

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

BANK OF MONTREAL

Plaintiff

and

**ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

Defendants

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ARRRC INTERNATIONAL INC., AGRICULTURE TECHNOLOGY INCORPORATED,
2265469 ONTARIO INC., 2292760 ONTARIO INC. and 2517748 ONTARIO INC.**

June 19, 2018

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1.1 Introduction

- 1.1.1** ARRC International Inc. (“**ARRC**”) is a real estate holding company and sole title holder of lands municipally known as 329 County Road 34, Ruthven Ontario (the “**329 Property**”). The 329 Property is comprised of 26.42 acres of land and has been improved with multiple outbuildings, including three private residences. ARRC leases the 329 Property exclusively to Agriculture Technology Inc. (“**ATI**”).
- 1.1.2** ATI’s primary business is the handling of plant materials and growing media removed from local greenhouse growers at the end of the crop cycle. Services offered by ATI include agriculture material handling, organic and substrate recycling, wood grinding and soil screening. Related businesses include plastic recycling, bio-fiber production, bio-fuel compounding and garden products.
- 1.1.3** 2517748 Ontario Inc., operating as City Recycle (“**251**”) operates as a waste disposal, processing and recycling transfer station from leased lands municipally known as 1153 Tecumseh Rd, Windsor Ontario (“**Tecumseh Property**”).
- 1.1.4** 2265469 Ontario Inc. o/a as AR3C (“**226**”) provides management services to ARRC, ATI and City. AR3C operates from rented premises at 1593 County Road 34, Kingsville Ontario (“**1593 Property**”).
- 1.1.5** 2292760 Ontario Inc. o/a WECO2 (“**229**”) is a non-operating company.
- 1.1.6** ARRC, ATI, 251, 226 and 229 (collectively the “**Companies**”) are all related private corporations having common ownership and directors.
- The directors of the Companies are:
- (i) Mr. Matthew Posthumus;
 - (ii) Mr. Steve Posthumus;
 - (iii) Mr. Luke Posthumus; and
 - (iv) Mr. Mark Posthumus (together the “**Posthumus Family**”).
- 1.1.7** Bank of Montreal (“**BMO**”) is the senior secured lender to the Companies. In aggregate, the Companies are indebted to BMO for approximately \$14,600,000. BMO holds a mortgage over the Property together with General Security Agreements from each of the Companies.
- 1.1.8** On April 3, 2018, the Companies advised BMO that the businesses were experiencing financial distress caused by the activities of the Ministry of Environment and the Town of Kingsville and, as a result, operations had effectively ceased. On April 4, 2018, BMO issued demands for payment and notices of intention to enforce security to the Companies.
- 1.1.9** On April 18, 2018, the Honourable Justice Pattillo of the Ontario Superior Court of Justice issued an Order (the “**Appointment Order**”) appointing MNP Ltd. as receiver (the “**Receiver**”) of the

Companies. A copy of the Appointment Order and the endorsement of Justice Pattillo are attached as **Appendix A**. The Appointment Order is substantially in the form of the Model Receivership Order.

1.2 Purpose of the Receiver's First Report

1.2.1 This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed to:

- Provide an overview of the Receiver's activities since the date of its appointment and seek approval of those activities; and;
- Report to the Court with respect to the Receiver's sale solicitation process ("**SSP**") for the Companies' assets and seek approval of same.

2.1 Possession

- 2.1.1** Upon its appointment the Receiver attended the 329 Property to serve the Companies' principals with a copy of the Appointment Order and to take possession.
- 2.1.2** The 329 Property is occupied by ATI and the Posthumus Family. The Receiver changed the locks to certain of the outbuildings, but not the private residences which continue to be occupied by members of the Posthumus Family.
- 2.1.3** The Receiver photographed the 329 Property, equipment and inventory to document the condition at the time of the Receiver's appointment. With the assistance of ATI's principals, the Receiver conducted a physical inventory of ATI's rolling stock and fixed assets. Raw material inventory is comprised of bulk coconut husk, rock-wool and separated plastic bales. Given its form, the Receiver consulted ATI's principals to estimate material volumes based on the dimension of material stockpiles.
- 2.1.4** The Receiver took possession of limited books and records of the Companies stored at the 329 Property. The Companies electronic records, including email and accounting software were kept securely offsite with a data service provider, Bolton Smith ("**Bolton**"). The Receiver engaged Bolton to image and create a back up of the Companies' server. Additionally, the Receiver obtained login credentials to have unfettered remote online access to all the Companies electronic records.

2.2 Operations

- 2.2.1** ATI and 226's operations ceased on or around March 23, 2018.
- 2.2.2** 251's operations ceased in March 2018 due to grievances with the Tecumseh Property landlord.

2.3 Environmental – Leachate Pad and Lagoons

- 2.3.1** Before its operations ceased, ATI accepted and processed significant volumes of end of crop agricultural materials comprised primarily of discarded greenhouse substrate. ATI's processing facility at the 329 Property is equipped with a 7-acre cement holding pad ("**Pad**") which was utilized to stockpile unprocessed material. The Pad and two large reservoirs ("**Lagoons**") collect precipitation run-off. The resulting liquid ("**Leachate**") is deemed by the Ministry of Environment and Climate Change ("**MOE**") to be 'Non-Agriculture Sourced Material' ("**NASM**").
- 2.3.2** The MOE requires NASM materials be contained and handled in accordance with the Nutrient Management Act ("**NMA**").
- 2.3.3** Should Lagoon capacities be exceeded, Leachate will flow into the local environment. Following overflows from the Lagoon in 2013 and 2016, ATI implemented environmental protocols to mitigate the risk of future environmental impact ("**Protocols**"). Protocols include periodically pumping out Lagoons and applying the materials to area farm lands in accordance with a MOE approved NASM Development Plan ("**NASM Plan**").

- 2.3.4** At the time of possession, the Receiver confirmed that the Pad and Lagoons were approaching freeboard capacity. Principals for ATI advised that the company’s financial state prevented it from complying with the Protocols. The Receiver understands that the Protocols were last deployed in September or October of 2017.
- 2.3.5** Principals for ATI confirmed that Mr. Luke Posthumus (“**Luke**”) historically managed the Protocols, including pumping Leachate from the Pad to the Lagoons. The Receiver immediately engaged Luke on a contract basis to manage the Pad and Lagoons.
- 2.3.6** ATI suggested that the Receiver speak with Mr. Rick Faber (“**Faber**”), a MOE NASM plan developer, to carry out the NASM Plan.
- 2.3.7** The Receiver contacted Faber to confirm requirements and procedures under the NMA, including:
- (i) Obtaining water samples and undergoing lab testing of same to confirm the Leachate qualifies as NASM materials;
 - (ii) Organizing with land owners in the local area to apply NASM materials on MOE approved lands; and
 - (iii) Organizing MOE approved transportation and handling contractors to apply NASM materials.
- 2.3.8** The Receiver immediately obtained water samples from the Lagoons and engaged Caducean Environmental to analyze the Leachate. Results confirmed that the Leachate qualified as NASM material.
- 2.3.9** On April 18, 2018 the Receiver advised the MOE of the Receivership.
- 2.3.10** On April 23, 2018 the Receiver met with MOE officials at the 329 Property to inspect the premises. The MOE advised its immediate concern relative to the Leachate levels of the Pad and Lagoons. The Receiver discussed its preliminary understanding and proposed action plan to manage the overflow risk.
- 2.3.11** Due to the volume of area precipitation and potential for additional precipitation, the Receiver began investigating alternate overflow risk management strategies to reduce Leachate levels. The Receiver consulted multiple environmental engineers/consultants and began organizing a contingency plan in the event the existing NASM Plan could not be carried out before the Lagoons overflowed from additional precipitation.
- 2.3.12** The Receiver obtained the MOE’s approval to begin applying Leachate from the Lagoons to approved farm land under the NASM Plan. However, the pre-approved farm lands were saturated from the Spring thaw and ongoing precipitation and the Receiver was required, by both the MOE and the land owners, to wait until the land dried sufficiently. The Lagoon levels continued to fill as the Receiver waited and there was an imminent risk of overflow.
- 2.3.13** As a short term fix to prevent an overflow, the Receiver moved water from one reservoir to the other, which still had some capacity, and began pumping water from the Lagoons back onto the Pad. This spread the water over a greater area and reduced the amount contained in the Lagoons. The Receiver also had the irrigation company fill tankers with water and keep them onsite until the Leachate could be pumped onto the fields.

- 2.3.14** Eventually field conditions improved and on May 29, 2018 application of Leachate to designated fields commenced and concluded on June 1, 2018.
- 2.3.15** Although a significant quantity of Leachate was removed in accordance with the NASM Plan, pad and Lagoon Leachate levels remain high. Notwithstanding, the Receiver, with MOE concurrence, confirm the immediate threat of overflow has been effectively managed.
- 2.3.16** Inspections are conducted daily to monitor Pad and Lagoon Leachate levels. The Receiver communicates frequently with MOE officials to provide updates on the status of the Pad and Lagoons.

2.4 Environmental – MOE Order

- 2.4.1** In November 2016 the MOE issued a Provincial Officer's Order in response to complaints from neighbors of odours emanating from the 329 Property. Following an appeal by ATI from the Provincial Offer's Order, a Director's Order ("**MOE Order**") was issued confirming the Provincial Officer's Order.
- 2.4.2** The MOE Order imposed significant requirements, including:
- Engagement of a consultant to complete an application for an Environmental Compliance Approval to the MOE regarding all air discharges at the 329 Property;
 - No waste products (i.e. agricultural waste from greenhouses) were to be accepted at the 329 Property without approval of the MOE;
 - Installation of a mesh fence around the Pad;
 - Installation of comprehensive odour control measure for the Lagoons, including permanent covers, odour suppression systems and air bubbler systems;
 - Various other directions regarding where and how waste material was to be stored.
- 2.4.3** ATI appealed the MOE Order to the Environmental Review Tribunal ("**ERT**") and requested certain requirements contained therein be eliminated or altered.
- 2.4.4** Prior to the Receivership, on March 22, 2018, ATI and the MOE executed a settlement (the "**MOE Settlement Agreement**") whereby all requirements of the MOE Order were to be withdrawn and replaced with the single stipulation that restricted only vine material (e.g. tomato, cucumber and pepper plants) from being received on the 329 Property without the approval of the MOE. The MOE Settlement Agreement was binding on all parties and subject only to the approval of the ERT. A copy of the MOE Settlement Agreement is attached at **Appendix B**.
- 2.4.5** A hearing before the ERT was held on May 2, 2018 to consider whether to approve the Settlement Agreement. The Receiver retained Wilms Shier LLP, ATI's environmental lawyers who negotiated the MOE Settlement Agreement with the MOE, to attend the ERT hearing.
- 2.4.6** The ERT approved the Minutes of Settlement and has issued a new Order to document same.

2.5 Environmental – Pre-Trial re 2016 Spill

2.5.1 In November 2017 ATI was charged with offences under the *Ontario Water Resources Act* arising from the discharge of Leachate from the Lagoons into a nearby municipal drain on April 15, 2016.

2.5.2 A pre-trial was scheduled for May 16, 2016. As the proceeding is stayed under paragraph 9 of the Appointment Order, the MOE Prosecutor requested the Receiver consent to a lifting of the stay to allow this matter to proceed. The Receiver provided this consent on the basis that any fine which may be levied against ATI, in the event that a conviction is entered, would be an unsecured claim in the receivership estate.

2.6 Environmental – Lagoon Appeal

2.6.1 On January 23, 2014 the MOE issued an Environmental Compliance Approval (“**ECA**”) approving the Lagoons as storm water management ponds (“**SWMP**”) included in an existing Sewage Works ECA.

2.6.2 On September 29, 2016 ATI requested an amendment to the ECA to remove the Lagoons from the Sewage Works. ATI was concerned about MOE regulations and restrictions surrounding SWMPs.

2.6.3 On April 5, 2018 the MOE issued a notice that the ATI request was denied based on ATI’s failure to provide the required information in support of its application.

2.6.4 ATI appealed the MOE refusal to amend the ECA. The Receiver has opted not to pursue the appeal as there is no information available that supports the position that the Lagoons are not SWMPs.

2.7 Tecumseh Property

2.7.1 251 leased warehouse space at 1153 Tecumseh Road, Windsor Ontario from Dutton Development Corporation (“**Dutton**”). According to 251 representatives, the premises were vandalized sometime in March 2018 and deemed unsafe for entry. The Receiver understands 251 made several requests of Dutton to repair reported damages caused by the vandalism; however, 251 representatives advise that Dutton failed to act. Due to the receivership no further action was taken by 251 against Dutton.

2.7.2 251 representatives confirm operations were limited to waste transfer and separating. Accordingly, equipment was minimal and comprised primarily of a waste processing/separation line and office equipment.

2.7.3 On April 23, 2018 the Receiver attended the Tecumseh Property to inspect and photograph its condition and confirm assets located therein.

2.7.4 The Receiver has communicated with Dutton’s legal counsel to confirm the status of 251’s commercial lease and to seek clarification regarding the condition and events leading to 251’s refusal to enter the premises.

2.7.5 The Receiver understands the Tecumseh Property has MOE Environmental Compliance Approval (“**ECA**”) to operate as a waste collection facility. ECA is site specific and transferable subject to MOE approval. The Receiver is assessing its ability and potential economic benefit, if any, of assuming or assigning the commercial lease and associated ECA designation.

2.8 1593 Property

2.8.1 229 occupied combined office and warehouse space at 1593 County 34, Kingsville Ontario from 2435895 Ontario Limited (“243”). 229 occupied the 1593 Property under terms of an unsigned lease offer. Counsel for 243 and 229 confirm no lease was ever executed.

2.8.2 243 terminated 229’s occupancy on April 5, 2018.

2.8.3 The unsigned lease offer included an option for 229 to purchase the 1593 Property; however, the Receiver is unable to locate a signed version and management of 229 cannot provide any written documentation from 243 acknowledging the purchaser option. The Receiver has reviewed this potential option with its independent legal counsel (as discussed below), who has confirmed that it is not enforceable without a written acknowledgement from 243.

2.9 Appraisals

2.1 The Receiver commissioned Infinity Asset Solutions to appraise rolling stock and fixed assets.

2.2 The Receiver commissioned Metrix Realty to appraise the 329 Property.

2.10 Accounts Receivable

2.10.1 The consolidated book value of the Companies accounts receivable at the date of receivership was \$306,028 (net of intercompany account balances).

2.10.2 The Receiver has processed outstanding invoices and communicated with customers to collect outstanding accounts.

2.10.3 The Receiver has collected \$5,375 in accounts receivable to date.

2.11 Pre-Receivership Payments

2.11.1 BMO identified large payments out of the accounts of ARRC and ATI in the weeks preceding the receivership and requested the Receiver investigate same. The Receiver wrote to Miller Canfield LLP (“Miller Canfield”), ATI’s pre-receivership legal counsel to request an explanation. The following is a summary of the payments and the Receiver’s actions to date:

Payment	Payee	Date	Explanation from Miller Canfield	Status to Date
<i>ARRC</i>				
\$70,000	Luke Posthumus	March 22, 2018	Repayment of trust funds advanced to ATI from Luke’s children	Requested return of these funds. Miller Canfield has advised \$26,000 was paid into an RRSP, \$11,000 was used to pay down debt and the balance was paid into a trust account for Luke’s children. No further action by the Receiver.
\$20,000	Steven Posthumus	March 23, 2018	Reimbursement to Steven for payroll expenses he personally covered after the business shut down	Requested return of these funds. Miller Canfield has advised the funds were used to pay down a personal line of credit and some were taken as cash. No further action by the Receiver.

ATI				
\$16,950	Geoff Owen	May 21, 2018	No explanation received	
\$15,000	Wilms and Shier LLP	May 22, 2018	Payment on account to environmental legal counsel, unpaid fees of \$130,000 remain outstanding after this payment	No action taken by Receiver
\$19,038.85	J.R. Filliter Investigative Services	May 22, 2018	Payment for private investigative services, retainer of \$9,730.00 and the balance to pay off account	J.R. Filliter has returned the retainer with proceeds deposited to the Receiver's trust account on May 28, 2018.
\$65,000	Miller Canfield LLP	May 22, 2018	Payment on account of \$12,053.00 and the balance as retainer	Miller Canfield acted as counsel to the Companies prior to the receivership and has advised the retainer funds should remain available to represent the directors. The Receiver has advised Miller Canfield the retainer funds can be used only to advise the directors in matters relating to their role as directors of the Companies (i.e. not in respect of their personal liabilities). The Receiver will request an accounting of the retainer funds and return of any unused portion at the end of the receivership.
\$60,000	Steven Posthumus	March 23, 2018	Reimbursement to Steven for payroll expenses he personally covered after the business shut down	Requested return of these funds. Miller Canfield has advised the funds were used to pay down a personal line of credit and some were taken as cash. No further action by the Receiver.

2.12 Inventory Liquidation

2.12.1 The book value of raw material, at the date of receivership was \$3,099,816.

2.12.2 The Receiver has engaged the Posthumus Family on a contract basis to assist in realizing certain of ATI's inventory including bulk coconut husk and plastic bales. Sales are ongoing and conducted on an "as-is/where-is" basis with no representations or warranties by the Receiver. Expenses relative to inventory realization is limited as customers are responsible for all logistical costs.

2.12.3 The Receiver has sold \$72,428 in inventory post receivership.

2.13 Employees

2.13.1 Prior to the receivership, the Companies collectively had approximately 36 employees. All employees were laid off on or around March 23, 2018.

2.13.2 The Companies delivered Records of Employment to all employees. Post-receivership operations are limited to the sale of bulk inventory. Accordingly, employees will not be required, and the Receiver has notified employees of their termination as at the date of the Receiver's appointment.

2.13.3 In lieu of termination notice, employees may be entitled to termination pay. The Receiver has relied on the Companies' records to calculate employee claims for termination pay. Claims for termination pay are eligible under the Wage Earner Protection Program ("WEPP"). The Receiver has initiated the claims process and has notified former employees of their eligibility to claim amounts in accordance with the WEPP legislation.

2.14 CRA

2.14.1 Following its appointment, the Receiver requested that CRA perform an audit of the Company's source deduction account up to the date of receivership. CRA has not yet scheduled the audit.

2.14.2 The Receiver requested a new HST account to be opened for the Receiver's reporting and remitting purposes.

2.15 Accountant

2.15.1 The Receiver has engaged the Companies former accountant, Collins Barrow LLP ("Collins"), to complete ATI's 2017 corporate income tax return to optimize unrealized income tax refunds.

2.16 Insurance

2.16.1 The Receiver requested copies of the Companies' insurance policies in respect of its assets and operations. The Receiver was provided copies of the policies and sent notice to the respective insurers to confirm continuance of coverage and requested to be added as an additional named insured.

2.16.2 The insurer has confirmed the Receiver has been added as an additional named insured.

2.16.3 The Receiver is reviewing policy limits to determine coverage deficiencies or potential reductions. Certain of the Companies' policies expire July 1, 2018. The Receiver has consulted an alternate insurance provider to quote new insurance terms as the current insurer has indicated it may be unwilling to renew the current policies.

2.17 Third Party Assets

2.17.1 The Receiver is aware of multiple property claims and is working with claimants to verify ownership rights.

2.17.2 Upon confirmation of ownership, the Receiver has released fuel tanks owned by Jack Smith Fuels and Dowler-Karn.

2.18 Cash and Banking

2.18.1 Subsequent to its appointment, the Receiver notified BMO and requested all ARRC and ATI accounts be placed on deposit only status.

2.18.2 The Receiver arranged to have a new account set up with BMO to facilitate future receipts and disbursements with respect to the receivership administration.

2.19 Receiver's Certificate

2.19.1 The Receiver borrowed \$100,000 from BMO to fund activities to date, including possession issues, consulting fees and pumping the Lagoon. Receiver Certificate number 001 was issued to BMO for this advance. A copy of Receiver Certificate 001 is attached as **Appendix C**.

2.20 Notice

2.20.1 The Receiver prepared and issued combined notices pursuant to Section 245(1) and 246(1) of the Bankruptcy and Insolvency Act to the Office of the Superintendent of Bankruptcy and to all known creditors of the Companies (the "Receiver's Notice"). Copies of the Receiver's Notices are attached hereto at **Appendix D**.

2.20.2 The Receiver has setup a page on it's website at mnpdebt.ca to publicly post all relevant receivership documents, including the Appointment Order.

2.21 Independent Counsel Security Opinion

2.21.1 The Receiver has retained Miller Thomson LLP ("**MT**") as independent counsel to provide an opinion to the Receiver on the validity and enforceability of the security held by BMO and other secured creditors and to provide legal advice to the Receiver during the course of the receivership.

2.21.2 MT is undertaking a review of all leases entered into by the Companies for various assets to assess the validity and enforceability of same.

2.21.3 The Receiver will provide an update and further report to the Court on this issue once the MT legal opinion is received.

- 3.1** Pursuant to the Appointment Order, the Receiver is authorized to market any or all of the property of the Companies, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2** The tangible assets of the Companies consist of the following:
- i) The 329 Property;
 - ii) Fixed assets (owned and leased);
 - iii) Rolling stock (owned and leased);
 - iv) Unprocessed inventory (rock-wool, coconut husk and organic vines);
 - v) Processed Inventory (bulk coconut husk and plastic); and
 - vi) The Companies right, title and interest in intellectual property and the Tecumseh Property.
- (collectively the “Assets”)
- 3.3** The Assets are specialized, and their use limited to the Companies operations and manufacturing processes. Recognizing the specialized nature of the Companies business and Assets, the Receiver consulted primary stakeholders including the Companies, the Bank and MNP Corporate Finance to develop the SSP described herein. The Bank’s has approved the Receiver’s SSP.
- 3.4** Working with MNP Corporate Finance, the Receiver identified and developed a list of 215 parties (“**Interested Parties**”) potentially interested in purchasing the Assets and undertakings of the Companies. Interested Parties include domestic and international competitors, other industry participants, equity investment firms and liquidators. Attached as **Appendix E** is a summary of the list of Interested Parties contacted with the sale opportunity.
- 3.5** An Invitation for Proposals describing the Assets, outlining the process to submit a bid and inviting recipients to express their interest (“**Invitation for Proposals**”) was sent to Interested Parties on June 8, 2018. The form of Invitation for Proposals is attached as **Appendix F**.
- 3.6** Prospective purchasers wishing to obtain detailed information about the Companies are required to execute a form of Confidentiality Agreement (“**CA**”). The form of CA is attached as **Appendix G**.
- 3.7** Upon execution of a CA, prospective purchasers are provided access to the Receiver’s virtual data room dedicated to the sale of Assets and a copy of the Receiver’s Confidential Information Memorandum (“**CIM**”). The **CIM** provides a brief overview of the Companies’ operations and assets and the terms and conditions of sale. A version of the CIM with all confidential information redacted is attached at **Appendix H**. Due to the confidential nature of the CIM, the Receiver is disclosing the full unredacted version to the Court via a supplementary report, which the Receiver requests that the Court keep sealed until following the completion of the sale of the Assets.

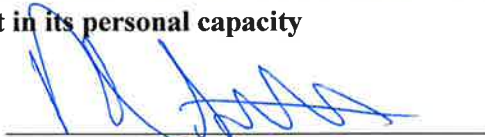
- 3.8** The Receiver advertised the Invitation for Proposals in the financial section of the national edition of the Globe & Mail on Saturday June 16, 2018.
- 3.9** The Receiver has promoted the sale of Assets through national business magazine publisher, Greenhouse Canada (“GC”). GC is published exclusively for the Canadian commercial greenhouse sector and has a subscribership of 3,000 plus industry professionals. The Invitation for Proposal has been published on GC’s website for a period of one-month effective June 21, 2018 and has been promoted through a mail-blast to GC subscribers.
- 3.10** The Receiver provided a copy of the Invitation for Proposals to Clean Farms Ontario for distribution to its membership. Clean Farms Ontario is group of Ontario farmers dedicated to practising and promoting clean farming practises.
- 3.11** The Receiver notified more than 650 MNP partners across Canada of the SSP and provided a copy of the Invitation for Proposals for distribution to MNP clients that may be interested in the opportunity.
- 3.12** The Receiver published a notice of the SSP in the Insolvency Insider, a weekly email publication that is circulated within the national insolvency industry.
- 3.13** The deadline to submit offers has been established as 2:00 p.m. on Friday, July 27, 2018. The deadline has provided prospective bidders approximately six weeks to complete their due diligence and prepare an offer. The Receiver has pre-arranged Asset viewings on June 15, 20, 26, 27 and July 7, 2018.
- 3.14** The SSP has commenced and the Receiver is presently communicating with multiple prospective purchasers.

4.1 We submit this **First Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:

- (a) Approve the First Report of the Receiver and the activities of the Receiver described herein;
- (b) Approve the SSP described in Section 3.0 of this First Report; and,
- (c) Approve the sealing of the Supplement to the First Report and its contents.

All of which is respectfully submitted this 19th day of June, 2018.

**MNP Ltd. in its capacity as Receiver of
ARRRC International Inc., Agriculture Technology Incorporation, 2265469 Ontario Inc.,
2292760 Ontario Inc. and 2517748 Ontario Inc.
and not in its personal capacity**



Per: Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President