145,912.83
February 28, 2022	3656161	34,486.50	-1,486.50	42,262.72	9,784.15	41.2	721.67	85,046.87
March 31, 2022	3665189	42,630.00	-1,630.00	6,564.42	6,183.37	50.2	815	53,747.79
TOTALS:		\$196,732.50	(\$12,732.50)	\$67,990.35	\$32,717.14	243.7	\$ 715.56	\$284,707.49

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KENNEDY SWORN
BEFORE ME THIS 22nd DAY OF APRIL, 2022.

A handwritten signature in cursive script, appearing to read "M. J. [unclear]".

A Commissioner for Taking Affidavits, etc.

EXHIBIT "C"**Billing Rates of Dentons Canada LLP**

For the period January 1, 2022 to March 31, 2022

	<u>Standard Rate</u>	<u>Year of Call</u>
Robert Kennedy	\$900	2002
Mark Freake	\$730	2013
Daniel Loberto	\$535	2020
Karin Kazakevich	\$275	Articling Student

THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ROBERT KENNEDY

DENTONS CANADA LLP
77 King Street West, Suite 400
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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

