

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

THE HONOURABLE

)

TUESDAY, THE 21ST

)

JUSTICE CONWAY

)

DAY OF AUGUST, 2018



HSBC BANK CANADA

Applicant

- and -

SAFETY SEAL PLASTICS INC.

Respondent

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

DISTRIBUTION ORDER

THIS MOTION made by Deloitte Restructuring Inc., in its capacity as the Court-appointed Receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Safety Seal Plastics Inc. (the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the first report of the Receiver dated August 10, 2018 and the Appendices thereto (the “**First Report**”) and on hearing the submissions of counsel for the Receiver, the Debtor, Royal Bank of Canada, and such other counsel listed on the Counsel Slip,

no one appearing for any other person on the service list, although properly served as appears from the affidavit of Katie Parent sworn August 10, 2018, 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 application is properly returnable today and hereby dispenses with further service thereof.

DISTRIBUTION

2. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute upon the filing of a Receiver's certificate with respect to the closing of the sale as contemplated by an agreement of purchase and sale between the Debtor and Labelink Products Inc. dated July 19, 2018 (the "**Transaction**"), \$485,000 to Royal Bank of Canada ("**RBC**") subject to the security held by RBC, and, without further Order of this Court.

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and empowered to distribute from time to time all funds coming into its hands in respect of the realization of the assets of the Debtor, including the balance of the sale proceeds of the Transaction, to HSBC Bank Canada ("**HSBC**") subject to the security held by HSBC, and subject to such reserves as the Receiver may deem prudent, up to the amount of \$4,700,000, without further Order of this Court.

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized to convey or transfer any part or parts of the Property excluding the assets that are subject to the

Transaction (the “**Remaining Property**”), out of the ordinary course of business, to persons with a valid claim against such Remaining Property, as determined by the Receiver, in accordance with the rank and apparent priority of such claims and limited to the indebtedness of the Debtor to each such party asserting a claim, without further Order of this Court.

GENERAL

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

AUG 21 2018

PER / PAR: 

HSBC BANK CANADA

and

SAFETY SEAL PLASTICS INC.

Court File No.: CV-18-00602325-00CL

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

DISTRIBUTION ORDER

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