

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.
(THE "APPLICANT")**

**THIRD REPORT TO THE COURT SUBMITTED BY
MNP LTD. IN ITS CAPACITY AS COURT APPOINTED MONITOR OF DEL
EQUIPMENT INC.**

APRIL 22, 2020

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INTRODUCTION

1. On October 22, 2019, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting Del Equipment Inc. (“**DEL**” or the “**Company**”) relief pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). DEL’s CCAA proceedings are referred to herein as the “**CCAA Proceedings**”. A copy of the Initial Order is attached as **Appendix “A”**.
2. The Initial Order provided for, *inter alia*:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of DEL until November 21, 2019 (the “**Stay Period**”);
 - b. the appointment of MNP Ltd. (“**MNP**” or the “**Monitor**”) as Monitor in the CCAA Proceedings;
 - c. approval of the appointment of a Chief Restructuring Officer;
 - d. approval of a \$1 million debtor-in-possession interim financing arrangement (the “**DIP Financing**”) with Diesel Equipment Limited, the Company’s parent company and senior secured lender (“**Diesel**” or the “**DIP Lender**”); and
 - e. approval of the commencement of a sale and investment solicitation process in respect of the Company.
3. On November 19, 2019 the Company sought and obtained an order (the “**First Stay Extension Order**”) which approved, among other things, additional DIP financing (the “**Additional DIP Financing**”) to be provided by the DIP Lender and an extension of the Stay Period to and including February 28, 2020.
4. On February 27, 2020 the Company sought and obtained an approval and vesting order (the “**Approval and Vesting Order**”) approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Purchase Agreement**”) between the Company and Drive Products Inc. (the “**Purchaser**”) and vesting in the Purchaser all of the Company’s right, title and interest in and to the Purchased Assets.

5. In addition to the Approval and Vesting Order, on February 27, 2020 the Court issued an order (the “**Stay Extension, KERP and Litigation Protocol Order**”) approving:
 - a. an extension of the Stay Period to and including May 29, 2020;
 - b. a key employee retention program (the “**KERP**”);
 - c. a litigation protocol (the “**Litigation Protocol**”) establishing the procedure and timetable for resolving certain disputes between the Company and Gin-Cor Industries Inc. (“**Gin-Cor**”);
 - d. the appointment of Andrew Diamond as the claims officer, should it be required pursuant to the Litigation Protocol; and
 - e. authorizing the Company, in consultation with the Monitor, to continue to explore opportunities with respect to the remaining branches and assets not included within the scope of the Transaction (the “**Residual Assets**”) and, with the approval of the Monitor, to enter into and complete any transaction for the Residual Assets for proceeds equal to or less than \$250,000.
6. A second report of the Monitor (the “**Second Report**”) was filed on February 24, 2020 in connection with the Company’s motion returnable February 27, 2020. A copy of the Second Report, without appendices, is attached as **Appendix “B”**.
7. The purpose of this report (the “**Third Report**”) is to provide the Court with information and as applicable, the Monitor’s comments and recommendations concerning:
 - a. the Company’s and Monitor’s activities since the Second Report;
 - b. an update on the status of the Transaction, including as detailed below, an amendment made to the Purchase Agreement (the “**Purchase Agreement Amendment**”);
 - c. the actual receipts and disbursement of the Company through April 5, 2020, as well as any material variances between the actual receipts and disbursements and the

extended cash flow forecast (the “**Extended Cash Flow Forecast**”), which was appended to the Second Report;

- d. DEL’s revised cash flow forecast through October 4, 2020 (the “**Second Extended Cash Flow Forecast**”);
- e. the fees and disbursements of the Monitor and its legal counsel (the “**Fees and Disbursements**”);
- f. the Monitor’s support for, and observations in respect of DEL’s request that the Court grant an Order:
 - i. extending the Stay of Proceedings to and including 11:59 p.m. (Toronto time) on September 18, 2020;
 - ii. approving an interim distribution in the amount of \$9MM to Diesel, and such further amounts from time to time as may be agreed between DEL and Diesel up to the secured indebtedness owed by DEL to Diesel, with the consent of the Monitor, or pursuant to such further Order of the Court (the “**Proposed Distribution**”); and
 - iii. approving the Fees and Disbursements and the Pre-Filing Report dated October 21, 2019, First Report dated November 14, 2019, the Second Report and the Third Report (collectively, the “**Reports**”) and the activities of the Monitor as described in the Reports; and
- g. The Monitor’s support for, and observations in respect of an application to be put forth by Diesel for lifting the Stay of Proceedings in the CCAA Proceedings for the limited purpose of appointing MNP as the receiver (the “**Section 243 Receiver**”) over limited property of DEL (the “**Receivership Application**”), in order to allow former employees of DEL (the “**DEL Employees**”) access to funds that may be available to them pursuant to the Wage Earner Protection Program (the “**WEPP**”) provided for by the *Wage Earner Protection Program Act, S.C. 2005, c. 47* (the “**WEPPA**”).

8. The Third Report and other materials filed with the Court and all orders granted in connection with the CCAA Proceedings have been and will continue to be made available on the Monitor's website at <https://mnpdebt.ca/en/corporate/engagements/DELEquipment> (the "**Monitor's Website**").

DISCLAIMER AND TERMS OF REFERENCE

9. In preparing this Third Report, MNP has necessarily relied upon the Lucky Affidavits (defined below), the unaudited financial statements and other information supplied, and representations made by certain management of the Company ("**Management**"), SRA (as defined in the Pre-filing Report), and third-party sources (collectively, the "**Information**"). Although the Monitor has reviewed the Information for reasonableness, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion and does not provide any other form of assurance on or relating to the accuracy of the Information contained in this Third Report, or otherwise used to prepare this Report.
10. MNP also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement) (the "**Professional Standards**"). Certain of the information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal,

provincial and municipal actions regarding the COVID-19 pandemic on the Company's business and the economy in general has yet to be determined. In developing the Second Extended Cash Flow, Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by COVID-19 pandemic and various government regulatory actions may cause actual results to differ from the projected amounts and these variations may be material.

11. Capitalized terms not defined in this Report are used as defined in the affidavits of Douglas Lucky sworn October 20, 2019, November 13, 2019, February 22, 2020, and April 20, 2020 (collectively the "**Lucky Affidavits**") filed in support of the Company's application for relief under the CCAA and the current motion.
12. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

13. Since the Second Report, the Monitor has undertaken the following activities, *inter alia*:
 - a. updated the Monitor's Website as necessary;
 - b. responded to electronic messages sent to the Monitor's email at DELEquipment@mnp.ca and responded to other inquiries regarding the CCAA Proceedings;
 - c. monitored DEL's actual cash flows in comparison to the Extended Cash Flow Forecast;
 - d. reviewed the final purchase price in connection with the Transaction, including the adjustment to the Purchased Inventory and Supplies Purchase Price (as defined in the Purchase Agreement) and reviewed and considered the terms governing the Purchase Agreement Amendment; and

- e. Discussed with the Company its ongoing efforts to market and sell the Residual Assets, including the impact of the COVID-19 pandemic on those efforts.
14. The Monitor believes it is appropriate for the Court to approve the Reports and the activities of the Monitor as described therein. In summary, in addition to the activities reported herein, the Monitor's activities have included:
- a. examining DEL's property, including its premises, books, records and other financial documents, to assess the DEL's business and financial affairs in order to consider and report on the relief requested by the Company as part of, *inter alia*, the Initial Order, the First Stay Extension Order, the Approval and Vesting Order, and the Stay Extension, KERP and Litigation Protocol Order;
 - b. completed the statutory requirements of the Monitor pursuant to subsection 23(1) of the CCAA;
 - c. reviewed and assisted in the preparation of various cash flow statements and financial projections prepared by Management;
 - d. monitored DEL's actual cash flows in comparison to its projections;
 - e. attended meetings with Management from time to time;
 - f. corresponded and communicated with the Company and its advisors with respect to the Sale and Investor Solicitation Process conducted by DEL;
 - g. carried out a liquidation value analysis; and
 - h. prepared the Reports.

ACTIVITIES OF THE COMPANY

Completion of the Transaction

15. On March 31, 2020 (the "**Closing Date**"), the Company completed the Transaction, approved by the Approval and Vesting Order and as contemplated by the Purchase Agreement. As per the Purchase Agreement, inventories and supplies of DEL that were

work-in-process forming part of a vehicle or designated to be used with respect to a specific vehicle during the process of being upfitted were expressly excluded from the assets that were purchased (the “**Excluded WIP**”). The Purchase Agreement provided for a transition services agreement such that DEL could elect to have the Purchaser complete any of the Excluded WIP on its behalf. Prior to the Closing Date, DEL and the Purchaser, in consultation and with the consent of the Monitor, negotiated the terms of the Purchase Agreement Amendment whereby the Purchaser acquired the Excluded WIP and the Purchase Price was increased by the book value of the Excluded WIP, being approximately \$174,000.

Gin-Cor Litigation

16. Subject to timing delays caused by the COVID-19 pandemic, DEL has continued to progress through the Litigation Protocol established for the payment dispute with Gin-Cor. As per the Litigation Protocol, cross-examinations were held via videoconference on April 20, 2020, following which, DEL expects to complete a briefing of the motion in advance of the previously scheduled May 5, 2020 hearing date.

Operations and Operational Changes

17. Since the Closing Date, DEL has:
 - a. paid the final payment under the KERP in the aggregate amount of approximately 165,000;
 - b. continued collecting its accounts receivable;
 - c. reduced the number of employees, beyond the reduction from the employees that commenced employment with the Purchaser, to only those necessary for the sale of the Residual Assets, collect the remaining accounts receivable and otherwise assist in the orderly wind-down of DEL’s operations; and
 - d. reduced its overhead cost structure.

Sale of Residual Assets

18. The Stay Extension, KERP and Litigation Protocol Order provided the authorization for DEL to continue to market and sell the Residual Assets. While DEL, in consultation with the Monitor, had begun making efforts to market and sell the Residual Assets, such efforts were impacted by the COVID-19 pandemic. As interested parties are either unavailable, or unable to conduct required due diligence as a result of the impact of COVID-19, the marketing and sale of the Residual Assets has been delayed.

CASH FLOW VARIANCE ANALYSIS

19. The Monitor has undertaken a weekly review of DEL's actual cash flows in comparison to those contained in the Extended Cash Flow Forecast. A summary of DEL's actual cash receipts and disbursements as compared to the Extended Cash Flow Forecast for the eight (8) weeks ended April 5, 2020 (the "**Monitored Period**") is summarized below:

DEL Equipment Inc.			
Actual Receipts and Disbursements			
For the eight week period ending April 5, 2020			
(Unaudited, in \$'000s CAD)			
	Cumulative Eight-Week Period Ended April 5, 2020		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts	7,154	4,959	2,195
Disbursements			
Merchandise Vendors	2,174	3,460	(1,286)
Non-Merchandise Vendors	1,250	942	308
Payroll	834	1,123	(289)
Tax	407	(35)	443
Total Disbursements	4,666	5,490	(825)
Operating Net Cash Flow	2,489	(531)	3,020
Administrative Fees	(311)	(282)	29
Proceeds from Sale	5,097	-	5,097
Net Cash Flow	7,274	(813)	8,146
Beginning Cash	4,917	4,917	-
Net Cash Flow	7,274	(813)	8,087
Interim Financing/(repayment)	-	-	-
Ending Cash	12,191	4,104	8,087

20. Overall, DEL realized a favorable net cash flow variance of approximately \$8.087MM during the Monitored Period. The key components of the variance are as follows:
- a. Receipts: Actual receipts of \$7.154MM were approximately \$2.195MM greater than as were projected in the Extended Cash Flow Forecast, which is partially attributable to actual sales being \$1.4MM greater than projected. The balance of this favourable variance is attributable to accelerated collection activity.
 - b. Merchandise Vendors: The \$1.286MM favorable variance in merchandise vendor purchases is largely attributable to DEL being able to fulfill a greater than

anticipated portion of customer orders from existing inventory and thus reducing the need to purchase inventory. In addition, approximately \$200M of the variance represents a timing difference relating to payments that were projected to be paid in the Monitored Period but are now expected to occur after the Monitored Period.

- c. Non-Merchandise Vendors: The \$308M unfavourable variance is a reversal of the favourable timing difference, as reported in the Second Report, and includes payment of rent up to December 2019 for premises outside of Ontario, as well as the payment of interest and fees of approximately \$254M to Diesel. There is also a timing difference of approximately \$55M in payments related to employees' health benefits premium which are expected to occur after the Monitored Period.
- d. Payroll: The \$289M favorable variance is primarily due to a timing difference in the payment of approximately \$165M owing pursuant to the KERP that were projected to be paid in the period but were paid subsequent to the Monitored Period. Employee resignations were higher than expected during the Monitored Period thus lowering payroll costs account for the remaining variance.
- e. Sales Tax: The approximately \$443M unfavourable variance in tax payments is attributable to the increase in sales and corresponding HST collections and decrease of input tax credits from the reduced expenditures towards merchandise vendor expenses.
- f. Proceeds from sale: As noted in the Second Report, the Extended Cash Flow Forecast did not include the expected proceeds from the Transaction as to protect from publicly disclosing the Purchase Price. The favorable variance of \$5.097MM is from the receipt of funds from the Purchaser upon closing of the Transaction.

PROPOSED DISTRIBUTION ORDER

Proposed Distribution

- 21. As a result of the closing of the Transaction, as well as the positive cash flows realized from its efforts to monetize on its work-in-process and collect on its accounts receivables, DEL is in a position to make a distribution to its senior secured creditor, Diesel. The

Monitor supports the Proposed Distribution for the following reasons (each of which is discussed in further detail below):

- a. the Monitor’s counsel is of the opinion that, subject to certain standard assumptions and qualifications, Diesel, the recipient of the Proposed Distribution, has valid and enforceable security over all of DEL’s assets;
- b. based on DEL’s books and records, Diesel is owed approximately \$11.7MM under a secured credit agreement, which exceeds the amount of the Proposed Distribution;
- c. sufficient funds intend to be reserved to satisfy the claims referenced in paragraph 24 and to fund the completion of the CCAA Proceedings and the wind-up of DEL; and
- d. The Monitor understands that DEL has or will serve notice of its motion for the approval of the Proposed Distribution to all PPSA Parties (as defined below) for whom it has an email address and the taxing authorities in the jurisdictions where DEL has or had business operations. For those PPSA Parties for whom DEL does not have an email address, the Monitor understands DEL is in the process of sending letters notifying such parties of the motion and providing a link to the Monitor’s website.

Diesel Security

22. Considering the Proposed Distribution, the Monitor obtained security opinions from independent legal counsel with respect to Diesel’s security in New Brunswick from Stewart McKelvey (the “**Stewart McKelvey Opinion**”), and with respect to Diesel’s security in Alberta, British Columbia, Ontario and Quebec from Norton Rose Fulbright Canada LLP (the “**Norton Rose Opinion**” and together with the Stewart McKelvey Opinion the “**Security Opinions**”).
23. The Security Opinions were delivered to the Monitor on February 14, 2020, and both confirmed that subject to certain assumptions and qualifications normal to these types of opinions, which are set out in each of the respective Security Opinions, Diesel has a valid

and enforceable security interest as against the assets of DEL in the provinces for which the Security Opinions relate.

Priority Claims

24. In relation to the Proposed Distribution, the Monitor has considered the following types of claims and potential claims that, in certain circumstances, rank or could rank in priority to the security of Diesel or that, in some cases, are required by Subsection 36(7) of the CCAA to be paid or otherwise get paid prior to distributions to secured creditors:
 - a. claims of parties with registrations against DEL under the respective provincial Personal Property Security Act (the “**PPSA**”) registries and/or the Register of Personal and Moveable Real Rights (Quebec) (the “**RPMRR**”) for the provinces in which DEL operated, being Alberta, British Columbia, Manitoba, Ontario and Quebec (the “**PPSA Parties**”);
 - b. statutory priority claims for source deductions, withholding taxes, pension plan contributions, employee wages and employee vacation pay entitlements;
 - c. post-filing amounts; and
 - d. claims secured by court-ordered charges created by the Initial Order (the “**Charges**”).

PPSA Registrations

25. PPSA and RPMRR searches for respective provinces were conducted as a part of the Stewart McKelvey Opinion and the Norton Rose Opinion.
26. The Monitor is satisfied that the interest of each of the PPSA Parties appears to be adequately addressed by DEL and the Purchaser. The Monitor understands that either:
 - a. the Purchaser has agreed to assume DEL’s contractual obligations with respect to the PPSA Parties and is obligated to pay cure costs (or an arrangement satisfactory to the counterparty), if any, to those PPSA Parties;

- b. the Purchaser will have entered into new arrangements with such parties, consensually; or
 - c. the collateral that is subject to the security of the PPSA Parties is not part of the Purchased Assets and will be made available for collection by/released to the PPSA Parties.
27. Accordingly, it is not expected that any of the PPSA Parties will have any claim against DEL that could constitute a Priority Claim.

Statutory Priorities

28. The Monitor is not aware of any amounts owing by DEL or claims that have been asserted against DEL that, in either case, remain unpaid and related to source deductions, withholding taxes deducted or withheld and not remitted, pension contributions, employee wages or vacation pay, other than accrued amounts not yet due and which will be paid from available cash flows as per the Second Extended Cash Flow Forecast.

Wages and Vacation Pay

29. The Purchaser has made offers to and confirmed employment for thirty-six (36) of DEL's employees (the "**Transferred Employees**"), effective as at the closing of the Transaction.
30. With respect to the Transferred Employees, any salary and wages owed from prior to the closing of the Transaction were paid by DEL from its available cash flow. The Purchaser assumed all liabilities for salaries of the Transferred Employees after the closing of the Transaction. The Purchaser also assumed all accrued liabilities for vacation pay of each Transferred Employee.
31. With respect to the employees of DEL that are not a Transferred Employee, inclusive of a DEL employee whom was made an offer by the Purchaser but did not accept such offer, any wages and vacation pay entitlements for the period prior to the closing of the Transaction were paid by DEL through its available cash flows.

Charges

32. The Initial Order created the following charges over the property of DEL: An Administration Charge, a Director's Charge, a DIP Lender's Charge and a Success Fee Charge. The Initial Order set out a detailed priority regime for the Charges and the security over the property of DEL (the "**Priority Waterfall**"). The Priority Waterfall provided in the Initial Order is:
- a. First – Administration Charge (to the maximum amount of \$400,000);
 - b. Second – Director's Charge (to the maximum amount of \$1,200,000);
 - c. Third – DIP Lender's Charge; and
 - d. Fourth – Success Fee Charge (to the maximum amount of \$100,000)
33. DEL has funded its business operations during the CCAA Proceedings without the utilization of the DIP Financing or the Additional DIP Financing and accordingly, there is no balance owing to the DIP Lender.
34. After the payment of the Proposed Distribution, approximately \$3MM in funds remains, as per the Second Extended Cashflow Forecast (the "**Undistributed Funds**"). In addition to the Undistributed Funds, DEL continues to work towards the collection of \$3.82MM in outstanding accounts receivables (the "**Remaining Receivables**") and the completion of the sale of the Residual Assets with a book value of \$5.03MM. Without having to consider an expected realization of the Residual Assets, the Undistributed Funds and the Remaining Receivables together provide for an expected available cash value of approximately \$6MM. The Undistributed Funds and the Remaining Receivables will be sufficient for the satisfaction of any amounts that may be owing with respect of the Charges.

WEPP AND THE DIESEL RECEIVERSHIP APPLICATION

35. The Monitor understands that Diesel intends on filing a Receivership Application to, among other things, seek: (i) the appointment of the Section 243 Receiver for the sole purpose of allowing the DEL Employees to benefit from payments provided under the WEPPA in connection with termination and severance pay claims which they may be

entitled to; and (ii) lifting the stay of proceedings in the CCAA Proceedings for the limited purpose of allowing the appointment of the Section 243 Receiver.

36. The Monitor understands that in order for the DEL Employees to have access to payments under the WEPP, certain triggering events must have occurred; those events including the appointment of a receiver pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*.¹ The Monitor believes that it is appropriate to have the option of relying on a Section 243 Receiver in order to give the DEL Employees access to the WEPP.
37. The Section 243 Receiver would be appointed only over a newly established bank account of DEL and a *de minimus* amount deposited therein.
38. The Monitor supports the appointment of the Section 243 Receiver as the appointment of such a receiver would provide the mechanism required for the application of the WEPP to these CCAA Proceedings, whereas the DEL Employees would otherwise not be able to avail themselves of the WEPP.
39. The appointment of the Section 243 Receiver will not affect the Company's CCAA proceedings and is very limited in nature.
40. MNP has consented to the appointment as the Section 243 Receiver which will be included in Diesel's application record.

SECOND EXTENDED CASH FLOW FORECAST

41. As described above, DEL is requesting that the Stay Period be extended to allow it to market the Residual Assets and collect the Remaining Receivables. DEL, with the assistance of the Financial Advisor, has extended the cash flow projection through to October 4, 2020 (the "**Second Extended Cash Flow Forecast Period**"). A copy of the Second Extended Cash Flow Forecast including the notes and assumptions is attached hereto as **Appendix "C"**.

¹ The Monitor notes that recent amendments to the *Wage Earner Protection Program Act* would provide for the application of the WEPP to CCAA proceedings, that these amendments are not yet in force as at the date of this Third Report.

42. A summary of the Second Extended Cash Flow Forecast is provided in the following table:

DEL Equipment Inc.
Projected Statement of Second Extended Cash Flow Forecast
For the period ending Oct 4, 2020
(Unaudited, in \$'000s CAD)

Week Beginning April 6 2020	Total 26 Weeks
Receipts	2,966
Liquidation of Remaining Inventory	883
Liquidation of Remaining Capital Assets	244
Total receipts	4,092
Disbursements	
Merchandise Vendors	392
Non-Merchandise Vendors	929
Payroll	469
Tax	268
Total Disbursements	2,059
Operating Net Cash Flow	2,033
Administrative Fees	663
Net Cash Flow	1,370
Opening cash balance	12,191
Net Cash Flow	1,370
Interim Financing/(repayment)	-
Closing cash balance	13,561

43. During the Second Extended Cash Flow Forecast Period, the Company projects a net cash flow surplus of \$1.370MM and have a remaining cash balance of \$13.561MM at the end of the Second Extended Cash Flow Forecast Period².

44. The Monitor notes the following with respect to the Second Extended Cash Flow Forecast:

² The balance does not deduct the Proposed Distribution of \$9MM.

- a. Receipts: While DEL is endeavouring to maximize realizations, to be conservative and having regard to the potential impact of the COVID-19 pandemic, DEL assumes that it will collect 70% of its remaining accounts receivable within 90 days. Receipts primarily include collections from accounts receivables and collections from new sales. The new sales account for approximately 10% of total receipts as the Company had only invoiced approximately \$300M in April 2020. The reduced sales forecast is based on: (i) the reduced level of sales activity subsequent to the completion of the Transaction; and (ii) DEL's expectation that it will only fulfill existing orders and not take new orders during the period of the Second Extended Cash Flow as it plans to focus efforts on realizing on the Residual Assets.
- b. Liquidation of remaining Inventory and Capital Assets: The estimated receipts from the liquidation of remaining inventory and capital assets of the Company are based on, amongst other factors, the appraisal provided by an independent third-party appraiser, adjusted to consider the potential impact of the COVID pandemic.
- c. Merchandise Vendors (Direct Materials): The limited sales activity, as noted above, will result in a corresponding reduction in expected material purchases as material orders will be restricted to materials needed for the fulfilment of the existing orders which are not met from the existing inventory. The disbursements also include certain payments (approximately \$200M) for inventory received but not paid for in the Monitored Period, as noted earlier this report.
- d. Non-Merchandise Vendors: Non-Merchandise Vendors includes payment of \$409M to Diesel on account of rent, insurance and interest on debt from January 2020 to March 2020. The Company plans to vacate all the premises outside Ontario, each owned by Diesel, in a phased manner by July 2020 and corresponding facility costs are included in the projections. The payments to Non-Merchandise Vendors also pertains to general overhead expenses incurred by DEL during the Second Extended Cash Flow Forecast Period. The disbursements also include certain payments (approximately \$ 55M) relating to the Monitored Period.

- e. Payroll: As DEL is focusing only on the fulfilment of existing orders, collecting accounts receivable and selling the Residual Assets, there will be a reduced labour requirement and cost.
 - f. Second KERP Payments: The Second KERP Payments for the Eligible Employees, amounting to approximately \$165M were paid as part of the payroll run during the week of April 13, 2020. Such payments are included under Payroll disbursements except an amount of \$24M pertaining to Newmarket which is included under Administrative fees.
 - g. Administrative fees: Disbursements include forecast payments to DEL's legal counsel and financial advisors, the Monitor and its legal counsel and legal counsel to the DIP lender. It also includes an amount of \$24M pertaining to Second KERP Payments.
45. Management's Representation Letter and the Monitor's report to the Court regarding the adequacy of the Second Extended Cash Flow Forecast, are attached hereto as **Appendix "D" and "E"**.
46. The Monitor has reviewed the Second Extended Cash Flow Forecast to the standard required of a Court-Appointed Monitor by Subsection 23(1)(b) of the CCAA and in accordance with the Professional Standards. Based on the Professional Standards, the Monitor's review of the Second Extended Cash Flow Forecast consisted of enquiries, analytical procedures and discussions related to information supplied to us by Management. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the forecast.
47. Based on the Monitor's review, nothing has come to its' attention that causes it to believe that, in all material respects:
- a. The hypothetical assumptions are not consistent with the purpose of the forecast;

- b. As at the date of the Third Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the forecast, given the hypothetical assumptions; and
 - c. The Second Extended Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
48. Since the Second Extended Cash Flow Forecast is based on assumptions about future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the results shown in the Second Extended Cash Flow Forecast will be achieved. The Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Third Report or relied upon by it in preparing this Third Report.
49. The Second Extended Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Second Extended Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

EXTENSION OF THE STAY OF PROCEEDINGS

50. The Stay Period expires on May 29, 2020.
51. The Monitor supports the Company's request for an extension of the Stay of Proceedings from May 29, 2020 to September 18, 2020 for the following reasons:
- a. the Monitor is of the view that the Company has acted and is continuing to act in good faith and with due diligence;
 - b. the extension of the stay will provide DEL with the additional time needed to complete certain remaining restructuring and wind-down activities, including the collection of the Remaining Receivables and the disposition of the Residual Assets, with the view of working towards the completion of the CCAA Proceedings in an efficient manner for the benefit of DEL's stakeholders;

- c. the Second Extended Cash Flow Forecast reflects that the Company is projected to have, after making the Proposed Distribution, sufficient funding through the proposed stay extension period;
- d. Diesel, the principal economic stakeholder in these proceedings, supports the stay extension;
- e. other potential secured or priority will be served with the Company's motion record and will have the opportunity to advise of any objections that they may have; and
- f. no creditor will be materially prejudiced if the extension is granted.

APPROVAL OF THE FEES AND DISBURSEMENTS OF THE MONITOR AND THE MONITOR'S COUNSEL

- 52. The Initial Order requires the Monitor and its legal counsel to pass their accounts from time to time and refer their accounts to a judge of the Court.
- 53. Attached hereto as **Appendix "F"** is the Affidavit of Sheldon Title sworn April 21, 2020 (the "**Title Affidavit**"), attesting to the fees and disbursements of the Monitor, for the period of September 23, 2019 to April 14, 2020 in the aggregate amount of \$219,155.16 (being fees of \$163,964.00, disbursements of \$32,118.71 and HST of \$23,072.45). The Title Affidavit includes the fees and disbursements incurred in its obtaining the Norton Rose Opinion, but does not include Stewart McKelvey's fees and disbursements in the amount of \$3,423.90 related to obtaining the Stewart McKelvey Opinion, which fees will be taxed at a later date if necessary.
- 54. Attached hereto as **Appendix "G"** is the Affidavit of Jennifer Stam, of GSNH LLP ("**GSNH**"), counsel to the Monitor, sworn January 18, 2020 (the "**Stam Affidavit**"), attesting to the fees and disbursements of GSNH, for the period of October 3, 2019 to March 31, 2020, in the aggregate amount of \$51,968.08 (being fees of \$45,364.00, disbursements of \$625.44 and HST of \$5,978.64).

55. It is the Monitor's view that its fees and disbursements described in the Title Affidavit, as well as those of GSNH described in the Stam Affidavit, are fair and reasonable in the circumstances. The Monitor therefore requests that this Court approve its fees and disbursements and the disbursement and fees of its legal counsel.

MONITOR'S RECOMMENDATIONS

56. Accordingly, the Monitor respectfully recommends that this Honourable Court make an order granting the relief details in paragraph 7(e) of this Report.

All of which is respectfully submitted this 22nd day of April 2020.

**MNP LTD.,
in its capacity as Court-Appointed Monitor of
DEL Equipment Inc.**



**Sheldon Title, CPA, CA, CIRP, LIT
Senior Vice-President**

Appendix "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 22ND
JUSTICE HAINEY) DAY OF OCTOBER, 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



INITIAL ORDER

THIS APPLICATION, made by Del Equipment Inc. (the “**Applicant**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) 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 “**Initial Affidavit**”), and the pre-filing report of MNP Ltd. in its capacity as the proposed Monitor of the Applicant (the “**Monitor**”), and on hearing the submissions of counsel for the Applicant, the Monitor, Diesel Equipment Limited, and those other parties present as indicated on the counsel sheet, and on reading the consent of MNP Ltd. to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Initial Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to

the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled to continue to use the corporate credit cards in place with Bank of Montreal and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.

7. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses and satisfy the following obligations whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, compensation, employee benefits, pension contributions, vacation pay and expenses (including, without limitation, payroll and benefits processing and servicing expenses) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges;
- (c) all outstanding and future amounts related to honouring customer obligations, whether existing before or after the date of this Order, including with respect to customer warranty obligations and as relates to customer deposits and pre-payments, in each case incurred in the ordinary course of business and consistent with existing policies and procedures;
- (d) amounts owing by the Applicant to insurance premium financiers as necessary to ensure continued coverage for the Applicant under its existing insurance policies, including director and officer insurance; and

- (e) amounts owing for goods or services supplied to the Applicant prior to the date of this Order if, in the opinion of the Applicant and with the consent of the Monitor, such payment is necessary to maintain the operations of the Business.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order and any other Order of this Court, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance and including payments to entities who provide insurance premium financing), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

9. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order of any other Order of this Court.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding \$650,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) disclaim such of its arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicant deems appropriate, in accordance with Section 32 of the CCAA; and
- (d) pursue all avenues of refinancing or restructuring of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicant or the making of this Order) or as otherwise may be negotiated between the Applicant and landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor five (5) business

days' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

15. THIS COURT ORDERS that until and including November 21, 2019, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien upon prior written notice to the Applicant and the Monitor.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicant (in

each case whether written or oral), except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all truck chassis, truck equipment and parts suppliers, computer software, communication and other data services, centralized banking services, payroll and benefits services, insurance, transportation, utility, maintenance, security or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim

against the directors or officers that arose before the date hereof and that relates to any obligation of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligation.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. THIS COURT ORDERS that the Applicant shall indemnify its current and future directors and officers (the “**D&Os**”) against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including, without limitation, in respect of any failure to pay wages and source deductions, vacation pay, or other payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) or 9(c) of this Order except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director’s or officer’s gross negligence or wilful misconduct.

22. THIS COURT ORDERS that the D&Os of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,200,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 44 and 46 herein.

23. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the D&Os shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

24. THIS COURT ORDERS that:

- (a) the engagement agreement dated as of October 18, 2019 pursuant to which the Applicant has engaged 2255987 Ontario Limited operating as Strategic Results Advisors (“**SRA**”) to provide the services of Douglas Lucky to act as chief

restructuring officer to the Applicant (the “**CRO**”), a copy of which is attached as Exhibit “K” to the Initial Affidavit (the “**CRO Engagement Letter**”), and the appointment of the CRO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby, including the success fee stipulated therein (the “**Success Fee**”);

- (b) the CRO shall not be or be deemed to be a director of the Applicant;
- (c) the CRO, in its capacity as an officer of the Applicant, shall be entitled to the benefit of the indemnity provided in paragraph 21 hereof and the Directors’ Charge;
- (d) neither SRA nor the CRO shall, as a result of the performance of their respective obligations and Duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below); provided, however, if SRA or the CRO is nevertheless later found to be in Possession of any Property, then SRA or the CRO, as the case may be, shall be deemed to be a person who has been lawfully appointed to take, or has lawfully taken, possession or control of such Property for the purposes of section 14.06(1.1)(c) of the *Bankruptcy and Insolvency Act* (“**BIA**”) and shall be entitled to the benefits and protections in relation to the Applicant and such Property as provided by section 14.06(2) of the BIA to a “trustee” in relation to an insolvent person and its property;
- (e) SRA and the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct on the part of SRA or the CRO, provided further that in no event shall the liability of the CRO exceed the quantum of fees paid to SRA and the CRO;
- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of SRA and the

CRO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this court on notice to the Applicant, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicant, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave; and

- (g) the obligations of the Applicant to SRA and the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of the Applicant.

APPOINTMENT OF MONITOR

25. THIS COURT ORDERS that MNP Ltd. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on the terms agreed to by the Applicant and the DIP Lender;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) assist the Applicant with respect to the consideration, development and implementation of any Restructuring initiatives, including with respect to the Sale Process (as defined below);
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable, including the services or employees of its affiliates, respecting the exercise of its powers and performance of its obligations under this Order;
- (j) carry out such duties and responsibilities as set out in this Order, including in respect of the Sale Process; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

27. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

28. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

30. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the Applicant, the financial advisor to the Applicant and the CRO (as defined below) shall be paid their reasonable fees and disbursements, in each case on the terms set forth in their respective

engagement letters and at their standard rates and charges and whether incurred prior to, on or after the date hereof, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant, the financial advisor for the Applicant and the CRO in accordance with the payment terms agreed between the Applicant and such parties and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant, the financial advisor to the Applicant and the CRO retainers in the amounts agreed with such parties, to be held by each of them as security for payment of their respective fees and disbursements outstanding from time to time.

32. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Applicant's counsel, the Applicant's financial advisor and the CRO shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements (but excluding the Success Fee) incurred both before and after the granting of this Order at the standard rates and charges of the Monitor, such counsel and advisors and the CRO, subject to the terms set forth in their respective engagement letters, and the CRO shall be entitled to the benefit of and is hereby granted a charge (the "**Success Fee Charge**") on the Property, as security for the Success Fee. The Administration Charge and the Success Fee Charge shall have the priority set out in paragraphs 44 and 46 hereof.

SALE PROCESS

34. THIS COURT ORDERS that the Sale Process (as defined in the Initial Affidavit and appended as Exhibit "L" to the Initial Affidavit) be and is hereby approved.

35. THIS COURT ORDERS that the Applicant and its advisors (including, without limitation, the CRO), and the Monitor and its advisors, are authorized and directed to commence the Sale Process in accordance with its terms. The Applicant, the CRO and the Monitor are hereby authorized and directed to perform their respective obligations in connection with the

Sale Process and to do all things reasonably necessary in relation to such obligations, subject to the terms of the Sale Process.

36. THIS COURT ORDERS that the Applicant, the CRO and the Monitor and their respective affiliates, partners, directors, employees, counsel, advisors, agents, shareholders and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability 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 the gross negligence or wilful misconduct of such party in performing its obligations under the Sale Process, as determined by this Court.

37. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant, the CRO and the Monitor are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) and to their representatives (the “**Representatives**”), if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicant’s records pertaining to the Applicant’s past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale or other strategic transaction as contemplated by the Sale Process (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Applicant, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicant or the Monitor. Any Bidder under a Successful Bid (as defined in the Sale Process) (a “**Successful Bidder**”) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in any Successful Bid, shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicant or the Monitor.

DIP FINANCING

38. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Diesel Equipment Limited (the “**DIP Lender**”) in order to finance the Applicant’s working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1 million (plus accrued and unpaid interest) unless permitted by further Order of this Court.

39. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the DIP Financing Term Sheet between the Applicant and the DIP Lender dated as of October 21, 2019 (the “**DIP Credit Agreement**”), filed.

40. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

41. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Credit Agreement and the other Definitive Documents. The DIP Lender’s Charge shall have the priority set out in paragraphs 44 and 46 hereof.

42. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other related Definitive Documents or the DIP Lender's Charge, the DIP Lender, may, subject to the provisions of the DIP Credit Agreement with respect to the giving of notice or otherwise, and in accordance with the DIP Lender's Charge, as applicable, cease making advances to the Applicant, make demand, accelerate payment and give other notices; provided that, the DIP Lender must apply to this Court on five (5) business days' prior written notice (which may include the service of materials in connection with such an application to this Court) to the Applicant and the Monitor, to enforce against or exercise any other rights and remedies with respect to the Applicant or any of the Property (including to set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Credit Agreement, the other related Definitive Documents or the DIP Lender's Charge, to appoint a receiver, receiver and manager or interim receiver, or to seek a bankruptcy order against the Applicant and to appoint a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

43. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

44. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge, the DIP Lender's Charge and the Success Fee Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Directors’ Charge (to the maximum amount of \$1,200,000);

Third – DIP Lender’s Charge; and

Fourth – Success Fee Charge (to the maximum amount of \$100,000).

45. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Directors’ Charge, the DIP Lender’s Charge and the Success Fee Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, except for any secured creditor of the Applicant who did not receive notice of the application for this Order.

47. THIS COURT ORDERS that the Applicant shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrance over which the Charges have not obtained priority.

48. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the applicable Charges, or further Order of this Court.

49. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of

creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the Definitive Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

50. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant’s interest in such real property leases.

SERVICE AND NOTICE

51. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it

publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

52. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and in, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/Toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.mnpdebt.ca/DELEquipment (the “**Website**”).

53. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceedings (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Website, provided that the Monitor shall have no liability in respect of the accuracy of, or the timeliness or making any changes to, the Service List.

54. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicant’s creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution shall be deemed to be received; (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

55. THIS COURT ORDERS that the Applicant and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably

required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

56. THIS COURT ORDERS that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicant or Monitor in these proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is four (4) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicant.

57. THIS COURT ORDERS that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicant shall inform the Court including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine whether the motion should proceed at a 9:30 a.m. chambers appointment or otherwise on consent, or whether a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

58. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation of application of this Order.

59. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

60. 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 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.

61. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

62. THIS COURT ORDERS that any interested party (other than the Applicant and the Monitor) that wishes to amend or vary this Order shall bring a motion before this Court on a date to be fixed by this Court upon the granting of this Order (the “**Comeback Date**”), and any such interested party shall give not less than seven (7) days notice to the Service List and any other party or parties likely to be affected by the relief sought by such party in advance of the Comeback Date; provided, however that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges with respect to any fees and disbursement incurred until the date this Order may be amended, varied or stayed.

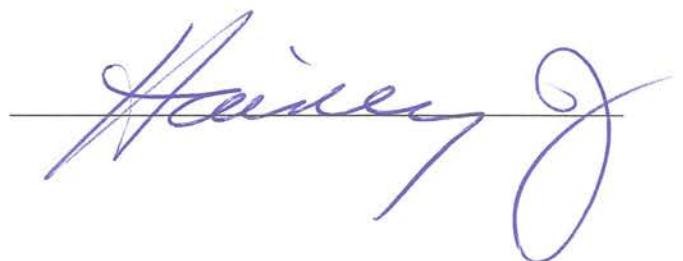
63. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order.

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LE / DANS LE REGISTRE NO:

OCT 22 2019

PER / PAR:

JP

A handwritten signature in blue ink, appearing to read "Hainey", is written over a horizontal line.

**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: CJ-14-629552
-0000

Applicant

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

INITIAL ORDER

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Lawyers for Del Equipment Inc.

Exhibit "B"

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.
(THE "APPLICANT")**

**SECOND REPORT TO THE COURT SUBMITTED BY
MNP LTD. IN ITS CAPACITY AS COURT APPOINTED MONITOR OF DEL
EQUIPMENT INC.**

FEBRUARY 24 , 2019

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APPENDICES

- A. Initial Order dated October 22, 2019
- B. Monitor’s Pre-Filing Report, dated October 21, 2019
- C. Monitor’s First Report, dated November 14, 2019
- D. Revised Cash Flow Forecast for the Period Ending May 31, 2020
- E. Management’s Representation Letter Regarding the Revised Cash Flow Forecast
- F. Monitor’s Prescribed Report to the Court on the Adequacy of the Revised Cash Flow Forecast

CONFIDENTIAL APPENDICES

- 1. Infinity Appraisal
- 2. Asset Purchase Agreement dated February 21, 2020
- 3. KERP Summary

INTRODUCTION

1. On October 22, 2019 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting DEL Equipment Inc. (“**DEL**” or the “**Company**”) relief pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). DEL’s CCAA proceedings are referred to herein as the “**CCAA Proceedings**”. A copy of the Initial Order is attached as **Appendix “A”**.
2. The Initial Order provided for, *inter alia*:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of DEL until November 21, 2019 (the “**Stay Period**”);
 - b. the appointment of MNP Ltd. (“**MNP**” or the “**Monitor**”) as Monitor in the CCAA Proceedings;
 - c. approval of the appointment of a Chief Restructuring Officer (“**CRO**”);
 - d. approval of a \$1 million debtor-in-possession interim financing arrangement with Diesel Equipment Limited, the Company’s parent company and senior secured lender (“**Diesel**” or the “**DIP Lender**”);
 - e. approval of the commencement of a sale and investment solicitation process in respect of the Company (the “**SISP**”); and
 - f. approval for DEL to pay amounts owing for goods and services supplied prior to the Filing Date (the “**Pre-CCAA Payments**”), if in the opinion of DEL and with the consent of the Monitor, such payment is necessary to maintain the operations of the Company.
3. The Monitor filed a pre-filing report (the “**Pre-filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. A copy of the Pre-filing Report, without appendices, is attached as **Appendix “B”**.
4. On November 19, 2019 the Company sought and obtained an order (the “**First Extension Order**”) which approved, among other things, additional DIP financing (the “**Additional**”).

DIP Financing”) to be provided by the DIP Lender and an extension of the Stay Period to and including February 28, 2020.

5. A first report of the Monitor (the “**First Report**”) was filed on November 14, 2019 in connection with the Company’s Motion returnable November 19, 2019. A copy of the First Report, without appendices, is attached as **Appendix “C”**.
6. The purpose of this report (the “**Second Report**”) is to provide the Court with information and as applicable, the Monitor’s comments and recommendations concerning:
 - a. the Company’s and Monitor’s activities since the First Report;
 - b. the results of the SISP that was conducted to solicit bids for DEL’s assets and business as a going concern;
 - c. the actual receipts and disbursement of the Company through February 9, 2020, as well as any material variances between the actual receipts and disbursements and the revised cash flow forecast (the “**Revised Cash Flow Forecast**”), which was appended to the First Report;
 - d. DEL’s revised cash flow forecast through May 31, 2020 (the “**Extended Cash Flow Forecast**”);
 - e. DEL’s request for an extension to the Stay Period to May 29, 2020; and
 - f. the Monitor’s support for, and observations in respect of DEL’s request that this Court grant Orders:
 - i. approving the transaction (the “**Transaction**”) contemplated by an Asset Purchase Agreement dated February 21, 2020 between DEL and Drive Products Inc (“**DPI**”) pursuant to which DPI has agreed to purchase certain assets (the “**Purchased Assets**” or “**DPI Assets**”) owned by DEL (the “**DPI APA**”);

- ii. upon completion of the Transaction, vesting DEL's right, title and interest in and to the Purchased Assets in DPI, free and clear of all interests, liens, charges and encumbrances, other than permitted encumbrances;
 - iii. approving the KERP (as detailed and defined below), *nunc pro tunc*;
 - iv. authorizing the Company, in consultation with the Monitor, to continue to explore opportunities with respect to the remaining branches and assets not included within the scope of the Transaction (the "**Residual Assets**");
 - v. extending the Stay of Proceedings to and including 11:59 p.m. (Toronto time) on May 29, 2020 (the "**Requested Stay Extension**"); and
 - vi. sealing the Confidential Appendices pending further Order of the Court.
7. The Second Report and other materials filed with the Court and all orders granted in connection with the CCAA Proceedings have been and will continue to be made available on the Monitor's website at <https://mnpdebt.ca/en/corporate/engagements/DELEquipment>.

DISCLAIMER AND TERMS OF REFERENCE

8. In preparing this Second Report, MNP has necessarily relied upon the Lucky Affidavits (defined below), the unaudited financial statements and other information supplied, and representations made, by certain management of the Company ("**Management**") and SRA (as defined in the Pre-filing Report). Although the Monitor has reviewed the information for reasonableness, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Second Report, or otherwise used to prepare this Report.
9. MNP also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and

Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement) (the "**Professional Standards**"). Certain of the information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

10. Capitalized terms not defined in this Report are used as defined in the affidavits of Douglas Lucky sworn October 20, 2019, November 13, 2019 and February 22, 2020 (the "**February 22nd Affidavit**", and collectively the "**Lucky Affidavits**") filed in support of the Applicant's application for relief under the CCAA and the current motion.
11. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR SINCE FILING DATE

12. Since the First Report, the Monitor has undertaken the following activities, *inter alia*:
 - a. updated the Monitor's Website as necessary;
 - b. responded to electronic messages sent to the Monitor's email at DELEquipment@mnp.ca and responded to other inquiries regarding the CCAA Proceedings;
 - c. attended several of the weekly meetings of DEL's senior management;
 - d. monitored DEL's actual cash flows in comparison to the Revised Cash Flow Forecast;

- e. corresponded and communicated with the Company and its advisors with respect to the SISP, including reviewing and providing comments in connection with the DPI APA;
- f. carried out a liquidation value analysis in contemplation of having to assess whether bids received are more beneficial to the creditors than a sale or disposition through a liquidation ;
- g. Requisitioned a desktop liquidation value appraisal of DEL’s equipment and certain of DEL’s inventory from Infinity Asset Solutions (the “**Infinity Appraisal**”, a copy of which is attached as **Confidential Appendix “1”**;
- h. through its legal counsel obtained opinions confirming the validity, subject to the usual assumptions and qualifications, of Diesel’s security as against DEL’s assets;
- i. prepared this Second Report of the Monitor; and
- j. otherwise monitoring and assisting the Company in the performance of its operations.

SALES AND INVESTMENT SOLICITATION PROCESS

13. The focus of the CCAA Proceedings has been for DEL, in consultation with its CRO and advisors, to carry out the SISP while, concurrently, providing a stabilized environment for DEL to maintain normal course operations. The purpose of the SISP was to identify and assess the strategic alternatives available to DEL to maximize the value of its business and assets (the “**DEL Assets**”) for its stakeholders.
14. DEL, with the assistance of its advisors and CRO, conducted the SISP in accordance with the provisions of the Initial Order. The SISP contemplated that parties which had signed a non-disclosure agreement (each a “**Prospective Bidder**”) would have to submit a non-binding Expression of Interest (“**EOI**”) by December 6, 2019 (the “**EOI Deadline**”). Prospective Bidders that had submitted an EOI could be selected to participate in a second phase of the SISP (the “**Phase 2 Parties**”) to conduct detailed due diligence. Binding offers were due by the Phase 2 Parties on January 31, 2020 (the “**Offer Deadline**”).

15. An overview of the implementation of the SISP is as follows:

- a. following the issuance of the Initial Order and approval of the SISP, DEL, under the direction of the CRO and with the assistance of its financial advisor, Grant Thornton LLP (the “**Financial Advisor**”) and the Monitor, began to solicit indications of interest from prospective parties;
- b. the Financial Advisor prepared an interest solicitation letter (i.e. a teaser) for DEL that was sent by the Financial Advisor and the CRO to one-hundred and twenty-five (125) potentially interested strategic and financial parties;
- c. the sale opportunity was advertised in the Globe & Mail (National Edition) on November 5, 2019 and in the Insolvency Insider e-mail publication on November 11, 2019, November 18, 2019, November 25, 2019 and December 2, 2019;
- d. twenty-six (26) parties signed non-disclosure agreements and were provided with a confidential information memorandum and given access to an online data room containing non-public information with respect to DEL and its business;
- e. over the course of the SISP, the Company and the CRO facilitated diligence requests from a number of the interested parties, including working with management to update the data room with current financial and other information, as required;
- f. DEL received four (4) EOIs by the EOI Deadline. None of the EOIs received contemplated a complete going concern transaction with respect to DEL’s entire business. The EOIs received contemplated either the acquisition of certain assets of DEL and consolidation of the assets into the parties’ existing business, or the acquisition of certain of DEL’s branches or specified assets;
- g. all of the Prospective Bidders that had submitted an EOI by the EOI Deadline were invited to participate in the second phase of the SISP as one of the Phase 2 Parties;
- h. DEL and the CRO facilitated additional due diligence requests for the Phase 2 Parties, including providing further site visits, additional information regarding

DEL, and participated in detailed discussions with certain of the Phase 2 Parties; and

- i. DEL received three (3) offers from Phase 2 Parties by the Offer Deadline, all of which were similar to the EOIs received from the same parties in that none offered a going concern transaction for DEL's entire business.
16. DEL, its advisors and the Monitor reviewed the offers submitted by the Phase 2 Parties by the Offer Deadline. In reviewing the offers received, DEL, with agreement of the Monitor, determined that the offer from DPI was the superior offer in that it would provide for the greatest value to DEL's stakeholders and could preserve employment for certain of DEL employees (the "**DPI Offer**"). DEL and its advisors held an in-person meeting with DPI to discuss its offer and proposed improvements. On February 10, 2020, DEL and DPI entered into an exclusivity agreement (the "**Exclusivity Agreement**") to continue negotiating the terms and conditions of a definitive transaction as between DEL and DPI for the DPI Assets.
 17. The Exclusivity Agreement, including extensions made to the Exclusivity Agreement, permitted DEL to continue to market the Residual Assets.
 18. DEL, in consultation with its advisors determined that it should proceed with the Transaction and finalize the DPI APA.

The Transaction

19. The key provisions of the DPI APA, a unredacted copy of which is attached hereto as **Confidential Appendix 2** (a redacted version is attached to the Motion Record as **Tab 2d**), are as follows:
 - a. The Purchased Assets include:
 - i. all equipment and personal property owned by DEL and located at DEL's Newmarket, Ontario premises (the "**Purchased Equipment**"), subject to the exclusions noted below;

- ii. DEL's benefit in (i) the Ford Converter Agreement; and (ii) certain contracts and customer purchase orders ("**Assumed Contracts**");
 - iii. certain of DEL's inventories of products and merchandise, including raw materials, supplies, packaging, parts, components and assemblies ("**Purchased Inventory and Supplies**");
 - iv. DEL's rights, interests and benefits (through ownership, licensing or otherwise) in the Intellectual Property used in the business or to which DEL has rights;
 - v. the goodwill of DEL's business;
 - vi. all warranty rights against manufacturers, contractors or suppliers relating to the DPI Assets, to the extent the foregoing are transferable to DPI; and
 - vii. all of the books and records of DEL associated to the DPI Assets.
- b. The Transaction does not include, *inter alia*, the following:
- i. all cash, bank balances, tax refunds and receivables relating to periods ending on or before the Closing Date;
 - ii. all of DEL's accounts receivables, including: (i) intercompany receivables; and (ii) any receivable owing under or in connection with Gin-Cor Agreements and Claims; and
 - iii. equipment and most of the inventory and supplies located at DEL's five (5) other branches;
- c. The DPI Assets are being acquired on an "as is, where is" basis;
- d. The Purchase Price is comprised of: (i) a Base Purchase Price; (ii) Purchased Equipment Purchase Price; (iii) Purchased Inventory and Supplies Purchase Price; and (iv) a payment in respect of prepayments and deposited funded by DEL under assumed supplier purchase orders;

- e. DPI has paid a deposit representing approximately 8.5% of the purchase price
- f. the Purchased Inventory and Supplies Purchase Price is determined as of December 31, 2019 based on the Purchased Inventory and Supplies specifically listed in the DPI APA. There is a mechanism to adjust this part of the purchase price to account for changes in the value based on a physical count of the Purchased Inventory and Supplies that is to occur following the close of business that is no later than two days prior to the Closing Date;
- g. The balance of the purchase price, after deducting the deposit, is payable in cash on closing;
- h. In addition to the Purchase Price, DPI is to assume certain liabilities and obligations in respect of, among other things, the DPI Assets arising on or after the Closing Date;
- i. DPI and DEL have concurrently agreed to a one-year transition services agreement whereby DPI agrees, at the written request of DEL, to provide services in respect of collecting DEL's accounts receivable and completing on behalf of DEL work in process under a purchase order or agreement that is an excluded customer purchase order from the Transaction;
- j. The Transaction is conditional on, among other things, the issuance of an order of this Court approving the Transaction and vesting the DPI Assets in and to the purchaser; and
- k. At least fourteen (14) days prior to the Closing Date, DPI shall make a written offer of employment effective as of the Closing Date and contingent upon Closing, to certain of DEL's employees listed in the DPI APA

Recommendation

- 20. The Monitor has considered the factors set out in Section 36(3) of the CCAA with respect to the granting of a Court order authorizing the DPI APA and completing the sale of the

DPI Assets to DPI. The Monitor respectfully recommends that the Court make the order sought by the Company for the following reasons:

- a. the SISP was carried out in accordance with the terms of the Initial Order and provided all prospective bidders with the opportunity to submit offers for DEL's assets;
- b. the Transaction, coupled with the sale of the Residual Assets, will maximize the value of the DEL Assets;
- c. by finding a strategic purchaser in DPI, DEL has realized going concern value for its Newmarket branch, which branch represents a significant part of DEL's overall business;
- d. the Purchased Inventory and Supplies Purchase Price exceeds the estimated forced liquidation value estimated per the Infinity Appraisal and the Purchased Equipment Purchase Price is greater than the value DEL would likely realize on the Purchased Equipment after deducting liquidation fees and expenses;
- e. selling the Newmarket branch as a going concern is favourable as:
 - i. employment for certain of DEL's employees will be preserved;
 - ii. supplier relationships may be preserved; and
 - iii. customers will have a continued source of supply;
- f. the transition agreement provides a mechanism for completion of any of DEL's work in process in respect of any purchase order or agreement that is excluded from the Transaction and to have DPI service the warranty claims in respect of its workmanship for a period of a year from the date of delivery to the end customer. This may enhance recovery from the Residual Assets, particularly the accounts receivable, as it reduces the likelihood of set-offs or damages being claimed on account of DEL's inability to complete pending orders;

- g. Diesel, as DIP Lender and principal secured creditor, is supportive of the Transaction; and
- h. the Monitor does not believe that further time spent marketing the DPI Assets will result in a superior transaction.

Sealing Order

21. The Second Report includes the Infinity Appraisal and the unredacted version of the DPI APA, both of which contain commercially sensitive information inasmuch as: (i) the closing of the Transaction is pending; and (ii) the information in the Infinity Appraisal may adversely impact on the realizations of the Residual Assets. The unredacted DPI APA also includes employee and customer information. Given the foregoing, the Monitor recommends that the Court order the sealing of the unredacted DPI APA (Confidential Appendix “2”) and the Infinity Appraisal (Confidential Appendix “1”).

RESIDUAL ASSETS

22. The Transaction is only for the DPI Assets, and DEL would retain its interest in the Residual Assets such that it can then seek to realize on same in order to maximize value for DEL’s stakeholders. DEL is continuing to consider its options with respect to the Residual Assets.
23. DEL is seeking authority to continue to explore opportunities for the sale of the Residual Assets, and with prior approval of the Monitor, to enter into and complete any transaction for the Residual Assets for proceeds equal to or less than \$250,000 provided that DEL shall seek the Court’s approval for any Residual Asset Transaction in excess of such amount.
24. To date, DEL has kept the Monitor informed of its activities under the SISF and have consulted the Monitor in respect of the negotiations relating to the Transaction. Accordingly, the Monitor recommends the Court authorize DEL to continue to explore opportunities for the sale of the Residual Assets in the manner requested.

KEY EMPLOYEE RETENTION PLAN

25. As per the February 22nd Affidavit, subsequent to the issuance of the First Extension Order, DEL began to experience an erosion of confidence of certain of its employees. To prevent the loss of certain specialized and skilled employees, which were considered by DEL and the CRO to be critical to the ongoing operations, and encourage the continued participation of senior and operational management and other key employees during the CCAA Proceedings, DEL established a key employee retention program (the “**KERP**”). The KERP, which was established on or around January 19, 2020, was designed to encourage certain selected employees (the “**Eligible Employees**”) to continue their employment with DEL through the completion of a transaction arising from the SISP.
26. Pursuant to the terms of the KERP, the Eligible Employees are entitled to receive a specified amount in two installments, with the first instalment being paid following acceptance of the KERP by the Eligible Employee (the “**First KERP Payment**”) and the second installment payable if the Eligible Employee remains employed by DEL until the closing of a transaction resulting from the SISP (the “**Second KERP Payment**”). An Eligible Employee forfeits their entitlement to the Second KERP Payment and is required to repay the First KERP Payment if the Eligible Employee resigns or is terminated with cause prior to the closing of a transaction pursuant to the SISP. The Eligible Employee is entitled to a *pro rata* amount of the Second KERP Payment if their employment is terminated without cause prior to the closing of a transaction pursuant to the SISP.
27. As detailed in the February 22nd Affidavit, given a high rate of unplanned employee departures during the ongoing SISP and restructuring efforts, the ability for DEL’s skilled workers to seek alternative employment or opportunities with competitors, and the importance of DEL’s skilled and experienced workers to DEL’s operations, DEL, in consultation with its advisors and the Monitor, determined that it was in the best interest of DEL’s stakeholders to immediately implement the KERP and issue the First KERP Payments. The First KERP Payments totalled approximately \$45M.
28. The Second KERP Payments for the Eligible Employees, which would total a maximum of approximately \$170M (for an aggregate KERP amount totalling \$215M inclusive of the First KERP Payments), is subject to DEL obtaining the Court’s approval of the KERP.

29. DEL, having already entered into agreements with the Eligible Employees with respect of the KERP and having already made the First KERP Payments, is therefore seeking the *nunc pro tunc* approval of the KERP.
30. A copy of the KERP is appended as **Confidential Appendix “3”**. As the KERP contains commercially sensitive and personal information, the proposed Order sought by DEL includes a provision that Confidential Appendices be sealed and not form part of the court record pending further Order of the Court. The Monitor believes that it is appropriate to seal this exhibit as this type of information is typically sealed in order to avoid disruption to the debtor company and to protect the beneficiaries of the KERP. The Monitor does not believe that any stakeholder will be prejudiced if the KERP information is sealed.
31. The Monitor supported the creation and implementation of the KERP as:
- a. it has provided and will continue to provide stability to DEL’s business and facilitate the successful completion of a sale transaction under the SISP and/or preserve the value of realizable assets by encouraging key employees to remain with the Company;
 - b. Eligible Employees are considered to be key to a sale transaction and their participation will assist in maximizing realizations for the benefit of DEL’s stakeholders;
 - c. the KERP is supported by Diesel; and
 - d. the terms of the KERP and the quantum of the payouts are reasonable both in the circumstances and when compared to other key employee retention and incentive plans approved by this Court in the past.

CASH FLOW VARIANCE ANALYSIS

32. The Monitor has undertaken a weekly review of DEL’s actual cash flows in comparison to those contained in the Revised Cash Flow Forecast. A summary of DEL’s actual cash receipts and disbursements as compared to the Revised Cash Flow Forecast for the fourteen weeks ended February 9, 2020 (the “**Monitored Period**”) is summarized below:

DEL Equipment Inc.			
Actual Receipts and Disbursements			
For the fourteen week period ending February 09, 2020			
(Unaudited, in \$'000s CAD)			
	Cumulative Fourteen-Week Period Ended February 9, 2019		
	Actual	Forecast	Variance (\$)
Receipts	10,596	10,571	25
Disbursements			
Merchandise Vendors	5,425	8,245	2,820
Non-Merchandise Vendors	1,527	1,956	429
Payroll	1,908	1,730	(179)
Tax	767	223	(544)
Total Disbursements	9,627	12,153	2,526
Operating Net Cash Flow	969	(1,583)	2,552
Administrative Fees	444	615	171
Regina Assets Sale	(130)	(130)	-
Snow Equipment Sale	(38)	(38)	-
Net Cash Flow	693	(2,029)	2,722
Beginning Cash	4,223	4,223	-
Net Cash Flow	693	(2,029)	2,722
Interim Financing/(repayment)	-	-	-
Ending Cash	4,916	2,194	2,722

33. Overall, DEL realized a favorable net cash flow variance of approximately \$2.722 MM during the Monitored Period. The key components of the variance are as follows:

- a. Receipts: Actual receipts were in line with the Revised Cash Flow Forecast and a minor favourable variance of only \$25M has been reported.
- b. Merchandise Vendors: The \$2.820MM favorable variance in merchandise vendor purchases is largely attributable to DEL being able to fulfill a greater than anticipated portion of customer orders from existing inventory. DEL also anticipated it was going to have to make Pre-CCAA Payments to certain vendors in order to secure delivery of post-CCAA goods and services. During the

Monitored Period, DEL had a favourable variance of approximately \$576M in its Pre-CCAA Payments.

- c. Non-Merchandise Vendors: The reduction is primarily on account of non-payment/ short payment of rent at the branches outside of Ontario, each owned by Diesel, and lower than anticipated indirect costs. A significant portion of the \$429M variance is timing in nature as DEL intends on paying post-CCAA rent to Diesel.
- d. Payroll: Payroll cost is approximately 10% greater than projected, with the variance partially being attributable to the First KERP Payment, which was originally not contemplated in the Revised Cash Flow Forecast;
- e. Sales Tax: The approximately \$544M unfavourable variance in tax payments is attributable to the favourable variance in merchandise and non-merchandise vendor payments. DEL has lower than anticipated input tax credits to apply against HST collected, and consequently, has had larger than projected tax remittances; and
- f. Administrative Fees: \$171M favourable variance is largely permanent in nature, attributable to lower than projected payments to the Monitor's legal counsel, payment of the Financial Advisor's invoices by related parties to DEL and a contingency created for payment to other professionals has not been utilized.

EXTENDED CASH FLOW FORECAST

34. As described above, DEL is requesting that the stay of proceedings be extended to allow it to complete the Transaction and market the Residual Assets. DEL, with the assistance of the Financial Advisor, has extended the cash flow projection through to May 31, 2020 (the “**Extended Cash Flow Forecast Period**”). A copy of the Extended Cash Flow Forecast including the notes and assumptions is attached hereto as **Appendix “D”**.

35. A summary of the Extended Cash Flow Forecast is provided in the following table:

DEL Equipment Inc.
Projected Statement of Extended Cash Flow Forecast
For the period ending May 31, 2020
(Unaudited, in \$'000s CAD)

Week Beginning	Total 16 Weeks
Receipts	8,991
Disbursements	
Merchandise Vendors	3,795
Non-Merchandise Vendors	1,460
Payroll	1,244
Tax	411
Total Disbursements	6,910
Operating Net Cash Flow	2,081
Administrative Fees	594
Net Cash Flow	1,487
Opening cash balance	4,917
Net Cash Flow	1,487
Interim Financing/(repayment)	-
Closing cash balance	6,404

36. During the Extended Cash Flow Forecast Period, the Company projects a net cash flow surplus of \$1.487MM and have a remaining cash balance of \$6.404MM at the end of the Extended Cash Flow Forecast Period.

37. The Monitor notes the following with respect to the Extended Cash Flow Forecast:

- a. Receipts: DEL continues to assume its average collection period to be 60 days, which is consistent with its past experience. However, DEL is projecting reduced sales activity as compared with the Revised Cash Flow Forecast. The reduced sales forecast is based on DEL's expectation that it will only fulfill existing orders and

not take new orders during the period of the Extended Cash Flow as they plan to focus efforts on realizing on the Residual Assets.

Although the Transaction is likely to close during the Extended Cash Flow Period, the proceeds from sale of the DPI Assets are not included in Extended Cash Flow Forecast as to avoid publicly disclosing the purchase price.

DEL assumes that any sale of the Residual Assets will be consummated after the Extended Cash Flow Forecast Period.

- b. Merchandise Vendors (Direct Materials): The anticipated reduction in expected sales will result in a corresponding reduction in expected material purchases as material orders will be restricted to materials needed for the fulfilment of the existing orders. The Extended Cash Flow Forecast Period reflects a reduction in payments to Merchandise Vendors from weekly average of \$515M in February to \$458M in March to \$84M in April and eventually Nil in May 2020.
- c. Non-Merchandise Vendors: Rent to Gin-Cor in respect of the Newmarket premises is presently projected to be paid until April 30, 2020, to coincide with the outside date for closing of the Transaction. A reduction is proposed in other indirect costs as well in line with the reduction in operations.
- d. Payroll: As DEL is focusing on fulfilling existing orders and selling inventory on hand, there will be a reduced labour requirement and cost.
- e. Second KERP Payments: As detailed in KERP section in paragraphs 25 to 31, the Second KERP Payments for the Eligible Employees, which would total approximately \$170,000, are assumed to be paid in the week of March 30, 2020. The Second KERP Payments are included under Payroll disbursements;
- f. DEL has not required the utilization of the DIP Financing and is projected to have enough cash and operational cash flow during the Extended Cash Flow Period such that no use of the DIP Financing is expected;

38. Management's Representation Letter and the Monitor's report to the Court regarding the adequacy of the Extended Cash Flow Forecast, are attached hereto as **Appendix "E" and "F"**.
39. The Monitor has reviewed the Extended Cash Flow Forecast to the standard required of a Court-Appointed Monitor by subsection 23(1)(b) of the CCAA and in accordance with the Professional Standards. Based on the Professional Standards, the Monitor's review of the Extended Cash Flow Forecast consisted of enquiries, analytical procedures and discussions related to information supplied to us by Management. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the forecast.
40. Based on the Monitor's review, nothing has come to its' attention that causes it to believe that, in all material respects:
- a. The hypothetical assumptions are not consistent with the purpose of the forecast;
 - b. As at the date of the Second Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the forecast, given the hypothetical assumptions; and
 - c. The Extended Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
41. Since the Extended Cash Flow Forecast is based on assumptions about future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the results shown in the Extended Cash Flow Forecast will be achieved. The Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Second Report or relied upon by it in preparing this Second Report.

42. The Extended Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Extended Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

OTHER MATTERS

43. As noted in the Monitor's pre-filing report to these CCAA Proceedings, DEL has been involved in a dispute regarding a payment made in August of 2019 to Gin-Cor Industries Inc. ("**Gin-Cor**") by Mack Defense LLC (the "**Disputed Payment**") on account of a series of DEL invoices issued on or around June 6, 2019. The Disputed Payment has given rise to a legal action by DEL as against Gin-Cor. (the "**Gin-Cor Litigation**")

44. DEL's legal counsel and legal counsel to Gin-Cor have established a litigation protocol with respect of the Gin-Cor Litigation (the "**Litigation Protocol**") outlining the timeline and procedure to resolve the Disputed Payment. The Litigation Protocol contemplates that this Court will determine certain issues relating to the Payment Dispute at a hearing to be held the week of May 4, 2020.

45. While the Monitor has not been involved with the Gin-Cor Litigation or the discussions regarding the creation of the Litigation Protocol, DEL has made the Monitor aware of the Litigation Protocol. The Monitor does not object to the Litigation Protocol.

EXTENSION OF THE STAY OF PROCEEDINGS

46. The current stay period expires on February 28, 2020, which is the date by which it was anticipated that the Court would have approved a Successful Bid.

47. The Monitor supports the Company's request for an extension of the Stay of Proceedings from February 28, 2020 to May 29, 2020 for the following reasons:

- a. the Monitor is of the view that the Company has acted and is continuing to act in good faith and with due diligence;
- b. the extension will provide the opportunity to complete the Transaction, if approved, and to market the Residual Assets;

- c. the Extended Cash Flow Forecast reflects that the Company is projected to have sufficient funding to continue to operate in the normal course through the proposed stay extension period;
- d. Diesel, the principal economic stakeholder in these proceedings, supports the stay extension;
- e. the other secured creditors will be served with the Company's motion record and will have the opportunity to advise of any objections that they may have; and
- f. no creditor will be materially prejudiced if the extension is granted.

MONITOR'S RECOMMENDATIONS

48. Accordingly, the Monitor respectfully recommends that this Honourable Court make an order granting the relief details in paragraph 6(f) of this Report.

All of which is respectfully submitted this 24th day of February 2020.

**MNP Ltd., in its capacity as
Court-Appointed Monitor of
DEL Equipment Inc.**



**Sheldon Title, CPA, CA, CIRP, LIT
Senior Vice-President**

Exhibit "C"

DEL Equipment Inc.
 Projected Statement of Second Extended Cash Flow Forecast
 For the period ending Oct 4, 2020
 (Unaudited, in \$'000s CAD)

Week Beginning	Notes	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36	Week 37	Week 38	Week 39	Week 40	Week 41	Week 42	Week 43	Week 44	Week 45	Week 46	Week 47	Week 48	Week 49	Week 50
		6-Apr-20	13-Apr-20	20-Apr-20	27-Apr-20	4-May-20	11-May-20	18-May-20	25-May-20	1-Jun-20	8-Jun-20	15-Jun-20	22-Jun-20	29-Jun-20	6-Jul-20	13-Jul-20	20-Jul-20	27-Jul-20	3-Aug-20	10-Aug-20	17-Aug-20	24-Aug-20	31-Aug-20	7-Sep-20	14-Sep-20	21-Sep-20	28-Sep-20
Receipts	1																										
Liquidation of Remaining Inventory	2.3	247	247	247	247	247	247	247	247	198	198	198	198	198	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidation of Remaining Capital Assets	4	-	-	-	-	-	-	-	-	-	-	-	-	883	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	4	247	247	247	247	247	247	247	247	198	198	198	198	1,324	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements																											
Merchandise Vendors	5	66	66	66	66	21	21	21	21	9	9	9	9	9	1	1	1	1	-	-	-	-	-	-	-	-	-
Non-Merchandise Vendors	6	41	41	451	41	36	36	36	36	23	23	23	23	23	23	23	23	23	-	-	-	-	-	-	-	-	-
Payroll	7	76	76	76	76	20	20	20	20	15	15	15	15	15	3	3	3	3	-	-	-	-	-	-	-	-	-
Tax	8	0	0	0	23	0	0	0	0	75	0	0	0	200	0	0	0	(19)	-	-	-	-	(8)	-	-	-	(3)
Total Disbursements		183	183	592	206	77	77	77	77	121	46	46	46	246	28	28	28	8	-	-	-	-	(8)	-	-	-	(3)
Operating Net Cash Flow		64	64	(345)	41	170	170	170	170	76	152	152	152	1,078	(28)	(28)	(28)	(8)	-	-	-	-	8	-	-	-	3
Administrative Fees	9	-	-	-	175	-	-	-	106	-	-	-	221	-	-	-	71	-	-	-	-	66	-	-	-	-	26
Net Cash Flow		64	64	(345)	(134)	170	170	170	64	76	152	152	152	857	(28)	(28)	(28)	(79)	-	-	-	-	(58)	-	-	-	(23)
Opening cash balance		12,191	12,256	12,320	11,975	11,841	12,011	12,181	12,351	12,415	12,491	12,643	12,795	12,946	13,804	13,776	13,748	13,721	13,642	13,642	13,642	13,642	13,642	13,584	13,584	13,584	13,584
Net Cash Flow		64	64	(345)	(134)	170	170	170	64	76	152	152	152	857	(28)	(28)	(28)	(79)	-	-	-	-	(58)	-	-	-	(23)
Interim Financing/(repayment)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash balance		12,256	12,320	11,975	11,841	12,011	12,181	12,351	12,415	12,491	12,643	12,795	12,946	13,804	13,776	13,748	13,721	13,642	13,642	13,642	13,642	13,642	13,584	13,584	13,584	13,584	13,561

To be read in conjunction with the Notes to Projected Statement of Cash Flow

DEL Equipment Inc.
Projected Statement of Second Extended Cash Flow Forecast
For the period ending Oct 4, 2020
(Unaudited, in \$'000s CAD)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash forecast of DEL Equipment Inc. for the period April 6, 2020 to Oct 4, 2020 (the "Monitored Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act*. In preparing this cash flow forecast (the "Second Extended Cash Flow Forecast"), DEL has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, actual results achieved during the Second Extended Cash Flow Forecast Period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized. The Second Extended Cash Flow Forecast is presented in thousands of Canadian dollars. Receipts and disbursements denominated in U.S. currency have been converted into Canadian dollars at an exchange rate of approximately 1.40 CAD/USD and for Euro to Canadian dollars approximately 1.53 CAD/EUR.

Hypothetical Assumptions

2. Receipts are forecast based on the Company's current sales forecast, inclusive of sales tax.

Most Probable Assumptions

3. While DEL is endeavouring to maximize realizations, in an effort to be conservative and having regard to the potential impact of the COVID-19 pandemic, DEL assumes that it will collect 70% of its remaining accounts receivable within 90 days.

4. The estimated receipts from the liquidation of remaining inventory and capital assets of the Company are based on, amongst other factors, the appraisal provided by an independent third-party appraiser, adjusted due to the impact of the COVID-19 pandemic.

5. Merchandise vendors include disbursements to both domestic and foreign third-party merchandise suppliers. Disbursements are based on the Company's current inventory receipts and cost of sales schedule with certain vendors forecast to be paid on modified payment terms.

6. Non-Merchandise vendors include disbursement to landlords, logistics, procurement, IT and ecommerce, marketing and facilities management. Most suppliers are forecast to be paid on modified trade terms.

7. Disbursements include salaries, wages, remittances, and employee benefits for salaried and hourly employees, including any outstanding wages and vacation pay.

8. Disbursements include sales tax remittances and income tax instalments.

9. Disbursements include forecast payments to DEL's legal counsel and financial advisors, the Monitor and its legal counsel and legal counsel to the DIP lender.

10. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on DEL's business and the economy in general has yet to be determined. In developing the Statement of Projected Cash Flow, Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by COVID-19 pandemic and various government regulatory actions may cause actual results to differ from the projected amounts and these variations may be material.

11. DEL has not considered benefits of government assistance related to Covid-19 pandemic in the cash flow projections. It is currently evaluating the DEL's eligibility to apply for such relief.

Exhibit “D”

**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.
(THE "APPLICANT")
MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

Del Equipment Inc. have developed the assumptions and prepared the attached Projected Statement of Cash Flow as of the 20th day of April 2020 for the period April 6, 2020 to Oct 4, 2020 ("Cash Flow"). All such assumptions are disclosed in the Notes to Projected Statement of Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 20th day of April 2020.



Doug Lucky

Chief Restructuring Officer

Exhibit "E"

**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.
(THE "APPLICANT")**

**MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

April 22, 2020

The attached Projected Statement of Cash Flow of DEL Equipment Inc. as at the 22nd day of April 2020, consisting of a weekly projected cash flow statement for the period April 6, 2020 to Oct 4, 2020 (“**Cash Flow**”) has been prepared by the management of the Applicant for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the Notes to the Projected Statement of Cash Flow.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied by the management, employees and the representatives of the Applicant. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management of the Applicant for the probable assumptions, and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow.
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on Assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We

express no opinion or other forms of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 22nd day of April 2020.

MNP LTD.

IN ITS CAPACITY AS MONITOR OF DEL EQUIPMENT INC.

Per:



Sheldon Title, CPA, CA, CIRP, LIT

Senior Vice-President

Exhibit "F"

ONTARIO
SUPERIOR COURT OF JUSTICE

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 SHELDON TITLE

(Sworn April 21st, 2020)

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. (“**MNP**”) the Court-appointed Monitor (the “**Monitor**”) of Del Equipment Inc (the “**Company**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On October 22, 2019, the Ontario Superior Court of Justice (Commercial List) made an initial order granting the Company relief pursuant to the *Companies Creditors' Arrangement Act* and appointing MNP as Monitor in the CCAA proceedings.
3. The Monitor has prepared Statements of Account in connection with its appointment as Monitor detailing its services rendered and disbursements incurred for the period September 23, 2019 to April 14, 2020. Attached hereto and marked as **Exhibit “A”** to this my Affidavit is a summary of the Statements of Account.
4. Attached hereto and marked as **Exhibit “B”** are copies of MNP’s Statements of Account. The average hourly rate in respect of these accounts is \$429.39.

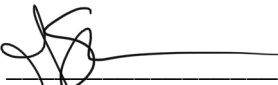
5. The particulars of the professionals who performed the work, the time spent and fees associated with such work are contained in the attached Statements of Account.

6. The Monitor's invoice, dated April 20, 2020, includes Norton Rose Fulbright Canada LLP's invoice #9090212722, in the amount of \$18,602.33, inclusive of HST and PST, representing the fees the Monitor incurred in retaining Norton Rose Fulbright Canada LLP ("NRC"). Although the Monitor's main restructuring counsel in these proceedings has been Goldman Sloan Nash and Haber LLP, NRC was retained for the sole purpose to render an opinion in respect of the validity and enforceability of the security granted by the Company in favour of Diesel Equipment Limited. NRC's review included the personal and moveable property registrations against the Company in British Columbia, Alberta and Ontario.

7. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Monitor in this proceeding and the fees and disbursements claimed by it.

8. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and an interim taxation of the Monitor's accounts and for no other or improper purpose.

SWORN before me via videoconference)
 this 21st day of April, 2020.)


 _____)
 A Commissioner, etc.)



SHELDON TITLE

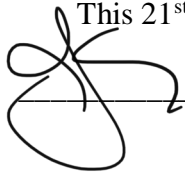
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me via videoconference

This 21st day of April 2020

A handwritten signature in black ink, consisting of a large loop and a horizontal stroke, positioned above a solid horizontal line.

Commissioner for taking Affidavits, etc.

**CCAA PROCEEDINGS - DEL EQUIPMENT INC
SUMMARY OF STATEMENTS OF ACCOUNT OF
MNP LTD IN ITS CAPACITY AS MONITOR
FOR THE PERIOD OF SEPT 23, 2020 TO APRIL 14, 2020**

MNP INVOICE	DATE	HOURS	FEES	DISBURSEMENTS	HST	TOTAL
9018615	28-Oct-19	85.9	\$ 38,628.50	\$ -	\$ 5,021.70	\$ 43,650.20
9053144	28-Nov-19	133.6	52,300.40	6,922.97	7,699.04	66,922.41
9081117	20-Dec-19	13.7	6,493.50	51.78	850.89	7,396.17
9121022	03-Feb-20	39.2	17,139.40	-	2,228.12	19,367.52
9165792	03-Mar-20	88.65	40,195.50	6,541.63	6,075.83	52,812.96
9229540	20-Apr-20	20.85	9,206.70	18,602.33	1,196.87	29,005.90
		381.85	\$ 163,964.00	\$ 32,118.71	\$ 23,072.45	\$ 219,155.16
Avg. Hourly Rate			\$ 429.39			

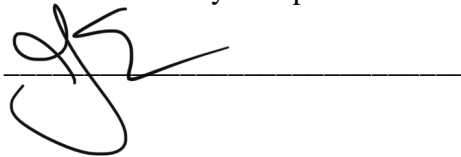
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me via videoconference

This 21st day of April 2020

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a small flourish.

Commissioner for taking Affidavits, etc.

Invoice



Invoice Number : 9018615

Client Number : 0785562

Invoice Date : Oct 28 2019

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
New Market ON
L3Y 7B4

For Professional Services Rendered :

To professional services provided for the period ending October 22, 2019, pursuant to the engagement letter, dated October 7, 2019. 38,628.50

Harmonized Sales Tax : 5,021.70

Total (CAD) : 43,650.20

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

MNP LTD.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF DEL EQUIPMENT INC.

FOR THE PROFESSIONAL SERVICES RENDERED AS MONITOR

FOR THE PERIOD ENDING OCTOBER 22, 2019

DATE	PROFESSIONAL	DESCRIPTION	HOURS
23-Sep-2019	Sheldon Title	Email exchange with Doug Lucky re: o/s cheques	.10
24-Sep-2019	Sheldon Title	Call with Lucky on \$900K payment to Gincor;	.30
25-Sep-2019	Sheldon Title	Email to Doug Lucky on communications strategy; 30 day reclamation	.10
27-Sep-2019	Jessie Hue	Initial setup electronic folder, scan preliminary information to the directory, open Ascend file and enter data for the NOI filing, prepare the resolution and email S. Title same. Inquiry and set up to client code, create contact referred source and email S. Title & M. Litwack.	1.40
27-Sep-2019	Sheldon Title	Review resolution and exchange of emails with Dan and Doug on composition of creditors listing; forward the draft resolution to Vukelich	.30
27-Sep-2019	Sheldon Title	Engagement letter/indemnity/email to Lucky re: indemnity and engagement letter and next steps	.40
30-Sep-2019	Sheldon Title	Conference call with Goodmans and Vukelich and Martins, Callander and Lucky and Wootton	1.50
01-Oct-2019	Sheldon Title	Email to Lucky a response to question posed on CCAA vs. BIA, particularly as it relates to bankruptcy costs	.10
01-Oct-2019	Sheldon Title	Calls to Dan Wootton, Chris Armstrong,	.80
02-Oct-2019	Michael Litwack	Draft of engagement letter for CCAA; Preparing of pre-filing report outline.	3.50
02-Oct-2019	Sheldon Title	Email to Akhil, Michael re: work to be done; review of draft engagement letter and modify and send it to Jenny Stam, call with Armstrong; left msg for Daniel Wootton, call with Lucky on next steps and work to be done	1.30
07-Oct-2019	Sheldon Title	Develop list of information to be sought; exchange of emails with lucky concerning engagement letter; tc Stam to update; forward request list to Lucky	.60
09-Oct-2019	Sheldon Title	Review of draft order and comments to Jennifer Stam; review of Stam's comments	.40
10-Oct-2019	Michael Litwack	Download and review of information sent by company; Call with S. Title; Continued draft of pre-filing report.	2.80
10-Oct-2019	Sheldon Title	Review of financial information; emails with Lucky/Stam	.50
10-Oct-2019	Sheldon Title	Continued review of information received; forward to Michael/	.80
11-Oct-2019	Brandon Logel	Buyers list -supplement target list of prospective purchasers	2.20
11-Oct-2019	Jessie Hue	IT request for email and URL code confirmation,	.40
11-Oct-2019	Michael Litwack	Review of financial statements and notes; Discussions and Emails with S. Smegal re preparing list of purchasers.	1.00
15-Oct-2019	Brandon Logel	Buyer list	1.75
15-Oct-2019	Jared McCormick	Buyer list	.50
15-Oct-2019	Sheldon Title	Email/call with Stam on scheduling hearing and call with Lucky on cash flow, sales process, other; email from Vukelich	.60
16-Oct-2019	Sheldon Title	Call with Stam and Armstrong re: order/reporting/status; forward list of potential buyers to Doug Lucky; emails to/from Lucky re: DEL Hydraulics sale and his response to questions and reminder for cash flow; emails re: drafting of CCAA resolution, both with Lucky and Stam	1.40
17-Oct-2019	Akhil Kapoor	Reading of background on the Company and other docs in order to prepare to work on Pre filing report and cash flow analysis	1.50
17-Oct-2019	Angela Liu	Prepare statutory docs for the filing	1.40
17-Oct-2019	Sheldon Title	Planning email to Akhil, Jessie, and Angela, provide comments to Doug Lucky on CIM and teaser, commence work on report; review of communications plan, call to Lucky, discussions internally; marked up comments on sales communication and send to Stam for comments; email to Lucky on status of cash flows, discussion with Stam re: other documents; review of affidavit	5.00
17-Oct-2019	Sheldon Title	Call with Lucky re: cash flow projections, buyers list, communications	.30
18-Oct-2019	Akhil Kapoor	Understanding and preparing queries on the projected cash flow projections for the purpose of discussion with the financial and CRO of the Company	1.25
18-Oct-2019	Akhil Kapoor	Call with Financial Advisor and CRO to understand the assumptions of the cash flow model	1.00
18-Oct-2019	Akhil Kapoor	Understanding the cash flow statements in detail to prepare for a detailed discussion on the cash flow model with the various advisors	4.00
18-Oct-2019	Akhil Kapoor	Call with financial advisor to discuss queries around receivables and direct material costs factored in the model	.50
18-Oct-2019	Angela Liu	Updated reports/notices with URL and other information; email S. Title to advise	.50
18-Oct-2019	Brandon Logel	Add private equity firms to buyer list	3.25
18-Oct-2019	Jessie Hue	Various correspondence with IT to confirm the email account setup, email and t/c with Marketing to confirm URL naming and email team confirmation.	1.20
18-Oct-2019	Michael Litwack	Call with S. Title; Revisions to pre-filing report.	2.20
18-Oct-2019	Sheldon Title	Report writing and conference call with Lucky, Jason (GT) and Akhil on cash flow	3.50
18-Oct-2019	Sheldon Title	Conference call with Armstrong, Harmes, Stam on sale process (real estate inclusion), and DIP; email exchange with Akhil,	.70

MNP LTD.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF DEL EQUIPMENT INC.
FOR THE PROFESSIONAL SERVICES RENDERED AS MONITOR
FOR THE PERIOD ENDING OCTOBER 22, 2019**

DATE	PROFESSIONAL	DESCRIPTION	HOURS
18-Oct-2019	Sheldon Title	Review of changes to sales process, call with Jenny on it and changes to DIP loan; review of preservation order and discussion with Stam on same review of email from Akhil on cash flow and revise comments	1.30
19-Oct-2019	Akhil Kapoor	Detailed discussion with CRO and the advisors through email about our concerns around the assumptions for the cash flow model relating to receivables, payables incl. historical payment/receivable period, cash and debt balance, sales forecast, payroll cost and related source deductions, professional fees proposed to be paid, other operating costs assumed in the model.	2.50
19-Oct-2019	Akhil Kapoor	Preparation of report sections - historical performance and cash flow forecast along with broad assumptions	2.00
19-Oct-2019	Sheldon Title	Continued work on reviewing documents and preparing report; emails with Akhil, Doug Lucky, David Callander on cash flow related issues; emails with Stam on sale process terms, DIP loan, other, email to Lucky and Armstrong re: CRO engagement letter; research and review of DIP loan terms	6.00
20-Oct-2019	Akhil Kapoor	Preparation of Exhibits to the report- Corporate structure, cash flow forecast and assumptions, trustee report on cash flow projections, management rep letter. Coordinating with financial advisors to finalize the projections and related assumptions	4.00
20-Oct-2019	Jerry Henechowicz	Review and proposed updates to proposed monitors pre-filing report	1.30
20-Oct-2019	Matthew Lem	Review of applicant's affidavit; second partner review on the proposed monitor's draft pre-filing report to the Court.	2.50
20-Oct-2019	Sheldon Title	Review of amended affidavit, sale process, order, emails with Stam, Lem/Henechowicz, Akhil, conference call with Martin and Lucky, emails from Lucky, revisions to report; forward to Stam/Matt for review	3.00
20-Oct-2019	Sheldon Title	Review of notice of motion, Doug's comments on preservation order, emails with Doug, David, Jenny and Akhil on cash flow, corporate info, report, other; review and response to numerous emails from Armstrong, Harmes, Stam, Kapoor, Callender, further revisions to report,	2.80
21-Oct-2019	Akhil Kapoor	Review of payroll data received, emailing query regarding payment of source deductions and having a call with GT to understand grouping of source deductions	.50
21-Oct-2019	Akhil Kapoor	Preparation of all Exhibits to the Report	1.50
21-Oct-2019	Akhil Kapoor	Finalization of the report and exhibits with Jessie and coordinating with Doug to arrange executed copy of Management representation letter	1.00
21-Oct-2019	Akhil Kapoor	Arranging signing of final set of docs and emailing executed version of Report and Exhibits to Sheldon and Angela	.25
21-Oct-2019	Angela Liu	Update information in Form 1 and 2; email to S. Title to advise; compile report with exhibits; prepare bound copies for S. Title; list monitor's reporting requirements and email to J. Hue	2.20
21-Oct-2019	Jessie Hue	Various revisions to the report, prepare the appendices, formatting and updating table, further discussion with Akhil regarding appendices.	2.00
21-Oct-2019	Sheldon Title	Review and consideration of Chris Armstrong's comments, David Callander's comments, mtg with Akhil on finalization of cash flow reporting, etc., call with Stam on developments that arose over the weekend and in terms of finalization of report; finalization of report;	3.00
22-Oct-2019	Akhil Kapoor	Understanding Motion record, Court orders, affidavits and other related documents for future reference	1.00

BILLING SUMMARY

PROFESSIONAL	TITLE	HOURLY RATE (\$)	HOURS	AMOUNT (\$)
Akhil Kapoor	Manager	366.00	21.00	7,686.00
Angela Liu	Estate Administrator	217.00	4.10	889.70
Brandon Logel	Analyst	169.00	7.20	1,216.80
Jared McCormick	Manager	312.00	0.50	156.00
Jerry Henechowicz	Trustee	630.00	1.30	819.00
Jessie Hue	Estate Administrator	217.00	5.00	1,085.00
Matthew Lem	Trustee	550.00	2.50	1,375.00
Michael Litwack	Manager	366.00	9.50	3,477.00
Sheldon Title	Trustee	630.00	34.80	21,924.00
Total			85.90	38,628.50

Invoice



Invoice Number : 9053144

Client Number : 0785562

Invoice Date : Nov 28 2019

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
Newmarket, ON L3Y 7B4

For Professional Services Rendered :

To professional services rendered in our capacity as Monitor of Del Equipment Inc. in connection with its CCAA Proceedings for the period ending November 26, 2019	52,300.40
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DISBURSEMENTS:

The Globe and Mail Inv. #930007 - Notice of Filing of CCAA	4,018.56
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The Globe And Mail Inv. #930142 - Sale Process	2,299.50
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Branch Office Services #6468 - Colour Copies/Printing, Postage for USA, Italy, Canada	604.91
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Sub Total :	59,223.37
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Harmonized Sales Tax :	7,699.04
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Total (CAD) :	66,922.41
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HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Oct-2019	Sheldon Title	5.00	Meet with Doug Lucky, conference call with branches; dealing with various issues throughout the day; meet with Isabel; meet with Alex and Oscar re: various payable related issues; follow up emails with Armstrong, Stam and internal emails re: Gincor issues and opening of bank account; review of Globe advertisement, form 1 and 2, obtain additional information from company re: statutory filings; follow up on website; discussion re: monitoring activities
23-Oct-2019	Jessie Hue	3.70	Follow up with TD and RBC on the status of the opening of accounts with email and t/cs. Revisions to the website postings and dealing with the administration of the URL, Further inquiry with IT regarding status. Email follow up on the website and update as per S. Title revisions. Meeting with Akhil, Sheldon, Angela on tasks. Further inquiry with TD regarding status of the trust account and follow up with RBC bank account status and t/c with RBC to confirm account status. Review of and provide RBC wire instructions to K. Parent and J. Stam re Gincor transfer. Prepare ascend file and applicable exchange rate for US and EUR for creditor listing. Further IT inquiry on Google search and email same to S. Title.
23-Oct-2019	Angela Liu	3.90	Conference call with S. Title re pending issues; revise newspaper ad and email to The Globe and Mail; email correspondence with the Globe and Mail and S. Title re revisions and costs; contact the OSB re filing issues; conduct insolvency search and advise team; further revise Form 1 and 2 with information provided by S. Title; fax documents to the OSB; save fax confirmations and email to S. Title to advise; email to D. Callander re draft financial statements; look for sample notices to creditors for A. Kapoor
23-Oct-2019	Akhil Kapoor	.60	Call with Sheldon, Jessie and Angela to discuss status of work in DEL and to allocate tasks
23-Oct-2019	Akhil Kapoor	1.00	Preparing letter proposed to be send to Utility Companies after going through multiple CCAA cases on Insolvency Insider. Also, discussed progress of work with team
24-Oct-2019	Sheldon Title	.20	Call with Lucky on Newmarket lease, sale process tracker, monitoring

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
24-Oct-2019	Sheldon Title	1.60	Daily National conference call; call from David Callander on the issues relating to sale of Regina property/payment of Miller Thomson's fees relating to same; emails with Stam on the Regina issue; call with Isabel re: bank position; email to Lucky after National call (re: status of supplier relationship/bank's advice that it cannot reverse payments; internal mtg to review status (Kapoor, Angela/Jessie)
24-Oct-2019	Sheldon Title	.40	draft language re: FAQ for returned cheques
24-Oct-2019	Jessie Hue	1.30	Meeting with Sheldon, Akhil and Angela. Further discussion with Angela and provide the binded documentation for filing requirements with the OSB by courier. Email A. Liu as to status of the TD account.
24-Oct-2019	Jessie Hue	.20	Follow up on the status of the incoming wire at RBC.
24-Oct-2019	Angela Liu	5.60	Team meeting re pending issues; analyze financial report and complete Form 2; follow up with I. Marques re creditor listing; compile documents to be submitted to the OSB and prepare cover letter for the same; courier the documents to the OSB and follow up with reception re delivery; email/mail notice of CCAA filing to the parties on the service list; prepare file folder and file documents; update list of reporting requirements and email to the team; diarize dates of court report preparation and court hearing in calendar; email with S. Title re acknowledge form and reporting issue; prepare notice to creditors and email to S. Title
24-Oct-2019	Akhil Kapoor	.60	Internal meeting with Sheldon, Jessie and Angela to discuss status of work and to allocate work for the day
24-Oct-2019	Akhil Kapoor	2.50	Preparation of Sales Process tracker, Prospective Purchaser Tracker and regrouping the existing model. The model was earlier prepared by GT for the Sale Process and it had details such as valuation, consolidated financials for 2 years, option analysis etc. which are not required for the purpose of CCAA so removed unnecessary tabs and changed links
25-Oct-2019	Sheldon Title	1.00	National call led by Doug; call with Stam
25-Oct-2019	Sheldon Title	.40	Review of Regina auction and results vs reserve bid; review of activity on MacDougall site; feedback to Doug
25-Oct-2019	Sheldon Title	.10	Email from Ryan at Brave Transport and forward same to Doug
25-Oct-2019	Jessie Hue	.20	Inquiry with RBC to confirm if incoming wire received, prepare banking folders for TD and RBC filing. Email S. Title. status of EFT.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
25-Oct-2019	Angela Liu	1.80	Email and phone call with the OSB re acknowledge letter and filing fee; email to I. Marques re creditor listing; prepare stay letter and email to S. Title; finalize stay letter and save to k drive; prepare courier of the stay letter and email to S. Title to advise
25-Oct-2019	Akhil Kapoor	2.00	Preparation of tabs to incorporate actual 13-week cash flow information in the model and cross referencing the same with lead sheets to ensure numbers flow across the model. Also, incorporating tabs to enable DEL team to put in information related to working capital changes, Outstanding AP payment tracking.
25-Oct-2019	Akhil Kapoor	.10	Identification of previous CCAA advertisements to enable preparation of DEL Equipment CCAA Sale Process Advertisements
27-Oct-2019	Sheldon Title	.80	Email to Brian Wong on question re: DEL filing; email to Lucky re: stay of proceeding; tc Ryan Vitinner; review of teaser and email to Lucky; forward trackers on cash flow and sale process to Doug and Isabel; review of business case for Swenson Abei; email to Callander and Isabel re: Ford/Chrysler's inclusion on creditors listing
28-Oct-2019	Sheldon Title	2.00	Call with Lucky on various incl. J. Dan, Swenson, email with Stam, review of demand for repossession received, review same with Doug, respond to creditor that Demand for Repossession (RMCL) does not apply, but goods will be paid for as received on Oct 22; email to Doug on Swenson Abie Schmidt payment arrangement; email to/from B. Lyle; receipt of letter from Goodmans on Gincor; revise notice to creditors; review of creditors listing and emails with Isabel on same to clarify it and other information; email to Collections Regina and call to Water dept in Regina given notice of disconnection served; email to Angela to deal with same; call with Lucky on it and discussion re: supplier seeking \$27K payment; email re: IT provider
28-Oct-2019	Jessie Hue	.60	Forward emails from account to S. Title regarding demand for repossession of goods. Email S. Title confirming google search now up and running. Confirm with Angela same no access to uploading creditors list.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
28-Oct-2019	Angela Liu	4.30	Prepare interim invoicing and WIP; email with B. Logel re missing description; email draft invoice and WIP to S. Title; email with M. Adourian at the OSB re filing issue; email to I. Marques re creditor listing; finalize interim invoice and resend to S. Title; email to The Global and Mail re tear sheet; check public folder and forward inquiries to team; contact City of Regina re water disconnection; email with S. Title for the same; revise creditor listing and import to Ascend; generate mailing list and email to S. Title; respond to enquiries re sales process
28-Oct-2019	Akhil Kapoor	.50	Call with DEL Controller to explain the cash flow model incl. preparing for the call
29-Oct-2019	Sheldon Title	.40	Finalization of notice; tc and email with A. Lande (Transport lawyer) to explain CCAA notice; email from Brave Transport
29-Oct-2019	Sheldon Title	1.60	Branch conference call; emails re: BC Hydro proof of claim, CBSA RM expiry-exchange of emails with Isabel; emails with Angela on creditors listing; discussion with Michael Litwack on expired BN and further email to Isabel
29-Oct-2019	Sheldon Title	.50	Call with Doug Lucky on rationale behind business cases; follow up on whether funds hit RBC a/c and letter re: Gincor
29-Oct-2019	Jessie Hue	1.30	Meeting with S. Title and A. Liu, Prepare for the notice to the creditors and set up labels, deliver material to Branch Office for mailing, assist Angela with the preparation of the affidavit mailing and deliver to Branch offices for executing. Setup bank account in Ascend.
29-Oct-2019	Angela Liu	3.10	Meet with S. Title re mailing notices to creditors; scan and save executed notice to creditors; prepare and deliver mailing docs to Branch Office Services for mailing; prepare affidavit of mailing for the same; revise creditor listing and email to S. Title; save POC filed by creditor to k drive; email RBC re account activity; fax creditor listing and notice to creditors to the OSB; save fax confirmation to k drive; post the listing and notice to website; email fax confirmation and posting to S. Title to advise; follow up with S. Title re feedback from City of Regina
29-Oct-2019	Michael Litwack	.30	Discussions re termination of company's RM CBSA account.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
30-Oct-2019	Sheldon Title	.50	Call with Lucky and branch managers; email to Lucky re: Fastenal; email to Lucky on Hodgson Ross bill; revise creditors listing; email to Lucky re: McCain's interest in process; consideration of logistics of paying trade and email to Lucky approving of the retainer arrangement; email to Lucky re: advertisement; email to Armstrong noting that RBC has not received wire; consideration of Bell's email; email to Cudmore on responding to Team Eagle's question and forward same to Lucky for his consideration
30-Oct-2019	Angela Liu	1.40	Email with the OSB re filing issue and advise team; call creditor back and respond to enquiries re creditor listing; email with S. Title re the same; email with RBC re account activity and email to S. Title to advise; email with S. Title re Bell account; follow up with Branch Office Services re affidavit of mailing; revise creditor listing and post to website
30-Oct-2019	Michael Litwack	1.40	Discussions w/ S. Title; Preparation of Monitor's First Report.
30-Oct-2019	Akhil Kapoor	.75	Preparation of Advertisement for the purpose of publishing in Globe and Mail
31-Oct-2019	Sheldon Title	2.30	Cross Canada call; post call debrief with Doug re: employee issue/timing of hearing; pre-call with Doug on advertisement; call with Stam re: GM matter and extension of stay, email to Angela re: Globe ad; emails from interested parties incl. call from Adam Moskowitz and forward emails to Lucky re: that interest to be added; call with Isabel on various; email to/from Greg Ehman after phone call
31-Oct-2019	Matthew Lem	.50	Review advertisement
31-Oct-2019	Angela Liu	1.50	Email and phone call with The Globe and Mail re notice on Monday; meet with J. Salim re affidavit of mailing; scan and save the same to k drive; discuss with S. Title re name change and Bell accounts; email with Bell; respond to creditors re adding to list of creditors and sales process; reformat advertisement and email to The Globe and Mail; email with S. Title
31-Oct-2019	Michael Litwack	2.10	Drafting of First report; Discussions w/ S. Title.
31-Oct-2019	Akhil Kapoor	.20	Responding to the query related to DEL Equipment Limited and DEL Equipment Inc.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
01-Nov-2019	Sheldon Title	1.50	Email to Jessie to resubmit the globe advertisement, email from Angela re: Master Lift email, email from Chris Armstrong of second preservation order and forward to Angela to post; email from Isabel on Vail's suspension of service, call to Reynolds and draft email to Blizzard (director of operations) but did not send as resolution reached; emails to Doug on Globe ad; emails to Doug re: Master Lift and receipt of msg back confirming wish to continue to rent forklift; call with Armstrong, Martin, Lucky, Callander on GM financing and emails afterward with Stam and from Armstrong on same; email re: interested party
01-Nov-2019	Sheldon Title	.60	Conference call with DEL team, follow up emails to Stam re: various;
01-Nov-2019	Jessie Hue	.50	T/c and email with the Globe and Mail regarding the revision to wording on Nov 5 for proof/cost. Further email jpeg Logo for ad and save to the directory.
01-Nov-2019	Angela Liu	1.20	Email with S. Title re mailing invoice; forward to accounting to process through MPM; phone call and email with rental company re equipment pickup; save and post motion record to website; direct interested parties enquiries to D. Lucky; create folder in sale process and save emails from interested parties for S. Title to track
01-Nov-2019	Michael Litwack	4.50	Drafting of First Report; Discussions w/ S. Title.
03-Nov-2019	Sheldon Title	1.30	Review of revised CIM and first review of NDA; emails to Lucky on same; emails to Stam on Lande issue and NDA
04-Nov-2019	Sheldon Title	1.50	Review of Moncton business cases; call with Doug Lucky re: CIM/NDA, call with Stam, review of Gincor filings, call with RBC capital markets, other misc calls/emails
04-Nov-2019	Angela Liu	1.40	Email to The Globe and Mail re tear sheet; save the same to k drive; email to S. Title re Bell outstanding balance; email to J. Salim re void cheque to process payment; save court docs to k drive and post to website; email to S. Title re payment to The Globe and Mail; talk to accounting re the same payment; return a call per S. Title's request and email contact information of the caller to S. Title; update interest parties information in k drive; email to D. Lucky re outstanding balance with Bell; save Gincor related docs to k drive and post to website

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
05-Nov-2019	Sheldon Title	1.70	Conference call -SLT call; review of Chrysler agreement; calls with Callander and Lucky on same; email to Lucky after call with Callander
05-Nov-2019	Sheldon Title	.40	Call with Lucky in Moncton business cases and email to/from Henry re: notice of Del sale is Insolvency Insider
06-Nov-2019	Sheldon Title	.80	Call with Lucky re: payment to Denise, email to Lucky re: advertising in G
06-Nov-2019	Akhil Kapoor	.50	Preparing for the meeting with Doug and Isabel on cash flow projections
06-Nov-2019	Akhil Kapoor	1.50	Meeting with Doug and Isabel to discuss the cash flow projections for the 13 weeks as presented to the Court and corresponding actual numbers for week 1 and week 2 and opening cash balance computation and presentation
07-Nov-2019	Sheldon Title	.80	Call with and email to Doug Lucky re: Gincor matter; email to David Callander and Doug on Chrysler status; email to Henry on wording for advertisement in Insolvency Insider; email to Akhil; email from party asking to be removed from service list and email to Angela to advise accordingly; email to Ryan Vitinner to acknowledge receipt of his email; email to/from Andrew Stibbard on interest of his client in DEL
07-Nov-2019	Heather Ursaki	.10	ET MC re French translation for corp engagements site
07-Nov-2019	Angela Liu	2.90	Communicate with V. Shukla re payment to The Globe and Mail; email to J. Salim re void cheque and payment to Branch Office Services; call creditor and advise next steps re CCAA filing; save court related docs to k drive and post to website; revise service list and post to website; phone call and email correspondence with various creditors enquiries, e.g. claim process, goods repossession, creditor listing, etc.; email with D. Lucky re leased equipment
07-Nov-2019	Akhil Kapoor	.80	Providing update to Sheldon about the meeting with Doug and Isabel on cash flow model and preparing google sheet for Prospective purchaser and sales process tracker
08-Nov-2019	Angela Liu	.30	Check public folder and respond to creditors enquiries re claim process and creditor listing
08-Nov-2019	Michael Litwack	.30	Discussion w/ A. Kapoor re cash flow; Review of precedent for cash flow analysis.
09-Nov-2019	Akhil Kapoor	2.00	Review of actual cash flows received from GT and sending queries to them for call on Monday
11-Nov-2019	Sheldon Title	1.50	Call with Doug Lucky on various restructuring/status related issues; review of draft affidavit and layer

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			comments on Stam's; email to Akhil on variance analysis
11-Nov-2019	Sheldon Title	.20	Call with Lyle
11-Nov-2019	Sheldon Title	.30	Email to Russel Metals re: pymt of post-ccaa obligations
11-Nov-2019	Jessie Hue	.60	Banking, prepare receipt voucher, prepare cheque requisition. Email S. Title status of the French website and further inquiry with Heather and Michael as to the French wording.
11-Nov-2019	Jessie Hue	1.60	Prepare the French website posting and linking the related documents accordingly.
11-Nov-2019	Angela Liu	2.40	Email with J. Salim re void cheque; fill out vendor form and email to accounting; update creditor listing; add additional creditors information to Ascend; prepare mailing notices to additional creditors; prepare affidavit of mailing and email with S. Title re the same; respond to creditors enquiries re claim process and creditor listing
11-Nov-2019	Michael Litwack	.40	Revisions to court report
11-Nov-2019	Akhil Kapoor	2.50	Working with Isabel, DEL to arrive at the opening cash balance of 13-week cash flow model, preparing and sending final worksheet for the actual cash flows for 2 weeks
11-Nov-2019	Akhil Kapoor	1.00	Call with Sheldon, Doug and Jason to discuss the opening cash flows, preparing for the call and making notes
12-Nov-2019	Sheldon Title	.80	Call with Lucky and Senior leadership team; call with Stam
12-Nov-2019	Sheldon Title	2.00	Continued work on preparing report; review of revised cash flow; call with Lucky on revised cash flow; calls with Lem on report; review of agreement with Diesel on sale of assets; emails to/from Akhil on cash flow review
12-Nov-2019	Heather Ursaki	.20	Discuss corp engagements site w/JH
12-Nov-2019	Jessie Hue	.50	Banking, prepare receipt voucher, prepare cheque requisition.
12-Nov-2019	Jessie Hue	.30	Dealing with French website and email status of the live posting.
12-Nov-2019	Matthew Lem	.40	Review and adjust draft wording for report; discussion with S. Title re same
12-Nov-2019	Akhil Kapoor	2.00	Preparing 1st draft of actual cash flow variance analysis for Trustee report to the Court including analysis of all the underlying numbers
12-Nov-2019	Akhil Kapoor	3.50	Analysis of 13-week cash flows ending Feb end and sharing queries with Jason and Doug

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
13-Nov-2019	Sheldon Title	3.00	Review and revisions to draft report, call with Jenny Stam, emails to Lucky, mtg to review cash flow, emails with counsel re: service list; receipt of motion record; call with Phoenix re: his potential conflict in acting given past employment matter for DEL; email from Angela re: creditor asking if creditors listing should have secured/unsecured breakdown and response thereto; response to Vaughn re: Perfection's interest in assets
13-Nov-2019	Jessie Hue	.40	Dealing with RTS mail and redirecting.
13-Nov-2019	Matthew Lem	.80	Review of draft report to court
13-Nov-2019	Angela Liu	1.00	Follow up with Branch Office Services re void cheque and bank letter; respond to creditors enquiries re sale process and creditor listing; save court related docs to K drive and post to website; email to S. Title to advise
13-Nov-2019	Michael Litwack	6.40	Emails and discussions throughout the day for cash flow projections, court report, and report on cash flow projections; Conference call; Review and revise of various versions of the First Report; Review and emails on the revised projected cash flows.
13-Nov-2019	Akhil Kapoor	1.00	Call with Jason and handover to Michael for forecast 13-week cash flows
14-Nov-2019	Sheldon Title	.20	emails to/from Stam on report; discussion with Michael on finalizing report/cash flow;
14-Nov-2019	Sheldon Title	.30	emails exchanged with Wong, Muirhead, and Lucky re: SISP and North American Signal's question re: risk of being a post-CCAA creditor; Isabel's email re: collection agent forwarded to Angela; forward documents to Angela to post on website
14-Nov-2019	Sheldon Title	2.00	finalization of report
14-Nov-2019	Jessie Hue	.40	Website posting.
14-Nov-2019	Jessie Hue	.90	Prepare appendices, finalize the first report and email J. Stam.
14-Nov-2019	Angela Liu	.40	Respond to creditors enquiries re claim process; post court report to website
14-Nov-2019	Michael Litwack	4.10	Emails and discussions re cash flow and First report; Revisions and finalization of First Report; Reviews and emails re changes to cash flow projections; Preparation of representations re cash flows; Direction re compilation and service of First Report.
15-Nov-2019	Sheldon Title	.40	Review of letter from GinCor's lawyer re: short payment of rent/validity of Diesel security and DEL Hydraulics sale and response thereto; forward Doug email from The Gear Centre re: chargebacks; review of stay of proceedings letter

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
15-Nov-2019	Jessie Hue	.40	Bank recs. Setup banking information in Ascend and Quicken.
15-Nov-2019	Jessie Hue	.30	Website updating and discussion with M. Melnyk.
15-Nov-2019	Angela Liu	.60	Draft stay letter and email to S. Title; forward creditors enquiry to S. Title for direction; email with M. Litwack re creditor chargebacks
18-Nov-2019	Jessie Hue	.30	T/c with creditor, further IT related to website.
18-Nov-2019	Angela Liu	.50	Email notice to creditors to Ramsey and update mailing address in Ascend; fax stay letter to CCA and email fax confirmation to I. Marques
19-Nov-2019	Sheldon Title	.40	emails with Doug Lucky and Stam on the Gincor rent issue; call with Paul Cudmore of Team Eagle and email to Doug Lucky on same; email from Stam confirming everything okay at court; email from Parent on updated service list; send to Hue for posting
19-Nov-2019	Jessie Hue	.20	Posting updated service list to the Website.
19-Nov-2019	Jessie Hue	.40	Website posting, inquiry to forwarding other materials to OSB other than initial and email same with S. Title and A. Liu.
19-Nov-2019	Angela Liu	.70	Email with creditor re mailing address update and revise the same in Ascend; email to the OSB re efilng requirements; follow up with Branch Office Services re void cheque; save docs to k drive and post to website
20-Nov-2019	Sheldon Title	.20	Review of revised letter to Gin-Cor counsel and comment on same
20-Nov-2019	Sheldon Title	.10	Call with Angela re: post- dated cheques process
20-Nov-2019	Jessie Hue	.30	Update Ascend and master creditor list.
20-Nov-2019	Angela Liu	.20	Respond to creditors enquiry re outstanding payment
21-Nov-2019	Sheldon Title	.30	email to Jessie to call TKEC firm to return call; email to/from Lucky re: Cudmore; receipt of NDA and request from Goodmans to advise of Monitors position on same; email to A. Devito
21-Nov-2019	Jessie Hue	.20	Website update.
21-Nov-2019	Angela Liu	.40	Phone call and email with Kindersley Transport Ltd. re pre-CCAA invoice and status of the proceedings; email to the OSB re website posting
22-Nov-2019	Sheldon Title	1.50	call to Jenkins (spouse to employee; email from Cudmore; email from Phoenix on conflict issue raised in his acting against DEL and forward same to Doug for consideration; email from Doug re: lift gate issue email from Plouffe to Doug re: Dhollandia; call to Stan TCB (Montreal) to discuss bldg; call from/to Mitch Gilbert re: potential interest; call from/to Brent Dutka re: his wanting info to evidence stay extension to enable delivery of orders; email from Stam on follow up from

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			KS LLP on DEL Hydraulics sale; email from Patty Wood re: potential interest in business; follow up email from Doug on sale of Hydraulics
22-Nov-2019	Angela Liu	.40	Forward creditors enquiry re prepaid products to D. Lucky; fill out vendor form and forward to V. Shukla for payment
25-Nov-2019	Sheldon Title	1.20	call with Doug Lucky on Ditech, Dhollandia, exchange of emails with Phoenix, Lucky on Loopstra Nixon conflict issue; emails from Kanji on sales process;
25-Nov-2019	Angela Liu	.40	Respond to potential purchaser's enquiry re sale process; respond to creditors enquiry re goods repossession
26-Nov-2019	Angela Liu	.20	Save service list to k drive and post to website; email to S. Title to advise

SUMMARY OF TIME CHARGES

PROFESSIONAL	HOURLY RATE	HOURS	AMOUNT
Heather Ursaki - Estate Administrator (Corporate Insolvency)	\$ 139.00	0.30	\$ 41.70
Angela Liu - Estate Administrator (Corporate Insolvency)	\$ 217.00	34.60	7,508.20
Jessie Hue - Estate Administrator (Corporate Insolvency)	\$ 217.00	14.60	3,168.20
Akhil Kapoor - Manager (Corporate Insolvency)	\$ 366.00	23.05	8,436.30
Michael Litwack - Manager (Corporate Insolvency)	\$ 366.00	19.50	7,137.00
Matthew Lem - Partner (Corporate Insolvency)	\$ 550.00	1.70	935.00
Sheldon Title - Partner (Corporate Insolvency)	\$ 630.00	39.80	25,074.00
TOTAL		133.55	\$ 52,300.40

Invoice



Invoice Number : 9081117

Client Number : 0785562

Invoice Date : Dec 20 2019

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
Newmarket, ON L3Y 7B4

For Professional Services Rendered :

To professional services rendered in our capacity as Monitor of Del Equipment Inc. in connection with its CCAA Proceedings for the period ending December 16, 2019 6,493.50

DISBURSEMENTS:

Travel 51.78

Sub Total : 6,545.28

Harmonized Sales Tax : 850.89

Total (CAD) : 7,396.17

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
27-Nov-2019	Sheldon Title	.50	Call with Lucky on dealer reluctance to deal with DEL due to warranty related issues; email to Isabel on HST; call with Stam
27-Nov-2019	Angela Liu	.20	Respond to potential purchaser's enquiry re sale process
27-Nov-2019	Michael Litwack	.20	Emails re agreement for direct supply by customer.
29-Nov-2019	Angela Liu	.20	Respond to creditors enquiry re first meeting of creditors
03-Dec-2019	Sheldon Title	1.30	SLL call
03-Dec-2019	Jessie Hue	.40	Letter from CRA regarding HST audit, scan to the directory and email same with S. Title.
03-Dec-2019	Angela Liu	.20	Direct potential purchaser's enquiry to S. Title
04-Dec-2019	Sheldon Title	.80	Call with Callander on HST follow up; email from and call to Phoenix, email to Phoenix re: Discovernet/Laserage; call with Lucky on sale process and General Body; call to Krouse re: interest; forward message to Lucky; exchange of emails with Phoenix
04-Dec-2019	Akhil Kapoor	.20	Follow up on call and email with Isabel (DEL Equipment) to understand the status of actual cash flows and estimated timelines to receive them.
06-Dec-2019	Sheldon Title	1.00	Receipt of EOI's; email to Usakowski; call with Lucky
06-Dec-2019	Jessie Hue	.70	Banking, posting and prepare receipt voucher, prepare cheque req for professional fees.
06-Dec-2019	Angela Liu	.20	Respond to creditors enquiry re file status
09-Dec-2019	Sheldon Title	.40	Finalize CRA letter; email to Lucky after receiving comments from Stam; email on termination and severance issue; email to/ from Kwan
09-Dec-2019	Jessie Hue	.40	Banking, inquiry on the account status.
10-Dec-2019	Sheldon Title	.20	Exchange with Jennifer Stam on HST issue
10-Dec-2019	Jessie Hue	.30	Review bank charges and status of account, request to reverse charges.
11-Dec-2019	Jessie Hue	.20	Follow up with the bank on the status of account opening.
12-Dec-2019	Sheldon Title	1.00	Call with Doug Lucky on status, particularly around sale process; review of Andrew Hermes' letter directed to phase II participants and comments thereon; forward to Stam for consideration; email to Callendar
12-Dec-2019	Jessie Hue	.30	Revision to the stay letter.
12-Dec-2019	Angela Liu	.40	Prepare stay letter to Altus and email to S. Title

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
13-Dec-2019	Jessie Hue	.80	Revised response CRA letter, search for fax number, inserted in letter along with digital signature and several attempts to send by fax.
13-Dec-2019	Jessie Hue	.20	Further follow up with TD as to status of opening account.
16-Dec-2019	Sheldon Title	3.30	Review of draft APA and mark up with comments; forward to Jenny Stam, email to Akhil on cash flow analysis; call to Paul Klein at Whistler (left msg)
16-Dec-2019	Jessie Hue	.30	Prepare fax to CRA regarding HST audit, email and save the fax confirmation to S. Title.

SUMMARY OF TIME CHARGES

BILLING SUMMARY				
PROFESSIONAL	AVERAGE HOURLY RATE	HOURS	AMOUNT	
Angela Liu - Estate Administrator (Corporate Insolvency)	\$ 217.00	1.20	\$	260.40
Jessie Hue - Estate Administrator (Corporate Insolvency)	\$ 217.00	3.60		781.20
Akhil Kapoor - Manager (Corporate Insolvency)	\$ 366.00	0.20		73.20
Michael Litwack - Manager (Corporate Insolvency)	\$ 366.00	0.20		73.20
Sheldon Title - Partner (Corporate Insolvency)	\$ 624.18	8.50		5,305.50
TOTAL		13.70	\$	6,493.50

Invoice



Invoice Number : 9121022

Client Number : 0785562

Invoice Date : Feb 3 2020

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
Newmarket, ON L3Y 7B4

For Professional Services Rendered :

To professional services rendered in our capacity as Monitor of Del
Equipment Inc. in connection with its CCAA Proceedings for the
period ending January 31, 2020

17,139.40

Harmonized Sales Tax : 2,228.12

Total (CAD) : 19,367.52

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We
sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
17-Dec-2019	Sheldon Title	.80	SLL call
17-Dec-2019	Sheldon Title	.10	Email to Stam re: APA
18-Dec-2019	Sheldon Title	.80	Call with Harmes, Armstrong, Stam on APA/AVO and liquidation analysis needing to be done
18-Dec-2019	Sheldon Title	1.10	Prepare for conference call, call to Jimmy at CRA on extension of time to submit documentation on HST audit, to return call and email to Callander and Lucky on same; call with Lucky on Whistler, sale process, APA (customer deposit); email to Lyle and Sharpe, call with Sharpe on liquidation appraisal; review of further revisions of APA and email to Harmes and Armstrong on Doug's position on customer deposits
18-Dec-2019	Jessie Hue	.20	Provide S. Title with CRA HST letter, fax confirmation and the contact info to agent.
19-Dec-2019	Sheldon Title	.50	Billing
19-Dec-2019	Sheldon Title	.50	Calls with Lyle and Sharpe of Infinity and Hilco on appraisals; email to Doug on same
19-Dec-2019	Jessie Hue	.30	Save and enter claim and email S. Title same.
23-Dec-2019	Sheldon Title	.30	Review of stream of emails related to RCAP Lease (Regina) and to email to Doug/Brian advising that DEL may wish to disclaim agreement
23-Dec-2019	Sheldon Title	1.60	SLL Phone call, review of revised APA, discussion with Doug Lucky on same; call to Armstrong to discuss deposit issue; review of SaskTel lease;
24-Dec-2019	Sheldon Title	.40	Email to/from Chris Armstrong/email to Nor-Mar to request call
27-Dec-2019	Akhil Kapoor	2.00	Reading and analyzing DEL actual cash flows for 8 weeks ended Dec 9, 2019
03-Jan-2020	Angela Liu	.10	Forward potential purchaser's enquiry to S. Title
06-Jan-2020	Sheldon Title	.40	Call from Stan Salkowski of TCB and email to Doug Lucky on same to advise him to expect call from Stan
06-Jan-2020	Angela Liu	.70	Email with S. Title re stay letter to YRC; prepare the letter and save the signed copy to k drive; fax the letter to creditor and save fax confirmation to k drive; email to D. Lucky
07-Jan-2020	Sheldon Title	1.00	SLL call, emails with Alfred on Nor Mar; call and left msg for Gerry at Nor Mar;
09-Jan-2020	Jessie Hue	.30	T/c with creditor re notice and claim.
09-Jan-2020	Angela Liu	.60	Discuss with S. Title re DHL's letter to Del; call DHL to advise; email to DHL collector and advise S. Title

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Jan-2020	Sheldon Title	.50	Review of rent reconciliation and exchange of emails with Stam on same
13-Jan-2020	Sheldon Title	.60	Call with Gerry at Nor Mar on set off related issue; review of Gincor dispute protocol and provide comments to Stam and review Stam's comments to me; emails to Lucky on liquidation analysis and call with Nor Mar
13-Jan-2020	Jessie Hue	.10	Bank rec.
13-Jan-2020	Angela Liu	.30	Follow up with CRA re authorization request
14-Jan-2020	Sheldon Title	2.10	SLL call; call with Lucky re: retention bonus and hiring of Moncton manager given the departure of Lewin and consideration of the reasonableness of his remuneration package given current circumstances of operating under CCAA; call with DEL and Gincor re: rent dispute (Armstrong, Martin, Stam, Harmes, Gincor); call with Stam and email with Stam after Gincor call; consideration of campusenergy claim based on email with Lucky and respond thereto;
15-Jan-2020	Sheldon Title	1.00	Review and amend KERP letter and forward same to Stam; email exchanges with Paul and Doug relating to same; email traffic monitored on Gincor matter; email to Chris at Atradiois on status;
16-Jan-2020	Jessie Hue	.30	Dealing with creditor call.
16-Jan-2020	Angela Liu	.40	Save affidavit and service list to k drive and post to website; email to S. Title to advise
17-Jan-2020	Jessie Hue	.20	Dealing with the trust account and confirming the status is open and ready for use.
17-Jan-2020	Angela Liu	.30	Forward potential purchaser's email to D. Lucky; forward email from DHL re account activation
18-Jan-2020	Sheldon Title	.20	Review of revisions to KERP letter and forward to Stam and respond to Lucky that the revised KERP letter looks good to us
18-Jan-2020	Sheldon Title	.10	Email to Doug on equipment listing
20-Jan-2020	Angela Liu	.10	Call creditor and leave a voice message per S. Title's request; email to S. Title to advise
20-Jan-2020	Akhil Kapoor	.50	Quick high-level review of actual cash flows of the Company up to Dec 9, 2019 and a call with Isabel for an update on them. Also, arranged actual cash flows up to Jan 10, 2020 for a review to ensure they are in line with the projections.
21-Jan-2020	Sheldon Title	.40	Send listings to Bruce Lyle and John Sharpe
21-Jan-2020	Sheldon Title	.30	Provide info to Michael and discuss with Michael need to prepare ERV

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
21-Jan-2020	Jessie Hue	.30	Dealing with creditor call. Further inquiry on the trust account.
21-Jan-2020	Angela Liu	.20	Leave voice message to Regina Fastners & Tools re their enquiry of stay period
21-Jan-2020	Michael Litwack	2.20	Discussions w/ S Title; Review of data from D. Lucky re receivables, inventory and equipment; Preparation of schedule of estimated realizations including supporting data; Review of cash flow projections and financial statements to provide data needed for schedule.
22-Jan-2020	Jessie Hue	.40	Dealing with creditor, email S, Title trust account ready for use.
22-Jan-2020	Angela Liu	.20	Respond to creditors enquiry re status of CCAA
23-Jan-2020	Sheldon Title	.50	Calls with Jennifer Stam on security opinion and which jurisdictions to opine on; consideration of same; discussion internally on state of cash flow variances; email traffic from Doug on various breaches of the stay by parties.
23-Jan-2020	Angela Liu	.60	Phone call and email with Wild on Media re demand letter and status of CCAA
24-Jan-2020	Sheldon Title	.50	Review of APA; review of Infinity Group Communications exchange
24-Jan-2020	Angela Liu	.30	Email to G. Christidis re demand letter to Del Equipment Ltd; forward the same to S. Title
24-Jan-2020	Michael Litwack	.20	Emails re receivables.
27-Jan-2020	Angela Liu	.20	Reply to Bell re status of file and send notice to creditors to Bell
27-Jan-2020	Michael Litwack	.20	Email to Isabel re A/R analysis.
28-Jan-2020	Sheldon Title	2.00	Prepare for and attend board meeting
28-Jan-2020	Jessie Hue	.30	Provide wire instructions to D. Lucky and email invoice received from Miller Waste.
28-Jan-2020	Angela Liu	.10	Respond to creditors enquiry re file status
28-Jan-2020	Michael Litwack	.70	Review of information provided asset values; Discussion w/ S. Title; Call with I. Marques.
29-Jan-2020	Sheldon Title	.20	Email to Stam on security opinion; text messages with Doug Lucky on Richmond and Whistler
29-Jan-2020	Michael Litwack	4.10	Meeting at premises with I. Marques and D. Lucky re receivables and asset review, including review of all accounts and discussions re realization on WIP and inventory.
29-Jan-2020	Michael Litwack	1.50	Travel to/from DEL Equipment.
30-Jan-2020	Sheldon Title	.70	Review of letter drafted by Doug on my behalf to Whistler and call on why it is not appropriate to send; emails on wire instructions

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
30-Jan-2020	Sheldon Title	.60	Discussion with Michael on ERV; call with Bruce Lyle
30-Jan-2020	Angela Liu	.20	Email swift code of trust account's wire transfer to D. Lucky; advise mailing address of MNP
30-Jan-2020	Michael Litwack	2.80	Emails re receivables; Review of invoices provided to validate A/R balances; Discussions w/ S. Title re estimated realization schedule; Review of updated receivables and calculation of expected realizations based on notes and discussions from meeting on January 29.
31-Jan-2020	Sheldon Title	.60	Receipt/preliminary consideration of offers; write to bidders to confirm receipt of deposit, etc.
31-Jan-2020	Angela Liu	.30	Check funds received in trust account and advise S. Title; post the same to Ascend
31-Jan-2020	Michael Litwack	.20	Emails re receivables.

SUMMARY OF TIME CHARGES

BILLING SUMMARY				
PROFESSIONAL	AVERAGE HOURLY RATE	HOURS	AMOUNT	
Angela Liu - Estate Administrator (Corporate Insolvency)	\$ 217.00	4.60	\$ 998.20	
Jessie Hue - Estate Administrator (Corporate Insolvency)	\$ 217.00	2.40	520.80	
Akhil Kapoor - Manager (Corporate Insolvency)	\$ 366.00	2.50	915.00	
Michael Litwack - Manager (Corporate Insolvency)	\$ 319.87	11.90	3,806.40	
Sheldon Title - Partner (Corporate Insolvency)	\$ 612.30	17.80	10,899.00	
TOTAL		39.20	\$ 17,139.40	

Invoice



Invoice Number : 9165792

Client Number : 0785562

Invoice Date : Mar 3 2020

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
Newmarket, ON L3Y 7B4

For Professional Services Rendered :

To professional services rendered in our capacity as Monitor of Del Equipment Inc. in connection with its CCAA Proceedings for the period ending February 29, 2020 40,195.50

Disbursements:

Travel 41.63

Desktop FLV Appraisal 6,500.00

Sub Total : 46,737.13

Harmonized Sales Tax : 6,075.83

Total (CAD) : 52,812.96

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
02-Feb-2020	Sheldon Title	3.00	Review of Infinity's FLV proposal; review of three APA's, receipt of email from Lucky re: "Lambton" APA, call with Doug Lucky (34 minutes) re: review of apas; email to Stam
03-Feb-2020	Sheldon Title	2.30	Review of ERV and back up support for it in preparation of meeting; discussions with Michael on same; email to Lyle on aging of inventory; prep for meeting
03-Feb-2020	Michael Litwack	6.60	Discussions w/ S. Title; Calls with I. Marques; Call with D. Lucky; Review of WIP, Inventory, Receivables; Review of appraisal report from Infinity Assets; Continued to prepare ERV schedule and supporting sheets; Calculations for ERV schedule; Review of inventory report with comparison to order book and warranty repairs to assess collectability; Review of WIP to assess potential realizable value; Call to J. Kanji; Review of employee schedule.
04-Feb-2020	Sheldon Title	1.70	Attendance at meeting at GT to discuss sale process strategy
04-Feb-2020	Sheldon Title	1.30	Call with Lyle on inventory valuation; send messages to Tiger,
04-Feb-2020	Michael Litwack	.20	Emails re bank statement balances; Discussion re ERV.
05-Feb-2020	Sheldon Title	.30	Call with Callander re HST response
05-Feb-2020	Michael Litwack	1.60	Preparation of notes to estimated realization schedule; Revision to ERV schedule.
06-Feb-2020	Michael Litwack	.30	Revisions to ERV schedule and notes.
10-Feb-2020	Matthew Lem	1.00	Review of realization schedule and discussions with S. Title and M. Litwack re same.
10-Feb-2020	Michael Litwack	1.20	Meeting w/ S Title and M Lem re estimated realization schedule; Call with B. Lyle; Call with I. Marques; Revisions to estimated realization schedule and notes.
11-Feb-2020	Sheldon Title	1.20	Meeting at DEL
11-Feb-2020	Sheldon Title	.30	Review of Norton Rose engagement letter, sign and send to Jenny; email Callander the creditors listing
11-Feb-2020	Angela Liu	.10	Scan and save letter of Norton Rose engagement to k drive and email to S. Title
11-Feb-2020	Michael Litwack	1.50	Discussion and direction re court report and cash flows; Began to prepare second report to court.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
11-Feb-2020	Akhil Kapoor	.60	1) Interaction with I. Marques (DEL) for the actual cash flow update of DEL and with S. Title for an update on the status and about the Second Court report proposed to be submitted in the third week of Feb 2020. Also, discussion with J. Kanji (GT) and D. Lucky (DEL) about the status of revised and extended projections
12-Feb-2020	Angela Liu	.20	Forward creditors enquiry to S. Title
12-Feb-2020	Michael Litwack	1.20	Continued draft of second report.
12-Feb-2020	Akhil Kapoor	.40	Discussion with D. Lucky on the status of preparation of projected cash flows. Also, discussion with J. Kanji on few key issues in projected cash flows which were prepared by GT during first report to the report and request to simplify the 13 week flows to save time
13-Feb-2020	Jessie Hue	.10	Bank rec.
13-Feb-2020	Michael Litwack	2.00	Drafting of second report.
14-Feb-2020	Sheldon Title	.30	Call with David Callander on creditor listing, particularly re: conversion of funds from Canadian to Euros and US\$
18-Feb-2020	Sheldon Title	.50	Review of draft report; exchange of emails with Jennifer Stam on relief being sought; internal discussions re: reporting; email exchange with Atradius
18-Feb-2020	Michael Litwack	3.60	Discussion re report; Drafting of report; Call to J Kanji.
18-Feb-2020	Akhil Kapoor	3.00	1) Review of actual cash flows, delving into individual tabs of receipts, payment, payroll, other expenses, admin expenses and comparing each number with projections submitted to the Court in Nov 2019. 2) Sharing queries and pendencies to Isabel.
18-Feb-2020	Akhil Kapoor	2.50	Reviewing the revised projections for 13 weeks beginning Mar 2 (received from GT), understanding the projected receipts and payments (Branch and consolidated tabs); sharing queries with GT (J. Kanji) and requesting for a call.
19-Feb-2020	Sheldon Title	.70	Review of Drive APA amendments
19-Feb-2020	Sheldon Title	1.20	Call with Stam on sale process amendment and status of court materials; review of draft order; email response to Mills on status of sale process; discussion with staff on report/cash flow status
19-Feb-2020	Michael Litwack	1.50	Revisions to report; Discussions re report and cash flow reporting; Discussions w/ A. Kapoor; Read draft of Lucky Affidavit.
19-Feb-2020	Akhil Kapoor	2.00	Review of revised actual cash flow received from Isabel (DEL) including bank statement, bank reconciliation, noting the revised call balance, revised

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			payroll, collections from sale of Regina Assets and Snow Equipment.
19-Feb-2020	Akhil Kapoor	2.00	Extended Cash Flow Forecast section for Court Report:1) Preparation of tables for the purpose of Court Report and incorporating the same in Report2) Writing commentary for revision in projections in all heads- Receipts, Disbursements related to Merchandise vendors, non merchandise vendors, payroll, administrative fees and ending cash balance
19-Feb-2020	Akhil Kapoor	1.00	Review of cash flows after call with J. Kanji to understand and relate to his comments on the call.
19-Feb-2020	Akhil Kapoor	.60	Call with Isabel to discuss the queries in actual cash flows for the last 13 weeks, comparative with projections, actual cash flows and other issues
19-Feb-2020	Akhil Kapoor	.50	Call with J. Kanji (GT) about projected cash flows, queries in the model and outlook for the next 3 months
19-Feb-2020	Akhil Kapoor	2.00	Actual cash flow vs projections section in Court Report:1) Preparation of tables for the purpose of Court report and incorporating it in the Report2) Writing commentary for variance in all the heads-Receipts, Disbursements related to Merchandise vendors, non merchandise vendors, payroll, administrative fees.
20-Feb-2020	Sheldon Title	3.00	Lengthy call with Lucky on APA, communications plan, cash flow related issues. Calls and emails with Stam, email from Armstrong with amended affidavit (no sale); internal discussions on cash flows/report, review of report, call from Worksafe BC; email to Lucky on same; forward message to Angela to return; call with Lucky on Worksafe BC; email to Lucky on latest version of KERP; receipt of revised report from Michael and incorporate into my changes;
20-Feb-2020	Michael Litwack	5.60	Discussions re court report; Drafting of court report with changes based on Lucky Affidavit; Discussions w/ S. Title; Call to/from J Kanji re cash flows and notes; Preparation of draft statements re cash flow assumptions; Further emails with S. Title re revised draft affidavit and redraft of SISP section of report based on change in relief being sought.
20-Feb-2020	Akhil Kapoor	.40	Preparing schedule of actual vs projected administrative expenses since Oct 21, 2019 till date and noting the variances for the fees for various professional expenses and discussing with Sheldon.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
20-Feb-2020	Akhil Kapoor	1.00	Revised the Projected Cash Flows to reflect the changes made by Jason and to update the actual cash flow section in the report to incorporate the timing/permanent difference aspect in administrative fee.
21-Feb-2020	Sheldon Title	3.00	Calls with Lucky on status of deal; report writing; review of cash flow/extended cash flow projections
21-Feb-2020	Sheldon Title	.30	Email to Callander re: Regina lease deposit
21-Feb-2020	Michael Litwack	.30	Discussion re changes to court report and cash flows
21-Feb-2020	Akhil Kapoor	.90	1) Discussing Payroll section with M. Litwack and understanding about KERP payments. Upon realizing the fact that they have not considered in the projections, notifying Sheldon about the same.2) Checking with J. Kanji and D. Lucky about KERP payments, understanding the same has been missed out, 3) Understanding the revised sheet received from Doug and noting down the amount to be considered and the period in which it is to be considered
22-Feb-2020	Sheldon Title	5.00	Review of motion record; final affidavit; finalize review of APA; work on second report, call with Lucky, emails with Stam
22-Feb-2020	Akhil Kapoor	.80	Incorporating KERP payments in the Extended Cash Flow Forecast, updating the Appendix and the Report sections and sharing revised files with S. Title.
23-Feb-2020	Sheldon Title	3.00	Review of report; review of extended projections; call with Lucky on variance analysis; emails with Akhil on variances and extended forecast; call with Akhil, review of HST response letter and email to David Callander on same; email from Joe Mills
23-Feb-2020	Matthew Lem	1.10	Review of draft Second Report to Court.
23-Feb-2020	Akhil Kapoor	1.50	Preparation of revised Cash Flow Forecast, its Appendix upon receipt of responses to queries from D. Lucky about removal of assumption of payment to Pre CCAA creditors in the projected period etc.
23-Feb-2020	Akhil Kapoor	.60	Reviewing disbursements to Merchandise vendors in detail and identifying a mistake in J. Kanji's model, informing him and correcting the same in our revised file.
23-Feb-2020	Akhil Kapoor	.20	Preparing a sheet of Projected Sales for the period Nov 4, 2019 to Feb 9, 2020 and checking with Isabel for actuals for the same period
23-Feb-2020	Akhil Kapoor	.70	Preparing a comparative sheet of outstanding Pre-CCAA AP payment between projections and actual for the period Nov 4, 2019 to Feb 9, 2020

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Feb-2020	Akhil Kapoor	.60	Responding to Sheldon's queries and speaking with him about Payroll, Merchandise and Non-Merchandise payments, Receipts, KERP payments etc.
24-Feb-2020	Sheldon Title	2.30	Finalization of report after receiving Chris Armstrong's and Doug's comments, further consideration of extended projection; conference call with SLL on transaction and next steps; emails with Stam, call with Armstrong, call with Lucky; review of messaging to staff;
24-Feb-2020	Jessie Hue	.70	Review of the second report and format, assemble and save the appendices as well as the confidential appendices to the directory, request firm to pay the appraisal invoice.
24-Feb-2020	Jessie Hue	2.20	Revisions to the report, formatting, assemble appendices and confidential appendices and email J. Stams the Second report and related appendices.
24-Feb-2020	Angela Liu	.30	Save motion record to k drive and post to website; email S. Title to advise
24-Feb-2020	Akhil Kapoor	.25	Preparing Management Rep letter, obtaining signatures from D. Lucky and updating the list of Appendix.
24-Feb-2020	Akhil Kapoor	2.00	Multiple readings of the Second Court report during the period Feb 18 to Feb 24 to sync the cash flow and extended cash flow sections with the KERP, Transaction, Extension and other sections
24-Feb-2020	Akhil Kapoor	1.50	1) Finalization of Extended Cash Flow Forecast Model, the Appendix on Forecast and Monitor's Report after changing Facility cost computation (as required for New Market) and updating the Final Court Report2) Working with J. Hue to organize all the Appendices for the finalization of the Court Report.
26-Feb-2020	Sheldon Title	.70	Call with Doug Lucky on return of deposits payment of rent; email to Lucky on rent issue and further email on the issue of Diesel's ability to sale real estate now that the sale process is complete and consideration of same with Stam via email.
27-Feb-2020	Sheldon Title	.10	Email to Stam
27-Feb-2020	Sheldon Title	.10	Email to Angela re: posting orders to web
27-Feb-2020	Angela Liu	.70	Save court docs to k drive and post to website; email to S. Title to advise; prepare cheque to unsuccessful bidder and prepare the cover letter; respond to creditors enquiry re claim process
27-Feb-2020	Akhil Kapoor	.50	Reading Vesting Order, approval order of KERP and other documents received from Court and making

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			notes for the next report proposed to be made in or before May 2020
28-Feb-2020	Sheldon Title	.30	Finalization of draft letter re: return of deposit and letter to Richmond reviewed
28-Feb-2020	Angela Liu	.50	Revise letters to unsuccessful bidders; scan and save to k drive; send registered letter with cheque to the same

SUMMARY OF TIME CHARGES

BILLING SUMMARY				
PROFESSIONAL	AVERAGE HOURLY RATE	HOURS	AMOUNT	
Angela Liu - Estate Administrator (Corporate Insolvency)	\$ 217.00	1.80	\$	390.60
Jessie Hue - Estate Administrator (Corporate Insolvency)	\$ 217.00	3.00		651.00
Akhil Kapoor - Manager (Corporate Insolvency)	\$ 366.00	25.55		9,351.30
Michael Litwack - Manager (Corporate Insolvency)	\$ 366.00	25.60		9,369.60
Matthew Lem - Partner (Corporate Insolvency)	\$ 550.00	2.10		1,155.00
Sheldon Title - Partner (Corporate Insolvency)	\$ 630.00	30.60		19,278.00
TOTAL		88.65		\$ 40,195.50

Invoice



Invoice Number : 9229540

Client Number : 0785562

Invoice Date : Apr 20 2020

Invoice Terms : Due Upon Receipt

DEL Equipment Inc.
210 Harry Walker Pkwy N
Newmarket, ON L3Y 7B4

For Professional Services Rendered :

To professional services rendered in our capacity as Monitor of DEL Equipment Inc. in connection with its CCAA Proceedings for the period ending April 14, 2020 9,206.70

Security opinion from Norton Rose Fulbright LLP 18,602.33
Inclusive of:

Professional Fees =	\$16,063.50
Taxable Disbursements =	\$274.12
HST (13%) =	\$2,123.89
PST (7%) =	\$92.82
Non-Taxable Disbursements =	\$48.00

Payment made by DEL Equipment Inc to Norton Rose Fulbright LLP (18,602.33)

Sub Total : 9,206.70

Harmonized Sales Tax : 1,196.87

Total (CAD) : 10,403.57

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
111 RICHMOND STREET WEST, SUITE 300;
TORONTO ON; M5H 2G4
P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
02-Mar-2020	Sheldon Title	.50	Email from Lucky; call with Lucky and Paul Martin; email to Willis on forgiveness of debt
02-Mar-2020	Angela Liu	.50	Reply to creditor re stay issue and forward to S. Title; prepare interim invoicing and WIP
03-Mar-2020	Glenn Willis	.25	d/w Sheldon re: reversal of a/p not s80 forgiveness
04-Mar-2020	Jessie Hue	.30	Review of the Court order and email creditor regarding stay extended to May 29th and email same to S. Title.
04-Mar-2020	Angela Liu	.20	Add creditors info to Ascend and update creditor listing in internal drive; email to creditor to advise
06-Mar-2020	Jessie Hue	.30	Enter and save claim to the directory.
06-Mar-2020	Angela Liu	.20	Email with S. Title re creditors enquiry
09-Mar-2020	Sheldon Title	.40	Email to George at Infinity Group Communications; email to/from Lucky on status of sale process/operations
09-Mar-2020	Jessie Hue	.20	Dealing with creditor inquiry via email.
10-Mar-2020	Sheldon Title	.30	Call with David Callander re: books and records storage/retention given records have never been thrown out
10-Mar-2020	Jessie Hue	.30	Respond to email account and dealing with creditors.
12-Mar-2020	Angela Liu	.20	Email with S. Title re enquiry from Bell
16-Mar-2020	Jessie Hue	.10	Bank rec.
17-Mar-2020	Sheldon Title	.20	Call with Doug Lucky on status
18-Mar-2020	Akhil Kapoor	.20	Email communication with Isabel from DEL about the updated actual cash flows and to update S Title..
21-Mar-2020	Sheldon Title	.10	Email exchange with Lucky on status of closing of transaction
24-Mar-2020	Sheldon Title	.30	Call with Stam, email to Armstrong re: sale closing
24-Mar-2020	Jessie Hue	.30	Prepare receipt voucher and posting of EFT, email for second approval for EFT transfer.
25-Mar-2020	Jessie Hue	.60	Prepare receipt voucher of the EFT, prepare cheque request and HST for disbursements and fee and posting in Quicken and Ascend.
26-Mar-2020	Sheldon Title	.30	Email with Stam on KERP calls, distribution, court suspension etc.
29-Mar-2020	Sheldon Title	.40	Emails with Stam on distribution and WEPP; emails with Doug Lucky on status of closing receipt of email from Lucky on inventory; follow up email
30-Mar-2020	Sheldon Title	1.00	Email from Andrew re: request for wire of deposit; brief discussion with Stam on logistics; review of email on logistics; email from Lucky on final inventory

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			valuation/potential WIP sale; exchange of emails on same and call to Lucky (left msg)
30-Mar-2020	Jessie Hue	.20	Prepare monitor certificate with S. Title, email word and pdf to S. Title.
31-Mar-2020	Sheldon Title	1.90	Review of final purchase price calculations, discussion with Doug Lucky re: Drive Product's acquiring the WIP; emails relating to same; review of signed closing docs; arrange for wire of funds to Del, consideration of WEPP related issues and "What's Happening" memo, emails/calls with Stam on closing related issues;
31-Mar-2020	Jessie Hue	1.40	Banking, prepare wire instructions and requisition, post wire fee and posting in Ascend; Email S. Title the confirmation of the wire and inquiry with Maddie.
31-Mar-2020	Jessie Hue	.40	Review banking; email S. Title balances in the account and direction as to which account for the wire; Prepare EFT transfer from the retainer to the trust and postings.
31-Mar-2020	Akhil Kapoor	.20	Email communication with Isabel re actual cash flows starting from Feb 10
01-Apr-2020	Sheldon Title	.40	Email to Stam, call with Stam on next steps on DEL;
01-Apr-2020	Akhil Kapoor	.10	Email communication with Isabel and requesting her to commence work on actual cash flows
02-Apr-2020	Jessie Hue	.10	Print email approval to the requisition back up.
03-Apr-2020	Sheldon Title	.20	Email to/from Doug Lucky re: April 27th hearing and forward same to Akhil
03-Apr-2020	Akhil Kapoor	.20	Updating self with emails received from D. Lucky and S. Title about plan to go to Court on April 27 2020
09-Apr-2020	Sheldon Title	.20	Review of incoming emails and respond to Doug Lucky re: same; email to Jenny Stam
10-Apr-2020	Sheldon Title	.40	Emails with Tim Kurbis of Taylor Caffery re: AutoCrane/Ramsey and claims process/distribution; emails with Jenny on Doug's request for fee estimates; emails with Doug to schedule a call
11-Apr-2020	Sheldon Title	.80	Call with Doug Lucky on status; review of emails
11-Apr-2020	Akhil Kapoor	.90	Review of previous submission files and informing Sheldon about the items missed by Company to ensure they are taken care during current submission
13-Apr-2020	Sheldon Title	.50	Call with Jenny and Chris, instructions internally to Akhil and Michael on report/cash flows arising from the call
13-Apr-2020	Sheldon Title	.20	Email Litwack on guidance on report

Invoice Number:

Client Number: 0785562

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
13-Apr-2020	Michael Litwack	3.80	Emails re third report; Began to draft third report with review of previous materials, court orders and affidavits.
13-Apr-2020	Akhil Kapoor	.10	Follow up with Isabel and Jason Kanji for actual and projected cash flows
14-Apr-2020	Sheldon Title	.60	Review of Michael's draft report outline and amend; emails with Jenny to clarify ongoing need for sealing order; review of previous orders/report for continuity
14-Apr-2020	Michael Litwack	1.00	Preparation of outline for Third Report to Court
14-Apr-2020	Akhil Kapoor	.10	Email communication with Isabel and Jason re expected timelines to receive actual and projected cash flows

BILLING SUMMARY				
PROFESSIONAL	AVERAGE HOURLY RATE	HOURS	AMOUNT	
Angela Liu - Estate Administrator (Corporate Insolvency)	\$ 217.00	1.10	\$	238.70
Jessie Hue - Estate Administrator (Corporate Insolvency)	\$ 217.00	4.20	\$	911.40
Akhil Kapoor - Manager (Corporate Insolvency)	\$ 366.00	1.80	\$	658.80
Glenn Willis - Partner (Specialty Tax)	\$ 640.00	0.25	\$	160.00
Michael Litwack - Manager (Corporate Insolvency)	\$ 366.00	4.80	\$	1,756.80
Sheldon Title - Partner (Corporate Insolvency)	\$ 630.00	8.70	\$	5,481.00
TOTAL		20.85	\$	9,206.70

INVOICE

Invoice Number 9090212722
Matter Number 1001114650
Invoice Date February 25, 2020
NRF Contact Virginie Gauthier
Your VAT No 103697215

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada
Tel: +1 416-216-4000
Fax: +1 416-216-3930
www.nortonrosefulbright.com
GST/HST No. 111340006
PST: 1066-2017
Accounts Contact:
nrreceivables@nortonrosefulbright.com

For the attention of: Sheldon Title,
Vice President
sheldon.title@mnp.ca

**MNP Ltd., in its capacity as
Monitor of Del Equipment Inc.
300-111 Richmond Street West
Toronto ON M5H 2G4
Del Equipment Inc.**

Professional Services Rendered to February 16, 2020

Charges
CAD

SUMMARY

Taxable Fees	16,063.50
Taxable Disbursements	274.12
Taxable Amount	16,337.62
HST 13.000%	2,123.89
PST 7.000%	92.82
Non-Taxable Disbursements	48.00
TOTAL AMOUNT DUE AND PAYABLE	CAD 18,602.33

**Payable Upon Receipt
PAYMENT INFORMATION**

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date February 25, 2020

Invoice Number 9090212722

Matter Description Del Equipment Inc.

Matter Number 1001114650

Del Equipment Inc.

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
02/06/2020	Assis, L	0.50	Receipt of instructions. Conducting Alberta PPR and Corporate searches on Del Equipment Ltd., DEL Equipment Limited and Del Equipment Inc. Forwarding results to J. Mooney.
02/06/2020	Choi, P	0.50	Internal correspondence with team members from our BC, AB and QC offices.
02/06/2020	Mooney, J	0.50	Review public searches. Email correspondence with L. Assis regarding same. (DEL Equipment)
02/07/2020	Choi, P	0.60	Internal correspondence with team members in our other offices regarding the Security Opinion. Corresponding with potential agents in NB regarding the Security Opinion.
02/07/2020	Gauthier, V	0.20	Correspondence on file re multi-jurisdictional security opinion.
02/09/2020	Choi, P	0.90	Reviewing the loan documents.
02/10/2020	Boutin, H	0.80	Discuss security review with J. Mooney. Review Alberta PPR registrations and input results into security review memorandum.
02/10/2020	Carpico, L	4.00	Considering email request from P. Choi. Conducting corporate searches and PPSA searches. Ordering PPSA summaries. Receipt and review of due diligence searches and summaries. Preparing search checklist. Email communications with P. Choi regarding same.
02/10/2020	Choi, P	4.10	Reviewing PPSA registrations and corporate profile reports. Corresponding with potential agents in NB regarding the Security Opinion. Internal correspondence with team members from our other offices regarding same. Reviewing the loan documents. Preparing the Security Opinion.
02/10/2020	Mooney, J	0.60	Review PPR searches and discuss security review with H. Boutin.
02/11/2020	Assis, L	0.30	Receipt of instructions. Conducting Alberta PPR search on Del Equipment. Forwarding same to H. Boutin.
02/11/2020	Bain, D	0.50	Email from P. Choi, considering searches, reviewing GSAs, email to P. Choi.
02/11/2020	Boutin, H	0.90	Review and amend security review memorandum as per current Alberta PPR registrations, and discuss same with J. Mooney.
02/11/2020	Carpico, L	0.50	Receipt and review of certified PPSA searches and email communications with P. Choi regarding same.
02/11/2020	Choi, P	0.50	Internal correspondence and call with team members from our other offices regarding the Security Opinion.

This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss Verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

Invoice Date	February 25, 2020	Invoice Number	9090212722
Matter Description	Del Equipment Inc.		
Matter Number	1001114650		

02/11/2020	Mooney, J	0.40	Emails and phone calls with NRF security review team regarding PPR searches. Discuss same with H. Boutin.
02/12/2020	Baesu, M	1.00	Receiving instructions from T. Nichols. Del Equipment - Conducting searches at the Quebec Enterprise Registrar and the Register of Personal and Movable Real Rights against Del Equipment Inc. Requesting litigation searches and searches pursuant to Section 427 of the Bank Act. Drafting the summary report.
02/12/2020	Bain, D	0.40	Revising search summary for Del Equipment Inc. and Del Equipment Limited, email to P. Choi.
02/12/2020	Choi, P	1.10	Internal correspondence with team members from our other offices regarding the Security Opinion. Reviewing the loan documents. Preparing the Security Opinion. Meeting with T. Sutherland to discuss same.
02/12/2020	Mooney, J	0.50	Review general security agreements and public search summary. Email correspondence with NRF security review team regarding same.
02/13/2020	Choi, P	4.30	Preparing the Security Opinion. Corresponding with J. Parent of Stewart McKelvey regarding same.
02/14/2020	Bain, D	0.80	Reviewing draft opinion security agreement for B.C. purposes.
02/14/2020	Choi, P	3.50	Preparing the Security Opinion. Calls with team members from our other offices, R. Wahl, J. Parent of Stewart McKelvey and counsel to the Monitor regarding same.
02/14/2020	Gauthier, V	2.50	Attendance to matters regarding security opinion.
02/14/2020	Mooney, J	1.70	Review security review and provide Alberta law comments. (MNP). Review Alberta law GSAs.
02/14/2020	Nichols, T	3.00	Reviewing and amending legal opinion prepared by P. Choi. Phone conversations with P. Choi to discuss legal opinion.
02/14/2020	Wahl, R	0.30	Teleconference with P. Choi regarding inconsistent scope of defined term in recitals and body of assignment agreement.
Total		34.90	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Bain, D	1.70	780.00	1,326.00

This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

Invoice Date February 25, 2020
Matter Description Del Equipment Inc.
Matter Number 1001114650

Invoice Number 9090212722

Gauthier, V	2.70	965.00	2,605.50
Wahl, R	0.30	995.00	298.50
		Sub Total	4,230.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Choi, P	15.50	405.00	6,277.50
Mooney, J	3.70	460.00	1,702.00
Nichols, T	3.00	385.00	1,155.00
		Sub Total	9,134.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Assis, L	0.80	245.00	196.00
Baesu, M	1.00	300.00	300.00
Carpico, L	4.50	380.00	1,710.00
		Sub Total	2,206.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Boutin, H	1.70	290.00	493.00
		Sub Total	493.00

Total		34.90	16,063.50
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
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This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

Invoice Date February 25, 2020**Invoice Number** 9090212722**Matter Description** Del Equipment Inc.**Matter Number** 1001114650

Non-Taxable

Registration Fee 1.00 48.00

Taxable

Registration Fee 1.00 255.12

Search Fee 1.00 19.00

TOTAL 357.75

This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

Exhibit "G"

**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

**AFFIDAVIT OF JENNIFER STAM
(sworn April 18, 2020)**

I, Jennifer Stam, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP (“GSNH”) and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. GSNH are lawyers of record for MNP Ltd. (“MNP”) in its capacity as Court-appointed monitor (the “**Monitor**”) in the *Companies' Creditors Arrangement Act* proceedings of DEL Equipment Inc. (the “**Applicant**”)
3. Attached as **Exhibit “A”** to this affidavit are copies of the invoices rendered by GSNH to the Monitor for fees and disbursements incurred by GSNH in this proceeding for the period from October 3, 2019 to March 31, 2020.
4. Attached as **Exhibit “B”** to this affidavit is a schedule summarizing each account in Exhibit “A”, the total billable hours charged and the total fees charged.
5. The accounts attached at Exhibit “A” are comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

Jennifer Stam	\$585.00 (2019)
	\$595.00 (2020)
Brendan Bissell	\$550.00
Katie Parent	\$250.00

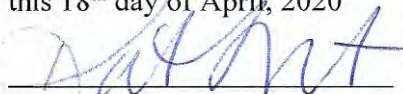
6. The average hourly rate charged for the invoices set out in Exhibit "A" is \$495.78.

7. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

8. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.


9. I make this affidavit in support of a motion by the Applicant for, among other things, approval of the fees and disbursements of GSNH as counsel to the Monitor for the period from October 3, 2019 to March 31, 2020.

SWORN before me at the City of Toronto, in the Province of Ontario this 18th day of April, 2020


 A Commissioner, etc.

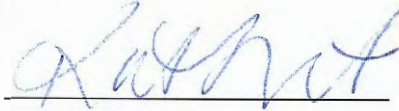
Katie Marie Parent,
 a Commissioner, etc., Province of Ontario,
 for Goldman Sloan Nash & Haber LLP,
 Barristers and Solicitors.
 Expires June 6, 2021.

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)



JENNIFER STAM

This is Exhibit "A" to the
Affidavit of Jennifer Stam,
sworn this 18th day of April,
2020



A Commissioner, etc.

Katie Marie Parent,
a Commissioner, etc., Province of Ontario,
for Goldman Sloan Nash & Haber LLP,
Barristers and Solicitors.
Expires June 8, 2021.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Billing Lawyer Jennifer Stam
Invoice No. 177011
HST # 12233 6290 RT0001
Invoice Date October 23, 2019

Attention: Sheldon Title

Client ID: 101723 Matter ID: 0001

RE: DEL Equipment Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period October 3, 2019 to October 22, 2019

Date	Professional	Narrative	Hours	Rate	Amount
10/03/19	JS	Conversation with C. Armstrong re various initial matters and considerations for filing;	0.50	585.00	292.50
10/04/19	JS	Conversation with S. Title re various preliminary filing matters; considering same;	0.30	585.00	175.50
10/08/19	JS	Correspondence re various issues;	0.20	585.00	117.00
10/09/19	JS	Reviewing draft initial order; correspondence with S. Title re same; mark up of same and correspondence with C. Armstrong re same;	1.20	585.00	702.00
10/16/19	JS	Conversation with C. Armstrong and S. Title re various pre-filing matters; correspondence re same;	1.10	585.00	643.50
10/17/19	JS	Reviewing various filing documents; conversation with A. Harmes re same; conversation with S. Title re same; preparing and sending mark up re same; reviewing PPSA summaries; considering issues re same; conversation with C. Armstrong re various matters;	5.40	585.00	3,159.00
10/18/19	JS	Reviewing various draft filing documents; several conversations and correspondence re same;	3.20	585.00	1,872.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Narrative	Hours	Rate	Amount
		considering issues re same;			
10/18/19	BB	Review of draft order and conference with J. Stam re: first day relief to be requested with respect to preservation of disputed funds held by Gin-Cor.;	0.30	550.00	165.00
10/18/19	KP	Reviewing PPSA search summaries; discussion with J. Stam; email to A. Harmes regarding certain registrations; discussion with J. Stam regarding status and materials for filing;	0.50	250.00	125.00
10/19/19	JS	Conversation with S. Title re various matters; reviewing revised affidavit; correspondence re sale process and other matters;	1.70	585.00	994.50
10/20/19	JS	Reviewing several drafts of report; providing comments re same; correspondence re same;	2.80	585.00	1,638.00
10/21/19	JS	Reviewing final versions and drafts of materials; several conversations with S. Title, C. Armstrong and others re same; working on matters for filing; preparing for Court hearing;	3.70	585.00	2,164.50
10/21/19	KP	Reviewing final drafts of affidavit and report; reviewing revised search summaries; drafting letter to Justice Hainey enclosing Pre-Filing Report; preparing Pre-Filing Report to be delivered to Justice Hainey; preparing materials for tomorrow's application hearing; serving Pre-Filing Report on service list; preparing affidavit of service for filing; discussions with and reporting to J. Stam;	5.00	250.00	1,250.00
10/22/19	JS	Preparing for and attending court for initial application; follow up correspondence and conversations re same;	3.20	585.00	1,872.00
10/22/19	KP	Swearing affidavit of service; attendance at application hearing; attendance at Commercial List to enter Initial Order and Preservation Order; circulating same to Goodmans; attendance at Commercial List to file Pre-Filing Report and Affidavit of Service; emails with MNP regarding materials for posting on website; reporting to J. Stam;	4.50	250.00	1,125.00
Sub-Total Fees:					16,295.50
HST on Fees:					2,118.42

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	10.00	250.00	2,500.00
Brendan Bissell	0.30	550.00	165.00
Jennifer Stam	23.30	585.00	13,630.50

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
	<u>33.60</u>		<u>16,295.50</u>

DISBURSEMENTS

Laser Copies	164.75
Courier	10.00

Sub-Total Disbursements: 174.75
Disbursements marked with * indicate exempt

HST on Disbursements: 22.72

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$2,141.14 HST): \$ **18,611.39**

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

Per: Jennifer Stam

E. & O. E.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Attention: Sheldon Title

Invoice No: 177011
Invoice Date: October 23, 2019

Client ID: 101723
Matter ID: 0001
Billing Attorney: JS

Current Billing:	18,611.39
Previous Balance:	0.00
Total Amount:	18,611.39
Amount Remitted:	\$ _____



Please include \$15.00 extra for wiring fees.

For payment by wire, please send funds to:

Canadian Imperial Bank of Commerce

Address: 460 University Avenue @ Dundas, Toronto, Ontario, M5G 1V1
Transit No.: 04702
Bank No.: 010
Swift Code: CIBCCATT
Account Name: Goldman Sloan Nash & Haber LLP - Trust Account
Account No.: 66-40117
Reference: 101723.0001-177011



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Billing Lawyer Jennifer Stam
Invoice No. 177495
HST # 12233 6290 RT0001
Invoice Date November 22, 2019

Attention: Sheldon Title

Client ID: 101723 Matter ID: 0001

RE: DEL Equipment Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period October 23, 2019 to November 20, 2019

Date	Professional	Narrative	Hours	Rate	Amount
10/23/19	KP	Drafting email regarding service list keeper for MNP to send; reporting to J. Stam; reviewing PPSA registrations and draft service list; providing comments to J. Stam; correspondence regarding same;	0.60	250.00	150.00
10/24/19	KP	Forwarding current service list to MNP for posting and circulation of email;	0.10	250.00	25.00
11/01/19	KP	Receipt of Motion Record returnable November 5, 2019; receipt and review of updated service list;	0.10	250.00	25.00
11/04/19	JS	Reviewing Company and Gin-Cor motion materials; considering same; conversation with C> Armstrong re same; correspondence with S. Title re various matters; conversation with S. Title re same;	1.80	595.00	1,071.00
11/05/19	JS	Preparing for and attending court re preservation order; negotiating interim settlement re same; several conversations re same;	7.00	595.00	4,165.00
11/05/19	KP	Reviewing draft order; reporting to J. Stam; attendance at Court to have order entered; circulating same to service list; correspondence with	1.50	250.00	375.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Narrative	Hours	Rate	Amount
		Court to confirm scheduling of November 19 comeback hearing and releasing November 14;			
11/06/19	KP	Follow up with Court regarding November 19 comeback hearing scheduling; reporting to J. Stam and Goodmans; receipt of request form for same;	0.30	250.00	75.00
11/12/19	KP	Obtaining contacts for various provincial authorities and updating service list with same; reporting to A. Harmes and J. Stam; discussion with J. Stam regarding Court materials;	1.20	250.00	300.00
11/13/19	JS	Reviewing revised motion materials; reviewing draft report; conversations and correspondence re same;	1.70	595.00	1,011.50
11/13/19	KP	Further updates to service list; reporting to A. Harmes and J. Stam regarding same; correspondence to S. Title enclosing updated service list;	0.50	250.00	125.00
11/14/19	JS	Finalizing report re comeback motion; conversations and correspondence re same;	0.80	595.00	476.00
11/14/19	KP	Preparing First Report for service; preparing copies for service by courier; serving same on email service list; preparing and swearing affidavit of service; arranging for filing with Commercial List; reporting to J. Stam;	1.80	250.00	450.00
11/15/19	KP	Updating service list with contact for Nova Scotia Department of Finance and updated SunLife address; reporting to A. Harmes;	0.30	250.00	75.00
11/18/19	JS	Conversations with C. Armstrong and S. Title re Gincor and information re same; considering response;	0.90	595.00	535.50
11/19/19	JS	Preparing for and attending court re comeback motion;	1.20	595.00	714.00
11/19/19	KP	Updating service list; reporting to J. Stam and A. Harmes; circulating same to S. Title;	0.20	250.00	50.00
11/19/19	JS	Drafting response to Gin-Cor; considering issues re same; correspondence re same;	1.20	595.00	714.00
11/20/19	JS	Revising Gin-Cor letter; correspondence re same; delivery of same	0.40	595.00	238.00
Sub-Total Fees:					10,575.00
HST on Fees:					1,374.75

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	6.60	250.00	1,650.00
Jennifer Stam	15.00	595.00	8,925.00
	<u>21.60</u>		<u>10,575.00</u>

DISBURSEMENTS

Photocopies	0.50
Laser Copies	85.50
Courier	79.94

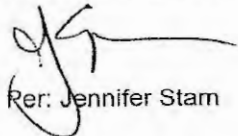
Sub-Total Disbursements: 165.94
Disbursements marked with * indicate exempt

HST on Disbursements: 21.57

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$1,396.32 HST): \$ 12,137.26

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per: Jennifer Stam

E. & O. E.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Attention: Sheldon Title

Invoice No: 177495
Invoice Date: November 22, 2019

Client ID: 101723
Matter ID: 0001
Billing Attorney: JS

Current Billing:	12,137.26
Previous Balance:	0.00
Total Amount:	12,137.26
Amount Remitted:	\$ _____



Please include \$15.00 extra for wiring fees.

For payment by wire, please send funds to:

Canadian Imperial Bank of Commerce

Address: 460 University Avenue @ Dundas, Toronto, Ontario, M5G 1V1
Transit No.: 04702
Bank No.: 010
Swift Code: CIBCCATT
Account Name: Goldman Sloan Nash & Haber LLP - Trust Account
Account No.: 66-40117
Reference: 101723.0001-177495



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Billing Lawyer Jennifer Stam
Invoice No. 177972
HST # 12233 6290 RT0001
Invoice Date December 19, 2019

Attention: Sheldon Title

Client ID: 101723 Matter ID: 0001

RE: DEL Equipment Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period November 22, 2019 to December 18, 2019

Date	Professional	Narrative	Hours	Rate	Amount
11/22/19	JS	Reviewing OshKosh NDA; conversations and correspondence re same; correspondence re Gin-Cor;	0.80	595.00	476.00
11/25/19	JS	Conversation with S. Title re various matters; considering same;	0.30	595.00	178.50
11/26/19	JS	responding to Gin-cor re hydraulics; correspondence re same;	0.50	595.00	297.50
11/26/19	KP	Updating service list and circulating same for posting on the website;	0.20	250.00	50.00
11/27/19	JS	conversations with S. Title re various customer issues;	0.50	595.00	297.50
11/29/19	JS	Conversation with C. Armstrong re various matters;	0.30	595.00	178.50
12/09/19	JS	conversation with C. Armstrong re sale process and related matters; considering same; correspondence with S. Title re various;	0.50	595.00	297.50
12/10/19	JS	Correspondence re HST matters and sale process matters; considering same;	0.50	595.00	297.50



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Narrative	Hours	Rate	Amount
12/11/19	JS	Conversation with S. Title re sale process and other file matters;	0.50	595.00	297.50
12/13/19	JS	reviewing draft phase II letter; conversation with C. Armstrong re various matters;	0.70	595.00	416.50
12/17/19	JS	Reviewing draft APA; considering issues re same; correspondence with S. Title and Goodmans re same; reviewing draft approval and vesting order; correspondence re same;	4.60	595.00	2,737.00
12/18/19	JS	Conference call re APA and other matters; considering same; reviewing revised versions of same; correspondence re same	2.20	595.00	1,309.00

Sub-Total Fees: 6,833.00

HST on Fees: 888.29

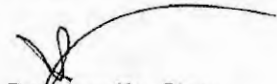
SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	0.20	250.00	50.00
Jennifer Stam	11.40	595.00	6,783.00
	<u>11.60</u>		<u>6,833.00</u>

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$888.29 HST): \$ 7,721.29

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per. Jennifer Stam

E. & O. E.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Attention: Sheldon Title

Invoice No. 177972
Invoice Date: December 19, 2019

Client ID: 101723
Matter ID: 0001
Billing Attorney: JS

Current Billing:	7,721.29
Previous Balance:	0.00
Total Amount:	7,721.29
Amount Remitted:	\$ _____



Please include \$15.00 extra for wiring fees.

For payment by wire, please send funds to:

Canadian Imperial Bank of Commerce

Address: 460 University Avenue @ Dundas, Toronto, Ontario, M5G 1V1
Transit No.: 04702
Bank No.: 010
Swift Code: CIBCCATT
Account Name: Goldman Sloan Nash & Haber LLP - Trust Account
Account No.: 66-40117
Reference: 101723.0001-177972



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Billing Lawyer Jennifer Stam
Invoice No. 179136
HST # 12233 6290 RT0001
Invoice Date February 28, 2020

Attention: Sheldon Title

Client ID: 101723 Matter ID: 0001

RE: DEL Equipment Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period February 5, 2020 to February 27, 2020

Date	Professional	Narrative	Hours	Rate	Amount
02/05/20	JS	Conversation with S. Title re Whistler sale and update on sale process; conversation with C. Armstrong re same; correspondence re same;	0.70	595.00	416.50
02/05/20	KP	Instructions from J. Stam; organizing security documents; forwarding same to V. Gauthier of Norton Rose;	0.60	250.00	150.00
02/10/20	JS	Reviewing draft exclusivity agreement; correspondence re same;	0.60	595.00	357.00
02/11/20	KP	Reviewing credit agreement and security index; reporting to J. Stam regarding guarantors of DEL security;	0.40	250.00	100.00
02/14/20	KP	Discussion with J. Stam regarding Debt Purchase Agreement; forwarding same to J. Stam;	0.10	250.00	25.00
02/14/20	JS	Conversations with V. Gauthier and P. Choi re security opinion and debt assignment agreement; correspondence with G. Vukevich re same; conversation with C. Armstrong re same; correspondence with S. Title re same;	0.80	595.00	476.00



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

Date	Professional	Narrative	Hours	Rate	Amount
02/18/20	JS	Correspondence with S. Title re stay extension and related matters; correspondence with C. Armstrong re same;	0.20	595.00	119.00
02/19/20	JS	Conversations and correspondence with S. Title re Feb 27 motion; conversation and correspondence with C. Armstrong re same; reviewing draft materials re same;	1.70	595.00	1,011.50
02/20/20	JS	Conversations and correspondence re stay motion, sale and related matters;	0.70	595.00	416.50
02/21/20	JS	Conversation with S. Title re various matters; reviewing APA;	0.50	595.00	297.50
02/22/20	JS	Correspondence with Goodmans re sale and extension motion; reviewing materials re same; correspondence with S. Title re same;	0.50	595.00	297.50
02/22/20	KP	Preparing cover and backpages for Report; discussions with J. Stam; reviewing service list; correspondence with A. Harmes regarding service of report;	1.00	250.00	250.00
02/23/20	JS	Correspondence re report; reviewing draft of same;	0.80	595.00	476.00
02/24/20	JS	Finalizing report; conversations and correspondence re same;	0.70	595.00	416.50
02/24/20	KP	Preparing report for service; serving same; preparing and swearing affidavit of service; preparing copies of Confidential Appendices Brief; attendance at Commercial List to file Record and Confidential Appendices; correspondence and confirming with A. Harmes regarding service of Report via courier;	2.30	250.00	575.00
02/25/20	KP	Receipt of Applicant's factum; preparing copy for J. Stam use at Court;	0.30	250.00	75.00
02/27/20	JS	Preparing for and attending court re sale approval and stay extension motion; correspondence with S. Title re same	1.20	595.00	714.00

Sub-Total Fees: 6,173.00

HST on Fees: 802.49

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	4.70	250.00	1,175.00
Jennifer Stam	8.40	595.00	4,998.00
	<u>13.10</u>		<u>6,173.00</u>

DISBURSEMENTS

Photocopies	1.00
Laser Copies	212.75

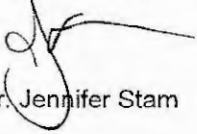
Sub-Total Disbursements:	213.75
Disbursements marked with * indicate exempt	

HST on Disbursements:	27.79
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TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$830.28 HST):	\$ 7,217.03
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THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per. Jennifer Stam

E. & O. E.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Attention: Sheldon Title

Invoice No: 179136
Invoice Date: February 28, 2020

Client ID: 101723
Matter ID: 0001
Billing Attorney: JS

Current Billing:	7,217.03
Previous Balance:	0.00
Total Amount:	7,217.03
Amount Remitted:	\$ _____



For General Account Only

Please include \$15.00 extra for wiring fees.

For payment by wire, please send funds to:

Canadian Imperial Bank of Commerce

Address: 595 Bay Street Toronto, On M5G 2C2
Transit No.: 05702
Bank No.: 010
Swift Code: CIBCCATT
Account Name: Goldman Sloan Nash & Haber LLP – General Account
Account No.: 05702-11-78717

Reference: 101723.0001 – 179136



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Billing Lawyer Jennifer Stam
Invoice No. 179613
HST # 12233 6290 RT0001
Invoice Date April 1, 2020

Attention: Sheldon Title

Client ID: 101723 Matter ID: 0001

RE: DEL Equipment Inc.

FOR PROFESSIONAL SERVICES RENDERED for the period March 2, 2020 to March 31, 2020

Date	Professional	Narrative	Hours	Rate	Amount
03/02/20	JS	Correspondence with S. Title re Gin Cor scheduling;	0.20	595.00	119.00
03/16/20	JS	Conversation with R. Shasti re closing of sale; conversation with J. Salmas re assets; correspondence with C. Armstrong re Gincor;	0.60	595.00	357.00
03/27/20	JS	Correspondence with S. Title re closing and timing of distribution; correspondence with C. Armstrong re same;	0.60	595.00	357.00
03/30/20	JS	Correspondence re DEL closing; conversation with S. Title re same;	0.60	595.00	357.00
03/31/20	JS	Attending to matters re closing; correspondence re same;	0.50	595.00	297.50
03/31/20	KP	Preparing back page for Monitor's Certificate; finalizing certificate; emailing same to Commercial List for filing;	0.20	250.00	50.00

Sub-Total Fees: 1,537.50

HST on Fees: 199.88



ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitor's Act interest at a rate of 3.00% per annum will be charged on amounts due, calculated commencing one month after the date of delivery of this account. Any disbursements recorded after preparation of this account will be billed at a later date.

SUMMARY OF PROFESSIONAL SERVICES

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Katie Parent	0.20	250.00	50.00
Jennifer Stam	<u>2.50</u>	595.00	<u>1,487.50</u>
	<u>2.70</u>		<u>1,537.50</u>

TOTAL LEGAL FEES AND DISBURSEMENTS (includes \$199.88 HST): \$ 1,737.38

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP



Per Jennifer Stam

E. & O. E.



Suite 1600
480 University Avenue
Toronto, Ontario
M5G1V2

Telephone: (416) 597-9922
Facsimile: (416) 597-3370

Remittance Advice

MNP Ltd.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4
Canada

Attention: Sheldon Title

Invoice No. 179613
Invoice Date: April 1, 2020

Client ID: 101723
Matter ID: 0001
Billing Attorney: JS

Current Billing:	1,737.38
Previous Balance:	0.00
Total Amount:	1,737.38
Amount Remitted:	\$ _____



For General Account Only

Please include \$15.00 extra for wiring fees.


For payment by wire, please send funds to:

Canadian Imperial Bank of Commerce

Address: 595 Bay Street Toronto, On M5G 2C2
Transit No.: 05702
Bank No.: 010
Swift Code: CIBCCATT
Account Name: Goldman Sloan Nash & Haber LLP – General Account
Account No.: 05702-11-78717

Reference: 101723.0001 – 179613

This is **Exhibit "B"** to the
Affidavit of Jennifer Stam,
sworn this 18th day of April,
2020

A handwritten signature in blue ink, appearing to read 'Katie Parent', written over a horizontal line.

A Commissioner, etc.

Katie Marie Parent,
a Commissioner, etc., Province of Ontario,
for Goldman Sloan Nash & Haber LLP,
Barristers and Solicitors.
Expires June 8, 2021.

**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

**Billing Summary of Goldman Sloan Nash & Haber LLP
(From October 3, 2019 to March 31, 2020)**

Invoice No.	Date	Period Ending	Hours	Fees	Disbursements	HST	Total
177011	October 23, 2019	October 22, 2019	33.60	\$16,295.50	\$174.75	\$2,141.14	\$18,611.39
177495	November 22, 2019	November 20, 2019	21.60	\$10,575.00	\$165.94	\$1,396.32	12,137.26
177972	December 19, 2019	December 18, 2019	11.60	\$6,833.00	\$0.00	\$888.29	\$7,721.29
178750	February 3, 2020	January 31, 2020	8.90	\$3,950.00	\$71.00	\$522.73	\$4,543.73
179136	February 28, 2020	February 27, 2020	13.10	\$6,173.00	\$213.75	\$830.28	\$7,217.03
179613	April 1, 2020	March 31, 2020	2.70	\$1,537.50	\$0.00	\$199.88	\$1,737.38
TOTAL			91.50	\$45,364.00	\$625.44	\$5,978.64	\$51,968.08

Timekeeper	Title	Hours	Amount
Jennifer Stam	Counsel	65.6	\$38,799.00
Brendan Bissell	Counsel	0.3	\$165.00
Katie Parent	Law Clerk	25.6	\$6,400.00
TOTAL		91.50	\$45,364.00

Blended Hourly Rate (\$/hour) \$495.78

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

AFFIDAVIT OF JENNIFER STAM
(sworn April 18, 2020)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Jennifer Stam (LSO#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Monitor, MNP Ltd.