



COURT FILE NUMBER Q.B.G. 40 of 2019

COURT COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE YORKTON

PLAINTIFF THE TORONTO-DOMINION BANK

DEFENDANTS EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., EMW HOLDINGS LTD., PEPPER MAINTENANCE (CANADA) 2005 LTD., and EMW REAL ESTATE CO. LTD.

DOCUMENT **FOURTH AND FINAL REPORT OF THE COURT APPOINTED RECEIVER OF EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., PEPPER MAINTENANCE (CANADA) 2005 LTD., EMW HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD. PREPARED BY DELOITTE RESTRUCTURING INC. DATED APRIL 7, 2021**

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Receiver

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INTRODUCTION

- 1) On April 11, 2019 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed by Order of the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency (the "**Receivership Order**") as the receiver (the "**Receiver**"), without security, of all the personal property of EMW Industrial Ltd. ("**EMW**"), EMW Industrial Inc. ("**EII**"), E&S Morrison Family Holdings Ltd. ("**E&S**"), Pepper Maintenance Canada (2005) Inc. ("**PMC**"), EMW Holdings Ltd. ("**Holdings**"), and EMW Real Estate Co. Ltd. ("**Real Estate Co.**") (collectively the "**Debtors**" or the "**Companies**") acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof (the "**Property**"), including, but not limited to, all goods, inventory, equipment, accounts receivable, and other intangibles, and all proceeds of any of the Property.
- 2) The Receivership Order was granted as a result of an application by The Toronto-Dominion Bank ("**TD Bank**"), which holds registered security over all of the Companies' present and after-acquired personal property (the "**TD Bank Security**").
- 3) The Receiver issued its first report to Court (the "**First Report**") on May 17, 2019 in connection with seeking an Order of the Court approving the Farm Management Agreement and the Inter-Creditor Priority Agreement (as defined in the First Report), and the sale of existing grain inventory with respect to the operations of E&S. On May 21, 2019, the Receiver issued the Supplement to the First Report of the Receiver (the "**Supplement to the First Report**") in connection with seeking an Order of the Court approving the offer for 10 specific vehicles, equipment and its associated inventory and the vesting of title to the assets to the purchasers. The relief requested was granted by the Court pursuant to two Orders pronounced on May 22, 2019 (the "**May 22 Orders**") attached here to as **Appendix "A"**.
- 4) The Receiver issued its second report to Court (the "**Second Report**") on July 26, 2019 in connection with seeking the Court's advice and direction in respect of the operations of CanWest, and advice and direction in respect of the Summit Assets, and obtaining the Court's approval of the Century Proposal for the sale of assets. The Court granted an order regarding these matters on August 2, 2019 (the "**August 2 Order**") attached hereto as **Appendix "B"**.
- 5) The Receiver issued its third report to Court (the "**Third Report**") on January 28, 2020 in connection with seeking an Order of the Court approving the Receiver's actions, receipts and disbursements and approving the distribution of sales proceeds to TD Bank. The Court granted an order regarding these matters on February 11, 2020 (the "**February 11 Order**") attached hereto as **Appendix "C"**.
- 6) All Court orders, together with related Court documents, the previous Receiver's Reports and this fourth and final report (the "**Fourth Report**") have been posted on the Receiver's website (the "**Receiver's Website**") at www.insolvencies.deloitte.ca/en-ca/EMW.

- 7) Unless otherwise provided, all other capitalized terms not defined in this Fourth Report are as defined in the Receivership Order, the First Report, the Second Report, and the Third Report.

Purpose

- 8) The purpose of this Fourth Report is to:
- a) Provide the Court with an update of the Receiver's activities since the date of the Third Report;
 - b) Respectfully recommend that this Honourable Court:
 - i. Approve the activities, fees, and disbursements of the Receiver as described in this Fourth Report, including the payment of estimated fees to be incurred up to the completion of the administration of the estate as set out herein and, without limitation, the steps taken by the Receiver pursuant to the Receivership Order;
 - ii. Approve the fees of the Receiver's legal counsel including the payment of estimated fees to be incurred up to the completion of the administration of the estate, as set out herein;
 - iii. Authorize Mr. Ewen Morrison to execute the purchase and sale documents and transfer documents with respect to the pending sale of the Saltcoats Property, as defined later in this Fourth Report;
 - iv. Approve the Receiver's combined statement of receipts and disbursements for the period April 11, 2019 to April 6, 2021 (the "SRD") attached hereto as **Appendix "D"**;
 - v. Approve the final distribution of funds to TD Bank as the senior secured creditor of EMW;
 - vi. Approve the discharge of the Receiver after disbursement of all funds held and concluding all administrative matters; and
 - vii. Provide such further and other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

- 9) In developing this Fourth Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management, the Debtors' books and records and discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and,

accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.

Currency

- 10) All dollar amounts in this Fourth Report are in Canadian dollars, unless otherwise indicated.

RECEIVER'S ACTIVITIES

- 11) The Receiver has undertaken the following activities since the date of the Third Report:
- a) Corresponded with various creditors, employees and other interested parties with respect to the receivership proceedings;
 - b) Administered the Wage Earner Protection Program and corresponded with former employees with respect to same;
 - c) Responded to queries from Canada Revenue Agency (the "**CRA**") regarding EMW's Goods and Services Tax ("**GST**") and payroll accounts, and reconciling CRA's deemed trust claim;
 - d) Addressed post-receivership GST matters;
 - e) Continued with collection efforts in respect of outstanding accounts receivable ("**AR**");
 - f) Corresponded with London Life with respect to the Companies' pension plan and its priority claim, discussed later in this Fourth Report;
 - g) Corresponded with McDougall Gauley LLP ("**McDougall**"), the Receiver's legal counsel, from time to time on various legal matters relating to the receivership;
 - h) Corresponded with Dentons Canada LLP, the Receiver's Alberta legal counsel, in respect of a creditor dispute where McDougall was unable to act;
 - i) Drafted, reviewed and finalized this Fourth Report; and
 - j) Addressed additional matters of both a general and specific nature as they arose from time to time.

ASSET REALIZATIONS

As outlined in the Receiver's Third Report, all assets of the receivership estates had been realized upon other than the two asset categories noted below.

Accounts Receivable

- 12) As at the Date of Receivership, the Receiver was provided with a copy of the Companies' AR sub-ledger, which reflected EMW was owed approximately \$4.6 million from numerous customers. It was the Receiver's initial review that a significant portion of the outstanding AR would not be collectible due to EMW and/or the Receiver not being able to complete many of the Companies' projects.
- 13) In January 2021 the Receiver collected, in its view, the final collectible outstanding account receivable. As at the date of this Fourth Report, the Receiver has collected approximately \$2.2 million from third party customers (approximately 48% of amounts reflected as owing from third party customers).
- 14) The Receiver is of the view that the remaining approximately \$2.4 million of outstanding AR is uncollectible due to certain customers: i) having exercised their rights of set-off; ii) having valid disputes as to the amounts actually owed; iii) having valid lien claims which take priority to amounts due to EMW; iv) having prepaid EMW on certain projects which amounts were not deducted by EMW in the quantum of accounts receivable reflected in paragraph 12 above; v) not having been provided with sufficient information or documentation to establish that any amounts were owed to EMW; and vi) having incurred substantial costs to retain third parties to complete work that was previously awarded to EMW.

Life Insurance Policy

- 15) As discussed in the Third Report, EMW maintained keyman life insurance on Ewen Morrison in the amount of \$6.0 million (the "**Sun Life Policy**") through Sun Life Assurance Company of Canada. The Receiver arranged to maintain the Sun Life Policy, in the short term, and was added as a loss payee on the policy. The Receiver and its legal counsel exhausted all potential realization options, including a sale of the Sun Life Policy to a third party, but no realization was possible and accordingly the Receiver released its interest in the policy.

CREDITOR CLAIMS

Secured Creditors

- 16) McDougall previously conducted an independent review of the validity and enforceability of each creditor's security on the Companies' assets and, subject to normal assumptions and qualifications, determined the majority of the registrations were properly registered and valid.
- 17) With the exception of the TD Bank, the Receiver has resolved all other secured creditor claims by either releasing the assets to the respective secured creditor or, where there was equity in the asset (the value exceeded the amount owed to the secured creditor),

the Receiver purchased the asset and included it in the sale of the assets in accordance with the August 2 Order.

- 18) The following creditors had certain statutory priorities that ranked in priority over TD Bank. The Receiver has distributed approximately \$1.6 million to address the priority claims summarized below:

Nature	Amount (\$)
Unremitted source deductions prior to Date of Receivership	1,182,147
Service Canada re Wage Earner Protection Program	383,709
Unremitted pension funds prior to Date of Receivership	60,671
Total	1,626,527

- 19) As noted in the First Report, the Second Report and the Third Report, TD Bank is the principal secured creditor of EMW and was owed approximately \$6.5 million at the Date of Receivership. TD Bank has valid and enforceable security (as reported in McDougall's Security Opinion). Based on the Security Opinion, the Receiver is seeking approval from the Court to approve the final distribution of funds realized by the Receiver to TD Bank, as they relate to the TD Bank Security, up to the amount of the TD Bank Indebtedness.

Unsecured Creditors

- 20) The amounts owed to TD Bank exceed the quantum of funds realized in the receivership and consequently there will be no distributions to unsecured creditors.

FARM CREDIT CANADA ACTIVITIES

Real Property

- 21) Pursuant to the Receivership Order, the Receiver was not appointed as receiver of real property and did not take possession of the real property of the Debtors. As at the Date of Receivership, FCC held registered mortgages on all real property and was owed approximately \$7.5 million (the "**FCC Indebtedness**"). Penalties and arrears continued to accrue on the FCC Indebtedness.
- 22) In accordance with paragraph 4 a) of the Receivership Order, the Receiver accessed and occupied all real property of the Debtors for the purpose of carrying out its duties as Receiver of the Property, including facilitating the sales processes, as described in the First Report and the Second Report. During the period April 11, 2019 to October 31, 2019 (the "**Wind-up Period**"), the Receiver maintained and preserved the real property on behalf of FCC by providing security over the buildings located on the Salt Coats property and the Farm Property, and maintained all required utilities.
- 23) On March 2, 2020, FCC provided the Receiver a Joint Voluntary Liquidation Plan dated February 19, 2020 for settlement of the FCC Indebtedness (the "**Liquidation Plan**") comprising 25 asset lots for an estimated listing price totalling approximately \$6.4 million.

- 24) Shortly before the date of this Fourth Report, FCC advised the Receiver that substantially all assets related to the farming operation have been sold and there remain four (4) pending asset sales. Based on the information provided by FCC to the Receiver, the total of the asset sales will be insufficient to satisfy all amounts owed to FCC and consequently, FCC is expected to suffer a significant shortfall on its loans and there will be no funds available for distribution by FCC to the receivership estate.
- 25) Real Estate Co. is the owner of the office building and related real property (surface parcel numbers 146280944, 143654575 and 203258741) located in Saltcoats, Saskatchewan (the "**Saltcoats Property**"). The Receiver understands from FCC that there is a pending sale of the Saltcoats Property which FCC anticipates will close in 30 to 60 days; however, Real Estate Co. does not have any officers or directors to execute a sale agreement or sign the transfer documentation. Accordingly, the Receiver is requesting that this Honourable Court authorize the former director of Real Estate Co., Mr. Ewen Morrison, to sign the required sale documents and transfer documents to facilitate the sale of the Saltcoats Property.

E&S Operations

- 26) As described in the First Report, the Receiver did not taken possession of the real property of E&S. The Receiver took no actions in respect of the farming operations of E&S (the "**Farm**").
- 27) E&S, FCC and the Receiver agreed to the Farm Management Agreement and the Inter-Creditor Priority Agreement (collectively the "**Agreements**"), as outlined in the First Report, to facilitate the continued Farm operations through 2019 and 2020.
- 28) As a result of the concluded and pending sales discussed earlier in this Fourth Report, the Receiver understands that E&S ceased all farming operations effective February 28, 2021.
- 29) FCC provided the Receiver with a summary of the farm financing activities, attached hereto as **Appendix "E"**, for the period May 1, 2019 to February 28, 2021 which indicated that the faming operations were not profitable and E&S was not able to service the FCC debt provided to continue the farming operations. A summary of the farm financing activities is as follows:

	Revenues	Disbursements	Net operating income (loss)
April 1, 2019 to December 31, 2019	-	(500,060)	(500,060)
May 1, 2020 to December 31, 2020	116,661	(101,091)	15,570
January 1, 2021 to February 28, 2021	9,026	(10,746)	(1,720)
Total	125,687	(611,897)	(486,210)

- 30) Revenues comprised mainly equipment sales and land and shop rental income.
- 31) Expenses comprised mainly wages, equipment leases, licences and insurance, utilities, and building and yard maintenance.

FEES AND DISBURSEMENTS OF THE RECEIVER

- 32) The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The rates charged by the Receiver are normal rates and charges for engagements of this nature and are comparable to rates charged for the provision of services by other professional firms providing specialized financial advisory services.
- 33) The Receiver's fees and disbursements in relation to the administration of the Receivership up to and including April 5, 2021 total approximately \$705,500 (excluding GST). This total includes interim invoices for \$678,200 (excluding GST), unbilled work in progress totaling \$11,900 (excluding GST) and estimates it will incur approximately \$15,400 (excluding GST) in connection with attending Court to obtaining the Receiver's discharge.
- 34) In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are reasonable in the circumstances. Detailed time records supporting the invoices are available in the office of the Receiver. A summary of the invoices is attached hereto as **Appendix "F"**.

FEES AND DISBURSEMENTS OF LEGAL COUNSEL

- 35) The Receiver's legal counsel's cumulative fees and disbursements on this matter total approximately \$253,300 (excluding GST) to April 5, 2021. Additional legal costs to conclude the receivership are estimated to be approximately \$8,500 (excluding GST).
- 36) The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are reasonable and appropriate in the circumstances. A summary of the invoices is attached hereto as **Appendix "G"**.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 37) The Receiver has prepared a Statement of Receipts and Disbursements (the "**SRD**") for the period April 11, 2019 to April 6, 2021 for the Companies. The SRD is attached as **Appendix "D"**. Total receipts were \$6.4 million and total disbursements were \$3.6 million, resulting in \$2.8 million being distributed to TD as at the date of this Fourth Report. It is anticipated that a final distribution in the amount of approximately \$22,000 will be made to TD.

REMAINING ACTIVITIES AND DISCHARGE OF RECEIVER

- 38) The Receiver has concluded the majority of its administration of the receivership. The remaining tasks to conclude the receivership proceedings are as follows:

- a) Completion of remaining GST tax reporting, and closing of the receivership period tax accounts;
 - b) Settle any remaining estate liabilities and payment of professional fees in the discretion of the Receiver;
 - c) Prepare a final statutory report and file same with the Office of the Superintendent of Bankruptcy in accordance with subsection 246(3) of the Bankruptcy and Insolvency Act; and
 - d) Closing of the Receiver's trust accounts.
- 39) Other than the matters addressed in this Fourth Report, the Receiver has completed its administration of the estate in accordance with the terms of the Receivership Order and the various other orders rendered by the Court in the course of this proceeding. The Receiver is not aware of its services being required for any further purpose other than as set out herein.
- 40) Accordingly, the Receiver is seeking its discharge which will be effective upon completion of the remaining tasks outlined in paragraph 38 above.

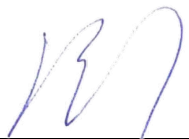
CONCLUSIONS AND RECOMMENDATIONS

- 41) Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Paragraph 8 b) of this Fourth Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

All of which is respectfully submitted at Calgary, Alberta this 7th day of April 2021.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as
Court appointed Receiver of
The Property (as defined herein)
And not in its personal or corporate capacity



Robert J. Taylor, FCA, FCPA, CIRP, LIT, CFE
Senior Vice-President

APPENDIX "A"

COURT FILE NUMBER QBG 40 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE YORKTON

IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY
HOLDINGS LTD., PEPPER MAINTENANCE CANADA (2005) INC., EMW
HOLDINGS LTD., and EMW REAL ESTATE CO. LTD.

ORDER
(Sale Approval and Vesting)

Before the Honourable Mr. Justice D.H. Layh in Chambers the 22nd day of May, 2019.

Upon the application of Deloitte Restructuring Inc. (the "Receiver"), in its capacity as the court-appointed receiver of all of the personal property of the debtors, EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors"), and upon hearing from Robert J. Taylor of Deloitte Restructuring Inc., Michael W. Milani, Q.C., counsel on behalf of the Receiver, Jeffrey M. Lee, Q.C., counsel on behalf of The Toronto-Dominion Bank, Janine L. Lavoie-Harding, counsel on behalf of Farm Credit Canada, James P. Kroczyński, counsel on behalf of Rabobank Canada and Richardson Pioneer Limited, and Rob Phillips, president of Commercial Sand Blasting & Painting and Western Urethane (1995) Ltd., and upon reading the Notice of Application dated May 15, 2019, the Supplement to the First Report of the Receiver dated May 21, 2019 (the "Supplement to the First Report"), and a proposed draft Order, all filed; and the pleadings and proceedings taken herein:

The Court Orders:

SERVICE

1. Service of the Notice of Application on behalf of the Receiver and the materials filed in support thereof (collectively, the "Application Materials") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient.

APPROVAL OF TRANSACTION

2. The sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Francis Ostapovich, Jordan Bugg, and Trevor Mack (or their nominee) (the

"Purchasers") and appended to the Supplement to the First Report, for the sale to the Purchasers (or their nominee) of the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets") is declared to be commercially reasonable and in the best interests of the Debtors and their creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary.

3. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable (including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchasers (or their nominee), subject to such amendments as the Receiver and the Purchasers may agree upon, provided that any such amendments do not materially affect the Purchase Price.

VESTING OF THE PROPERTY

4. Upon the Receiver determining that the Proposed Sale has closed to its satisfaction and on terms substantially as approved by this Honourable Court pursuant to this Order, the Receiver shall deliver to the Purchasers (or their nominee) a Receiver's certificate substantially in the form set out in Schedule "A" hereto (the "Receiver's Certificate").
5. The Receiver may rely on written notices from the Purchasers regarding fulfillment or, if applicable, waiver of conditions to closing of the Proposed Sale under the Sale Agreement and shall have no liability with respect to the delivery of the Receiver's Certificate.
6. Upon delivery of the Receiver's Certificate all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall, save and except for the encumbrances listed in Schedule "B" hereto (the "Permitted Encumbrances"), vest absolutely in the name of the Purchasers (or their nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims (collectively, "Encumbrances") and all rights of others, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order; and

- (b) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act*, 1993 SS 1993, c P-6.2, or any other personal property registry system;

and, for greater certainty, this Court orders that all of the Encumbrances (save and except for the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

7. Upon delivery of the Receiver's Certificate to the Purchasers, the Receiver shall be and is hereby authorized to effect such discharges or revisions in the Saskatchewan Personal Property Registry as may be reasonably required to conclude the Transaction.
8. For the purposes of determining the nature and priority of the Encumbrances:
- (a) the net proceeds from the sale of the Purchased Assets (the "Net Sale Proceeds") shall stand in the place and stead of the Purchased Assets; and
- (b) from and after the delivery of the Receiver's Certificate to the Purchasers, all Encumbrances and all rights of others shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to closing of the Transaction.
9. The Purchasers (and their nominee) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
10. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their nominee).
11. The Purchasers (or their nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
12. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtors.

13. Forthwith after the delivery of the Receiver's Certificate to the Purchasers (or their nominee), the Receiver shall file a copy of the Receiver's Certificate with the Court, and shall serve a copy of the Receiver's Certificate on the recipients listed in the Service List maintained with respect to these proceedings.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Debtors and the Receiver are hereby authorized and permitted to disclose and transfer to the Purchasers all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchasers shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.
15. 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 such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtors; and
 - (d) the provisions of any federal statute, provincial statute or any other law or rule of equity,

the vesting of any of the Purchased Assets in the Purchasers (or their nominee) pursuant to this Order and the obligations of the Debtors under the Sale Agreement, 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 settlement, 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.

16. The Transaction is exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of any bulk sales legislation in any Canadian province or territory.

MISCELLANEOUS MATTERS

17. The Receiver, the Purchasers (or their nominee) and any other interested party shall be at liberty to apply for further advice, assistance and directions as may be

necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction, including, without limitation, an application to the Court to deal with interests which are registered against the Purchased Assets after the time of the granting of this Order.

- 18. 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 as 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.
- 19. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order.

ISSUED at Yorkton, Saskatchewan, this 21 day of May 2019.



(Deputy) Local Registrar

DUPLICATE ORIGINAL

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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APPENDIX "B"

COURT FILE NUMBER QBG 40 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE YORKTON

Court of Queen's Bench
Judicial Centre of Yorkton

AUG - 2 2019

FILED

IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY
HOLDINGS LTD., PEPPER MAINTENANCE CANADA (2005) INC., EMW
HOLDINGS LTD., and EMW REAL ESTATE CO. LTD.

ORDER

(Sale Approval and Vesting)

Before the Honourable Mr. Justice D.H. Layh in Chambers the 2nd day of August, 2019.

Upon the application of Deloitte Restructuring Inc. (the "Receiver"), in its capacity as the court-appointed receiver of all of the personal property of the debtors, EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors"), and upon hearing from Robert J. Taylor of Deloitte Restructuring Inc., Michael W. Milani, Q.C., counsel on behalf of the Receiver, Jeffrey M. Lee, Q.C., counsel on behalf of The Toronto-Dominion Bank, Janine L. Lavoie-Harding, counsel on behalf of Farm Credit Canada, and Mike J. Russell, counsel on behalf of Summit Acceptance Corp., and upon reading the Notice of Application dated July 24, 2019, the Second Report of the Receiver (the "Second Report") and the Confidential Supplement to the Second Report (the "Confidential Supplement"), a proposed draft Order, the Brief of Law, and proof of compliance with General Application Practice Directive #3, all filed; and the pleadings and proceedings taken herein:

The Court Orders:

SERVICE

1. Service of the Notice of Application on behalf of the Receiver and the materials filed in support thereof (collectively, the "Application Materials") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient and the application itself properly returnable at 9:00 a.m. on August 2, 2019.

RECEIVER'S ACTIONS, RECEIPTS, AND DISBURSEMENTS

2. The Receiver's activities, fees, receipts, disbursements, and proposed courses of action, including the Receiver and its legal counsel's fees and disbursements

outlined in the Second Report of the Receiver (the "Second Report") and the Receiver's Interim Statement of Receipts and Disbursements, in relation to the discharge of its mandate as receiver of the Property, are approved.

APPROVAL OF AUCTION

3. The Receiver is hereby authorized to enter into an agreement with Century Services Inc. ("Century") for the sale of the tools, vehicles, and equipment of the Debtors described in the Second Report (collectively, the "Assets") by auction (the "Sales"), in the form of the agreement appended to the Confidential Supplement (the "Century Proposal"), together with such reasonable non-material modifications as the Receiver and Century may determine to be necessary.
4. The Sales of the Assets to be conducted by Century in accordance with the Century Proposal are hereby approved, together with such reasonable non-material modifications as the Receiver may determine to be necessary.

VESTING OF THE PROPERTY

5. Upon the sale of each item comprising the Assets (the "Purchased Asset" and, collectively, the "Purchased Assets") to the respective purchaser (the "Purchaser" and, collectively, the "Purchasers"), all of the Debtors' right, title and interest in and to the Purchased Asset shall vest absolutely in the name of the Purchasers (or their nominees), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims (collectively, "Encumbrances") and all rights of others, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order; and
 - (b) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act*, 1993 SS 1993, c P-6.2, or any other personal property registry legislation;

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. The Receiver shall be and is hereby authorized to effect such discharges or revisions in the Personal Property Registries of Saskatchewan, British Columbia, Alberta, Manitoba, and Ontario (collectively, the "Personal Property

Registries"), as may be reasonably required to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Sales.

7. For the purposes of determining the nature and priority of the Encumbrances:
 - (a) the net proceeds from the sale of the Purchased Assets (the "Net Sale Proceeds") shall stand in the place and stead of the Purchased Assets; and
 - (b) from and after the completion of each of the Sales to the Purchasers, all Encumbrances and all rights of others (including the Receiver) shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to closing of the Transaction.
8. The Purchasers (and their nominees) shall, by virtue of the completion of the Sales, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
9. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their nominees).
10. The Purchasers (or their nominees) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
11. 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 such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtors; and
 - (d) the provisions of any federal statute, provincial statute or any other law or rule of equity,

the vesting of any of the Purchased Assets in the Purchasers (or their nominees) 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 settlement, 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.

12. The Sales are exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and are exempt from the application of any bulk sales legislation in any Canadian province or territory.

SEALING OF THE CONFIDENTIAL DOCUMENTS

13. The Confidential Supplement, including the exhibits thereto (collectively, the "Confidential Documents"), shall be kept sealed and confidential, and shall not form part of the public record but shall be kept separate and apart from the other contents of the Court file in respect of this matter in a sealed envelope which sets out the style of cause of these proceedings and a statement that the contents thereof are subject to a Sealing Order, and shall not be opened except by the Honourable Mr. Justice D.H. Layh until further Order of the Court or the Receiver providing written notice to the Court that the sealing of the Confidential Supplement is no longer necessary.
14. An application to unseal the Confidential Documents may be made at any time upon 14 days' notice to the Receiver and its legal counsel, McDougall Gauley LLP.

MISCELLANEOUS MATTERS

15. The Receiver, the Purchasers (or their nominees) and any other interested party shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Sales, including, without limitation, an application to the Court to deal with interests which are registered against the Purchased Assets after the time of the granting of this Order.
16. 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, and the Registrars of the Personal Property Registries 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, and Registrars are hereby respectfully requested to make such orders and take such actions as 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.

17. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order.

ISSUED at Yorkton, Saskatchewan, this 2nd day of August 2019.

Y. Drohatynsky
(Deputy) Local Registrar

**DUPLICATE
ORIGINAL**

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:

McDougall Gauley LLP

Lawyer in charge of file:

Michael W. Milani, Q.C.

Address of firm:

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306-565-5117

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306-359-0785

E-mail address:

mmilani@mcDougallgauley.com

APPENDIX "C"

COURT FILE NUMBER QBG 40 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE YORKTON

IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY
HOLDINGS LTD., PEPPER MAINTENANCE CANADA (2005) INC., EMW
HOLDINGS LTD., and EMW REAL ESTATE CO. LTD.

ORDER

Before the Honourable Mr. Justice D.H. Layh in Chambers the 11th day of February,
2020.

Upon the application of Deloitte Restructuring Inc. (the "Receiver"), in its capacity as the court-appointed receiver of all of the personal property of the debtors, EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors"), and upon hearing from Michael W. Milani, Q.C., counsel on behalf of the Receiver, and upon reading the Notice of Application dated January 28, 2020, the Third Report of the Receiver (the "Third Report") and a proposed draft Order, all filed; and the pleadings and proceedings taken herein:

The Court Orders:

SERVICE

1. Service of the Notice of Application on behalf of the Receiver and the materials filed in support thereof (collectively, the "Application Materials") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient and the application itself properly returnable at 11:00 a.m. on February 11, 2020.

RECEIVER'S ACTIONS, RECEIPTS, AND DISBURSEMENTS

2. The Receiver's activities, fees, receipts, disbursements, and proposed courses of action, including the Receiver and its legal counsel's fees and disbursements outlined in the Third Report of the Receiver (the "Third Report") and the Receiver's Interim Statement of Receipts and Disbursements, in relation to the discharge of its mandate as receiver of the Property, are hereby approved.

DISTRIBUTION OF SALE PROCEEDS

3. The Receiver is hereby authorized and directed to distribute funds realized by the Receiver to The Toronto-Dominion Bank, from the sale of property that was collateral secured by security held by The Toronto-Dominion Bank, up to the amount of the indebtedness owed to The Toronto-Dominion Bank.

MISCELLANEOUS MATTERS

4. 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, and the Registrars of the Personal Property Registries 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, and Registrars are hereby respectfully requested to make such orders and take such actions as 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.
5. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order.

ISSUED at Yorkton, Saskatchewan, this 12th day of February, 2020.

Riana Skikewich

(Deputy) Local Registrar

Seal

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	McDougall Gauley LLP
Lawyer in charge of file:	Michael W. Milani, Q.C.
Address of firm:	1500 - 1881 Scarth Street, Regina SK S4P 4K9
Telephone number:	306-565-5117
Facsimile number:	306-359-0785
E-mail address:	mmilani@mcDougallGauley.com

APPENDIX "D"

APPENDIX "E"

APPENDIX "F"

**IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S
MORRISON FAMILY HOLDINGS LTD., PEPPER
MAINTENANCE (CANADA) 2005 LTD., EMW
HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD.**

**SUMMARY OF RECEIVER'S FEES
AS AT APRIL 5, 2021**

Invoice	Date	Fees	Disbursements	GST	Total	Paid	Outstanding
8000609926	29-May-19	270,683	16,168	14,343	301,193	301,193	
8000768412	13-Sep-19	193,223	5,738	9,948	208,908	208,908	
8000863864	12-Nov-19	19,702		985	20,687	20,687	
8000914280	10-Dec-19	42,363		2,118	44,481	44,481	
8000971900	22-Jan-20	21,725		1,086	22,811	22,811	
8001143768	27-Apr-20	64,270		3,214	67,484	67,484	
8001259668	2-Jul-20	24,250		1,213	25,463	25,463	
8001377546	4-Sep-20	11,380		569	11,949	11,949	
8001468631	20-Nov-20	8,673		434	9,106	9,106	
		656,267	21,905	33,909	712,081	712,081	-
Work-in progress	5-Apr-21	11,930		597	12,527		12,527
Estimate accrual to clos	5-Apr-21	15,400		770	16,170		16,170
		683,597	21,905	35,275	740,778	712,081	28,697

APPENDIX "G"

**IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC.,
E&S MORRISON FAMILY HOLDINGS LTD., PEPPER
MAINTENANCE (CANADA) 2005 LTD., EMW
HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD.
SUMMARY OF RECEIVER'S LEGAL COUNSEL'S FEES
AS AT APRIL 5, 2021**

Invoice	Date	Fees	Disbursements	GST	PST	Total	Paid	Outstanding
McDougall Gauley LLP								
603497	30-Apr-19	15,644	255	795	939	17,632	17,632	
605480	31-May-19	43,922	1,556	2,268	2,635	50,380	50,380	
607173	2-Jun-19	17,147	367	872	1,029	19,415	19,415	
609082	31-Jul-19	28,905	972	1,490	1,734	33,101	33,101	
610619	29-Aug-19	11,262	425	574	676	12,937	12,937	
612476	30-Sep-19	4,532	28	231	272	5,064	5,064	
614351	30-Oct-19	2,839	9	142	170	3,160	3,160	
616349	27-Nov-19	605	-	30	3,630	4,265	4,265	
619328	31-Dec-19	699	11	35	42	787	787	
620990	31-Jan-20	5,830	108	297	350	6,585	6,585	
622483	28-Feb-20	5,830	41	294	350	6,515	6,515	
624168	30-Mar-20	9,150	109	463	549	10,271	10,271	
627381	28-May-20	12,715	34	637	763	14,149	14,149	
629051	26-Jun-20	3,355	3	168	201	3,727	3,727	
630790	30-Jul-20	4,290	30	216	257	4,793	4,793	
631990	27-Aug-20	1,265	-	63	76	1,404	1,404	
633859	28-Sep-20	1,265	-	63	76	1,404	1,404	
635969	29-Oct-20	825	-	41	50	916	916	
637997	27-Nov-20	1,705	-	85	102	1,893	1,893	
640435	29-Dec-20	2,970	7	149	178	3,304	3,304	
642151	27-Jan-21	605	-	30	36	672	672	
646126	30-Mar-21	5,213	4	261	313	5,790	5,790	
		180,571	3,961	9,206	14,428	208,165	202,374	-
Estimate accrual to close	5-Apr-21	8,500		425	510	9,435		9,435
		189,071	3,961	9,631	14,938	217,600	202,374	9,435
Dentons Canada LLP								
3428463	30-Apr-19	17,173	-	859	-	18,032	18,032	
3441274	30-Jun-19	18,739	182	946	-	19,867	19,867	
3451328	30-Aug-19	15,035	871	795	-	16,702	16,702	
3458555	30-Sep-19	1,150	5	58	-	1,213	1,213	
3465973	15-Nov-19	1,255	3	63	-	1,321	1,321	
3477505	31-Dec-19	1,045	3	52	-	1,101	1,101	
3484821	31-Jan-20	1,045	-	52	-	1,097	1,097	
3493122	29-Feb-20	2,200	2	110	-	2,312	2,312	
3501579	31-Mar-20	825	4	41	-	870	870	
3513028	31-May-20	3,138	-	157	-	3,295	3,295	
3532051	31-Aug-20	1,265	-	63	-	1,328	1,328	
3522492	31-Jul-20	3,245	77	166	-	3,488	3,488	
3564614	31-Jan-21	1,540	3	77	-	1,620	1,620	
		67,655	1,151	3,440	-	72,246	72,246	-
Total Legal Fees		256,725	5,112	13,071	14,938	289,846	274,620	9,435