

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DEL EQUIPMENT INC.**

Applicant

MOTION RECORD

(Motion returnable November 5, 2019)

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Jason Wadden LSO#: 46757M
jwadden@goodmans.ca

Christopher G. Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for Del Equipment Inc.

Index

INDEX

Tab	Document
1.	Notice of Motion
2.	Affidavit of Andrew Harmes sworn November 1, 2019
a.	Letter from Goodmans LLP to Gin-Cor dated October 22, 2019
b.	Letter from Kagan Shastri LLP to Goodmans LLP and counsel to the Monitor dated October 25, 2019
c.	Letter from Goodmans LLP to Kagan Shastri LLP dated October 28, 2019
d.	Letter from Goodmans to Kagan Shastri LLP dated October 31, 2019
3.	Draft Second Preservation Order

1

Court File No.: CV-19-629552-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT* ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DEL EQUIPMENT INC.**

Applicant

NOTICE OF MOTION

(returnable November 5, 2019)

Del Equipment Inc. (“**DEL**”) will make a motion before Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on November 5, 2019 at 10:00 a.m. or as soon thereafter as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached at Tab 3 of DEL’s Motion Record dated November 1, 2019 (the “**Motion Record**”), *inter alia*:
 - (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
 - (b) requiring Gin-Cor Industries Inc. (“**Gin-Cor**”) to deliver \$874,107.08 to the Monitor (as defined below) pursuant to Rule 45.02 of the Ontario *Rules of Civil*

Procedure, R.R.O. 1990, Reg. 194 (the “**Rules**”) notwithstanding any commingling of the Funds (as defined below) with other funds, or dissipation of the Funds;¹ and

- (c) granting DEL an equitable lien on all of Gin-Cor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof until such time as Gin-Cor delivers \$874,107.08 to the Monitor;
2. Costs of this motion on a substantial indemnity basis; and
 3. Such further and other relief as counsel may request and this Court may permit.

THE GROUNDS FOR THE MOTION are as follows:

4. DEL is a leading Canadian truck body and equipment “up-fitter” that engineers, designs, manufactures and sells special truck bodies, attachments, equipment and work-ready vehicles.
5. On October 22, 2019, DEL sought protection from its creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and obtained an Order (the “**Initial Order**”) which granted, among other things, a stay of proceedings in respect of DEL and appointed MNP Ltd. as the monitor (the “**Monitor**”) of DEL in the CCAA proceedings.
6. Also on October 22, 2019, DEL obtained an Order (the “**First Preservation Order**”) which, among other things, required Gin-Cor to transfer funds it received from Mack

¹ All monetary references herein are references to Canadian dollars.

Defense, LLC by wire transfer on or about August 28, 2019 and September 5, 2019, being the amount of \$874,107.08 (the “**Funds**”), to the Monitor by no later than October 25, 2019.

7. DEL’s counsel, Goodmans LLP (“**Goodmans**”), wrote to Gin-Cor on October 22, 2019 advising Gin-Cor of DEL’s commencement of these CCAA proceedings, the issuance of the Initial Order and the issuance of the First Preservation Order, including that Gin-Cor was required pursuant to the First Preservation Order to transfer the Funds to the Monitor by no later than October 25, 2019. Goodmans also advised that it would take steps on behalf of DEL to enforce the First Preservation Order in the event of Gin-Cor’s non-compliance.
8. Gin-Cor’s counsel, Kagan Shastri LLP (“**Kagan Shastri**”), wrote to Goodmans on October 25, 2019, the day on which Gin-Cor was required pursuant to the First Preservation Order to transfer the Funds to the Monitor, advising that all or substantially all of the Funds have been commingled and used by Gin-Cor in the ordinary course of its business, and that Gin-Cor was unable to make payment of the Funds to the Monitor given that the Funds have been depleted.
9. Goodmans responded to Kagan Shastri on October 28, 2019, advising that the First Preservation Order required Gin-Cor to deliver a certain sum of money to the Monitor (i.e. \$874,107.08) but does not require Gin-Cor to deliver the exact funds given that cash is fungible and neither Rule 45.02 nor the First Preservation Order are dependent on the Funds not being commingled or traceable.

10. Gin-Cor has failed to transfer \$874,107.08 to the Monitor as required pursuant to the First Preservation Order, and is in breach of the First Preservation Order.
11. Gin-Cor has not confirmed that it has sufficient funds to comply with the First Preservation Order. Accordingly, the Applicant also seeks an equitable lien on Gin-Cor's current and future assets and properties of every nature and kind (including all proceeds thereof) until such time as \$874,107.08 is paid by Gin-Cor to the Monitor.
12. The provisions of the CCAA.
13. Rules 1.04, 1.05, 2.03, 3.02, 37, and 45.02 of the Rules.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

15. The affidavit of Douglas Lucky sworn October 20, 2019, and the exhibits attached thereto;
16. The affidavit of Andrew Harmes sworn November 1, 2019, and the exhibits attached thereto; and
17. Such further and other materials as counsel may advise and this Honourable Court may permit.

November 1, 2019

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Jason Wadden LSO#: 46757M
Christopher G. Armstrong LSO#: 51148B
Andrew Harmes LSO#: 73221A

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for Del Equipment Inc.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DEL
EQUIPMENT INC.**

Court File No: CV-19-629552-00CL

Applicant

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceeding commenced at Toronto</p>
<p>NOTICE OF MOTION (returnable November 5, 2019)</p>
<p>GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, Canada M5H 2S7</p>
<p>Jason Wadden LSO#: 46757M jwadden@goodmans.ca</p>
<p>Christopher G. Armstrong LSO#: 55148B carmstrong@goodmans.ca</p>
<p>Andrew Harmes LSO#: 73221A aharmes@goodmans.ca</p>
<p>Tel: (416) 979-2211 Fax: (416) 979-1234</p>
<p>Lawyers for Del Equipment Inc.</p>

2

Court File No.: CV-19-629552-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DEL EQUIPMENT INC.**

**AFFIDAVIT OF ANDREW HARMES
SWORN NOVEMBER 1, 2019**

I, Andrew Harmes, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

INTRODUCTION

1. I am an associate at Goodmans LLP ("**Goodmans**"), the lawyers for Del Equipment Inc. ("**DEL**"). As such, I have knowledge of the matters hereinafter deposed.
2. On October 22, 2019, DEL was granted creditor protection and related relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and obtained (a) an Initial Order granting, among other things, a stay of proceedings in respect of DEL and appointing MNP Ltd. as the monitor of DEL in the CCAA proceedings (the "**Monitor**"), and (b) a Preservation Order granting certain relief related to Gin-Cor Industries Inc. ("**Gin-Cor**").
3. Attached hereto as Exhibits "A", "B", "C" and "D" to my affidavit are the following:
 - a) a letter sent from Goodmans to Gin-Cor dated October 22, 2019;

- b) a letter sent from Gin-Cor’s counsel, Kagan Shastri LLP (“**Kagan Shastri**”), to Goodmans and counsel to the Monitor dated October 25, 2019;
- c) a letter sent from Goodmans to Kagan Shastri dated October 28, 2019; and
- d) a letter sent from Goodmans to Kagan Shastri dated October 31, 2019.

SWORN before me at the City of Toronto,
 in the Province of Ontario, on November 1,
 2019.

A Commissioner for taking affidavits
 Name:

ANDREW HARMES

**Christine Marie Macdonald, a
 Commissioner, etc., Province of Ontario,
 while a Student-at-Law.
 Expires May 15, 2021.**

A

**THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF ANDREW HARMES
SWORN BEFORE ME THIS 1st DAY OF NOVEMBER, 2019**



Commissioner for Taking Affidavits

**Christine Marie Macdonald, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 15, 2021**



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: +1 (416) 849-6013
carmstrong@goodmans.ca

October 22, 2019

Via Email

Gin-Cor Industries Inc.
5151 Highway 17 West
Mattawa, ON
POH 1V0

Attn: Luc Stang (President) and Renzo Silveri (COO)

Dear Sirs:

**Re: *Companies' Creditors Arrangement Act* Proceedings of Del Equipment Inc.
Court File No. CV-19-629552-00CL**

As you know, we are counsel to Del Equipment Inc. (“**DEL**”).

Further to our letter of October 10, 2019, please be advised that on October 22, 2019, DEL commenced proceedings before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pursuant to the *Companies' Creditors Arrangement Act* (the “**CCAA Proceedings**”). A copy of the Initial Order granted in the CCAA Proceedings as well as DEL’s Application Record is enclosed for your reference and hereby served upon you.

Please be further advised that on October 22, 2019, the Court granted a Preservation Order (the “**Preservation Order**”) in the CCAA Proceedings, a copy of which is enclosed for your reference and hereby served upon you, together with DEL’s related Motion Record.

Pursuant to the Preservation Order, Gin-Cor Industries Inc. (“**Gin-Cor**”) is ordered by the Court to transfer funds in the amount of **\$874,107.08**, representing the funds received by Gin-Cor from Mack Defense, LLC (“**Mack Defense**”) via wire transfers made on August 28, 2019 and September 5, 2019, to the Court-appointed Monitor, MNP Ltd. (the “**Monitor**”), forthwith and in any event no later than **October 25, 2019**. The Monitor will hold such funds on the terms provided for in the Preservation Order.

Accordingly, in accordance with the Preservation Order, this letter is to demand that Gin-Cor forthwith, and by no later than October 25, 2019, transfer funds in the amount of \$874,107.08 to the Monitor via wire transfer of immediately available funds. The Monitor is in the process of establishing an account to hold such funds and we will forward payment details shortly.

Please be advised that if Gin-Cor fails to comply with the Preservation Order, DEL may commence contempt proceedings against Gin-Cor and seek further or other remedies from the Court.

- 2 -

Goodmans^{LLP}

As indicated in DEL's materials filed with the Court, in the event the outstanding payment dispute involving DEL, Gin-Cor and Mack Defense is not resolved to DEL's satisfaction in the near-term, DEL intends to seek an expedited resolution of the dispute before the Court in the CCAA Proceedings. Our next scheduled attendance before the Court is November 14, 2019, at 9:30 am. To that end, to the extent you have engaged counsel, please have them call us as soon as possible to discuss these matters.

DEL reserves all of its rights and remedies with respect to these matters and otherwise in relation to Gin-Cor, including, without limitation, to hold Gin-Cor fully liable for any and all damages that DEL has suffered arising from Gin-Cor's unlawful receipt and holding of the funds paid to it by Mack Defense, and including legal costs incurred by DEL on a full indemnity basis.

Yours truly,

Goodmans LLP



Chris Armstong

Encl.

cc.

Jason Wadden, *Goodmans LLP*
Jennifer Stam, *Goldman Sloan Nash & Haber LLP*
Sheldon Title, *MNP Ltd.*

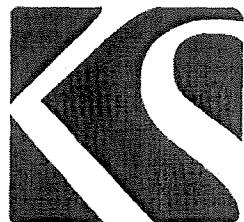
B

**THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF ANDREW HARMES
SWORN BEFORE ME THIS 1st DAY OF NOVEMBER, 2019**



Commissioner for Taking Affidavits

**Christine Marie Macdonald, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 15, 2021**



**Kagan
Shastri** ^{LLP}
LAWYERS

RAHUL SHASTRI
T.416.368.2100 Ext. 223
F.416.324.4200
E. rshastri@ksllp.ca

File No.: 19054

October 25, 2019

EMAIL: stam@gsnh.com
parent@gsnh.com

Jennifer Stam
Katie Parent
Goldman Sloan Nash & Haber LLP
480 University Ave Suite 1600
Toronto, ON., M5G 1V2

Counsel to the Monitor, MNP Ltd.

EMAIL: carmstrong@goodmans.ca

Chris Armstrong
Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON., M5H 2S7

Counsel to the Applicant

Dear Counsel:

Re: *Companies Creditors Arrangement Act* Proceedings of Del Equipment Inc.
Court File No. CV-19-629552-CL

We are counsel for Gin-Cor Industries Inc. ("Gin-Cor"). Mr. Armstrong's correspondence of October 23, 2019 has been directed to our office for review and response.

We have reviewed Justice Hainey's Preservation Order made October 22, 2019. That Order requires Gin-Cor to deliver \$874,107.08 representing the funds it received from Mack Defence on August 28, 2019 and September 5, 2019 to the Monitor. We are advised by Gin-Cor that all or substantially all of the funds represented by those two wire transfers have been commingled and used by it in the ordinary course of its business. We have asked Gin-Cor to provide an accounting of those funds, together with copies of relevant documentation confirming these matters. As matters stand currently, Gin-Cor is unable to make any payment to the Monitor given its advice that the specific funds referenced in the Order have been depleted.

We will reach your office next week once we have received Gin-Cor's accounting and documentation.

Please reach the undersigned with any questions.

Yours truly,

KAGAN SHASTRI LLP

A handwritten signature in black ink, appearing to be 'Rahul Shastri', with a long horizontal line extending to the right.

Rahul Shastri

RS*en

c.c. client (by email)

C

**THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF ANDREW HARMES
SWORN BEFORE ME THIS 1st DAY OF NOVEMBER, 2019**



Commissioner for Taking Affidavits

*Christine Marie Macdonald, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 15, 2021*

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: +1 (416) 597-5165
jwadden@goodmans.ca

October 28, 2019

Via Email

Kagan Shastri LLP
188 Avenue Road
Toronto, ON
M5R 2J1

Attn: Rahul Shastri (rshastri@ksllp.ca)

Dear Sir:

**Re: *Companies' Creditors Arrangement Act* Proceedings of Del Equipment Inc.
Court File No. CV-19-629552-00CL**

We refer to your letter of Friday, October 25, 2019, in which you note that your clients are refusing to pay funds to the Monitor as is required by the Preservation Order granted by Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Tuesday, October 22, 2019 (the "**Preservation Order**").

We also note that you delivered your letter at 4:13pm on Friday, despite the fact that your client was to deliver the funds by that point in time. The late delivery of your letter appears to have been done to deprive our client of the opportunity to seek further relief from the Court before the weekend. A letter indicating that your client was going to refuse to comply with the Preservation Order could have, and should have, been delivered much sooner.

In any event, your client has misconstrued the requirements of the Preservation Order. The Preservation Order requires your client to deliver a certain sum of money to the Monitor (i.e. \$874,107.08). It does not require your client to deliver the exact funds that it improperly received from Mack Defense – cash is clearly fungible and neither Rule 45.02 nor the Preservation Order are dependent upon the funds improperly received by your client not being commingled or traceable. See paragraphs 19 and 20 of our Factum and the cases cited therein.

Accordingly, your client is in breach of the Preservation Order.

If the required funds are not delivered to the Monitor by 12:00 pm (noon) (Toronto time) on Tuesday, October 29, 2019, we will take the steps to compel compliance by your client, including seeking a contempt order against it and the officers and directors who are preventing it from complying with the Order.

- 2 -

Goodmans^{LLP}

In the meantime, your client is hereby put on notice that it must immediately (i) segregate, hold separate and not use, transfer, distribute or alter any assets that constitute direct and indirect proceeds of the funds your client received from Mack Defense; (ii) not use, withdraw or transfer any further funds from the accounts into which the funds from Mack Defense were deposited; and (iii) provide notice to all persons who received the "funds" your client received from Mack Defense that they hold such funds upon a constructive trust and cannot further use such funds until further order of the Court.

Furthermore, based on the contents of your letter, it appears that Gin-Cor may not in any event have sufficient funds to comply with the Preservation Order. Unless you provide us with confirmation in writing that Gin-Cor does have funds available to comply with the Preservation Order by 5:00 pm (Toronto time) on Monday, October 28, 2019, we will advise the Court accordingly and seek the appropriate relief.

Yours truly,

Goodmans LLP



Jason Wadden

cc. Chris Armstrong, *Goodmans LLP*
Jennifer Stam, *Goldman Sloan Nash & Haber LLP*
Shelton Title, *MNP Ltd.*

6998790

D

**THIS IS EXHIBIT "D"
TO THE AFFIDAVIT OF ANDREW HARMES
SWORN BEFORE ME THIS 1st DAY OF NOVEMBER, 2019**



Commissioner for Taking Affidavits

*Christine Marie Macdonald, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 15, 2021*

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre - West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Direct Line: +1 (416) 597-5165
jwadden@goodmans.ca

October 31, 2019

Via Email

Kagan Shastri LLP
188 Avenue Road
Toronto, ON
M5R 2J1

Attn: Rahul Shastri (rshastri@ksllp.ca)

Dear Sir:

Re: *Companies' Creditors Arrangement Act Proceedings of Del Equipment Inc. (the "Company") – Court File No. CV-19-629552-00CL*

We refer to our letter to you of October 28, 2019, which was a response to your letter of Friday, October 25, 2019. In our letter, we addressed the fact that your client, Gin-Cor Industries Inc. ("**Gin-Cor**") was in continuing breach of the Preservation Order granted by Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Tuesday, October 22, 2019 (the "**Preservation Order**").

Despite our letter of October 28, 2019, Gin-Cor continues to remain in breach of the Preservation Order, has failed to provide the information that it promised in your letter (the provision of which would not excuse the continuing breach of the Preservation Order), and has not provided the confirmations requested. In our letter, we advised that if the funds were not paid to the Monitor and if we did not receive certain confirmations by earlier this week, we would be forced to take further steps before the Court. Your client has failed to deliver the funds to the Monitor and has failed provide the requested confirmation or otherwise communicate with us.

Accordingly, your client has left the Company with no option but to seek further relief from the Court on an urgent basis.


We have confirmed availability with the Court before Justice Hainey on November 5, 2019 at 10:00 a.m. and intend to deliver a motion to you tomorrow returnable at that time.

Despite the scheduling of this further motion, your client should simply forthwith deliver the funds to the Monitor as required by the Preservation Order so that we can avoid the need to attend Court next week. To the extent next week's Court attendance is required, the Company intends to seek the costs of the motion against your client.

We look forward to hearing from you.

Yours truly,

Goodmans LLP

Jason Wadden
pp. 

Jason Wadden

cc. Chris Armstrong, *Goodmans LLP*
Jennifer Stam, *Goldman Sloan Nash & Haber LLP*
Shelton Title, *MNP Ltd.*

7000277

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

Proceeding commenced at Toronto

**AFFIDAVIT OF ANDREW HARMES
(Sworn November 1, 2019)**

Goodmans LLP

Barristers & Solicitors

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto, Ontario M5H 2S7

Jason Wadden LSO#: 46757M

jwadden@goodmans.ca

Christopher G. Armstrong LSO# 55148B

carmstrong@goodmans.ca

Andrew Harmes LSO# 73221A

aharmes@goodmans.ca

Tel: (416) 979-2211

Fax: (416) 979-1234

Lawyers for Del Equipment Inc.

3

Court File No.: CV-19-629552-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	TUESDAY, THE 5 TH
)	
JUSTICE HAINEY)	DAY OF NOVEMBER, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DEL EQUIPMENT INC.

Applicant

SECOND PRESERVATION ORDER

(November 5, 2019)

THIS MOTION, made by Del Equipment Inc. (the “**Applicant**” or “**DEL**”), pursuant to Rule 45.02 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg 194 (the “**Rules**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Douglas Lucky sworn October 20, 2019, and the Exhibits thereto, the affidavit of Andrew Harmes sworn November 1, 2019 and the exhibits thereto, and on hearing the submissions of counsel for the Applicant, counsel for Gin-Cor (as defined below) and those other parties present as indicated on the counsel sheet,

SERVICE

1. THIS COURT ORDERS that the time for service, if applicable, for 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.

- 2 -

PRESERVATION OF FUNDS

2. THIS COURT ORDERS that, without limiting the provisions of the Preservation Order dated October 22, 2019 (“**First Preservation Order**”), Gin-Cor Industries Inc. (“**Gin-Cor**”) shall deliver \$874,107.08 to MNP Ltd. in its capacity as monitor of the Applicant (the “**Monitor**”) forthwith and in any event by no later than 4:00 pm (Toronto time) on November 7, 2019, which funds shall represent the Funds (as defined in the First Preservation Order). For the avoidance of doubt, the \$874,107.08 to be delivered by Gin-Cor to the Monitor pursuant to this paragraph 2 shall be delivered notwithstanding any commingling of the Funds with any other funds, or any dissipation of the Funds.

3. THIS COURT ORDERS that until such time as Gin-Cor delivers \$874,107.08 to the Monitor, the Applicant is hereby granted an equitable lien on all of Gin-Cor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and the Applicant is hereby authorized to register notice of such equitable lien in the Ontario Personal Property Security Registration system, the Ontario Land Registration system, and any other analogous registration system wherever located.

4. THIS COURT ORDERS that the Monitor shall continue to have the benefit of all the protections as set out in the First Preservation Order and all such protections shall apply and extend to the Monitor in carrying out the provisions of this Order and shall extend to any authorized representatives acting upon the direction of the Monitor.

5. THIS COURT ORDERS that Gin-Cor shall pay the Applicant’s costs of this motion in the amount of \$_____ within seven (7) days of the date hereof.

GENERAL

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

- 3 -

desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

**IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DEL EQUIPMENT INC.**

Court File No: CV-19-629552-00CL

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

SECOND PRESERVATION ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Jason Wadden LSO#: 46757M
jwadden@goodmans.ca

Christopher G. Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for Del Equipment Inc.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

Court File No: CV-19-629552-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DEL
EQUIPMENT INC.**

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD
(Motion returnable November 5, 2019)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Jason Wadden LSO#: 46757M
jwadden@goodmans.ca

Christopher G. Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Andrews Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for Del Equipment Inc.