

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

September 22, 2016

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1.0 *Introduction and Purpose of Report*

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

In addition Roynat has received guarantees of its indebtedness from the Guarantors.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016, which expired on July 8, 2016.

- 1.1.10** The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11** During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12** On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13** The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14** The Receiver has submitted two previous reports to the Court dated August 5, 2016 (the "**First Report**"), which included a confidential supplemental report to the Court and August 31, 2016 (the "**Second Report**"). A copy of the First Report, without appendices, is attached as **Appendix B**. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 and issued on August 29, 2016 are attached as **Appendix C**. A copy of the Second Report, without appendices, and Order dated September 13, 2016 approving same are attached as **Appendix D** and **Appendix E** respectively.

1.2 Purpose of the Receiver's Third Report

- 1.2.1** This constitutes the Receiver's Third Report to the Court (the "**Third Report**") in this matter and is filed to:
- a) Obtain an Order approving the Third Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
 - b) Obtain an Order approving the bill of sale between the Receiver and Vidal Street Industrial Park Inc. ("**VIP**") with respect to the twenty-seven rail cars described therein;
 - c) Obtain an Order vesting title to the twenty-seven rail cars described herein in and to VIP;
 - d) Obtain approval of the fees and expenses of the Receiver and its legal counsel;
 - e) Obtain approval of the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016; and

- f) Obtain an Order sealing the Confidential Supplement to the Receiver's Third Report.

2.0***VIP Bill of Sale***

2.1 Rail Cars

2.1.2 Prior to the receivership Entropex leased the following twenty-seven (27) rail cars (the “**Rail Cars**”) from Procor Limited (“**Procor**”):

	Rail Car Number
1	UNPX122640
2	UNPX122643
3	UNPX122771
4	UNPX122774
5	UNPX122791
6	UNPX122794
7	UNPX122845
8	UNPX122882
9	UNPX122918
10	UNPX123030
11	UNPX123044
12	UNPX123057
13	UNPX123065
14	UNPX123069
15	UNPX123154
16	UNPX123207
17	UNPX123278
18	UNPX123340
19	UNPX123564
20	UNPX123855
21	UNPX123930
22	UNPX123954
23	UNPX124104
24	UNPX124113
25	UNPX124122
26	UNPX124155
27	UNPX124170

2.1.3 The August 16, 2016 Court Order approving the First Report, attached at Appendix C, approved the process to market and sell the assets of the Companies (the “**Sales Process**”) as described in the First Report. Bids under the sales process were due to be submitted on September 16, 2016.

2.1.4 The September 13, 2016 Court Order approving the Second Report, attached at Appendix E, declared:

- that the lease agreement for the Rail Cars was an unperfected security interest subordinate to the perfected security interests of both BNS and Roynat; and,
 - that the Receiver is entitled to sell the Rail Cars and vest title in them free and clear of the interest of Procor pursuant to an approval and vesting Order to be obtained by the Receiver.
- 2.1.5** The Receiver has accepted an offer, subject to Court Approval, to sell the Rail Cars to VIP and entered into a bill of sale ("**Bill of Sale**"). Due to the confidential nature of the Bill of Sale, the Receiver is disclosing the details to the Court via a supplementary report, which we request the Court keep sealed pending the closing of the transaction.
- 2.1.6** The supplementary report also includes details of the Sales Process and appraisal information.

3.0 Statement of Receipts and Disbursements

- 3.1.1** Appendix F, attached, is a summary of the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016.
- 3.1.2** The Receiver has generated receipts of approximately \$2,480,000, primarily from collection of accounts receivable and the sale of inventory.
- 3.1.3** The Receiver has made disbursements of approximately \$342,500, primarily for:
- Wages, benefits and source deductions of \$200,000. As set out in the First Report, the Receiver has maintained four employees onsite at the Lougar Property full time (twenty four hours a day, seven days a week) to maintain the environmental protocols described therein.
 - \$30,000 has been paid to date to a shipping company who made a claim for shipments delivered prior to the receivership to Entropex customers. The shipping company claimed the right to hold Entropex customers responsible for invoices totaling \$105,000 under Section 7.1 of the *Mercantile Law Amendment Act* and Section 2 of the *Bills of Lading Act*. The Receiver's legal counsel reviewed these statutes and provided an opinion that a portion of the claim was valid and the Receiver subsequently reached an agreement with the shipping company to pay \$32,000 in full and final settlement of its claims. To avoid confusion to the customers of where to direct payment, the Receiver and the shipping company agreed that the Receiver would collect the outstanding accounts and remit payments to the shipping company for their claims.
 - Occupancy costs, including utilities, insurance, cleaning and phone.
- 3.1.4** The Receiver has generated a net excess of receipts and disbursements to date of \$2,141,000.

4.0 Receiver and its Counsel's Accounts


- 4.1.1** As required in the Initial Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 4.1.2** The Receiver has submitted one invoice to date, for the period July 8 to September 16, 2016 in the amount of \$130,000, inclusive of disbursements and before HST. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix G**.
- 4.1.3** Advocates LLP ("Advocates"), the Receiver's legal counsel, has submitted one invoice to date, for the period July 8 to September 19, 2016 in the amount of \$73,102.72, inclusive of disbursements and before HST. The invoice, together with the Advocates affidavit of verification of fees, is attached as **Appendix H**.

5.0**Order Sought**

- 5.1** We submit this **Third Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) Approving the Third Report of the Receiver and the Confidential Supplement thereto, and the activities of the Receiver described therein;
 - b) Approving the Bill of Sale between the Receiver and Vidal Street Industrial Park Inc.;
 - c) Vesting title to the Rail Cars described therein in and to Vidal Street Industrial Park Inc.;
 - d) Approving the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016;
 - e) Approving the fees and expenses of the Receiver and its legal counsel; and,
 - f) Approving the sealing of the Confidential Supplement to the Third Report and its contents.

All of which is respectfully submitted this 22nd day of September, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


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

TAB A



ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE GRACE

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THURSDAY, THE 14
DAY OF JULY, 2016

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

(appointing Receiver)

THIS MOTION made by the ^{moving party} Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") ~~and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA")~~ appointing MNP Ltd. ("MNP") as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Entropex, 629728 Ontario Limited ("629") and Unitec Inc. ("Unitec") (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Paul Waters sworn July 11, 2016 and the Exhibits thereto, the affidavit of service of Kelly Bryant sworn July 12, 2016, the consent of MNP to act as the Receiver and on hearing submissions of counsel for the ^{moving party} Plaintiff, ~~and~~

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver'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 Receiver'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 Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder 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 of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and to any security interest entitled to priority ^{over} the ~~Receiver's~~ ^{purchase money} party under the Personal Property Security Act. D/

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge ^{of the Commercial List} of the Ontario Superior Court of Justice. (in Bankruptcy and Insolvency Act)

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA ^{and to any purchase money security interest entitled to priority over the moving party under}

22. ^{the Personal Property Security Act.} THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, 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 by MNP and found at MNP.debt.ca.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is 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 transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

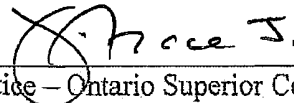
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

30. THIS COURT ORDERS that the Receiver 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 Receiver 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.

31. THIS COURT ORDERS that the ^{moving party} Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ^{moving party} Plaintiff's security or, if not so provided by the ^{moving party} Plaintiff's security, then on a substantial indemnity basis to be paid by ^{moving party}

the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Justice – Ontario Superior Court of Justice
– In Bankruptcy and Insolvency

Grace J.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Entropex, 629728 Ontario Limited and Unitec Inc. (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the "Court"), dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

of

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MNP Ltd., solely in its capacity
as Receiver of Entropex, 629728 Ontario
Limited and Unitec Inc., and not in its personal
capacity or corporate capacity.

Per: _____

Name:

Title:



THE BANK OF NOVA SCOTIA

v.

ENTROPEX ET AL

Plaintiff

Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at London

ORDER

Harrison Pensa ^{LLP}
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan LSUC #36553S
Tel: (519) 679-9660
Fax: (519) 667-3362

Solicitors for the Plaintiff
165075/kbu

00080

TAB B

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

August 5, 2016

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- Appendix A - Initial Order
- Appendix B - Receiver's Section 245 Notice
- Appendix C - Invitation for Proposals and Confidentiality Agreement

1.0 Introduction and Purpose of Report

1.1 Introduction

- 1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).
- 1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.
- 1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.
- 1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.
- 1.1.5 The debt owing to BNS is secured by the following:
- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
 - General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
 - Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).
- 1.1.6 The debt owing to Roynat is secured by the following:
- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
 - Guarantees dated July 31, 2014 from 629 and Unitec.

In addition Roynat has received guarantees of its indebtedness from Nxgen Holdings Inc. Entropex Logistics Inc. and Entropex Rigidreclaim Inc.

- 1.1.7 According to a PPSA search, the Companies’ secured creditors include the following:

Entropex

- Roynat has registered its debenture against twelve forklifts as well as against all equipment, inventory, receivables and accounts due for rent (also registered against Unitec and 629);
- BNS has registered a general security agreement;
- Unitec has registered a general security agreement;

- Delage Landen Financial Services Inc. has registered a charge against two forklifts (also registered against Unitec);
- Xerox has registered a charged against equipment with no description; and,
- Ryder Truck Rental Canada Ltd. has registered a charge against a vehicle.

Unitec (excluding registrations against both Unitec and Entropex listed above)

- Roynat has registered its debenture;
- BNS has registered a general security agreement;
- Kevin, Timothy, Keith and Christopher Bechard, as well as Carolyn Hannon, Patricia Pequegnat and Joan Hett have registered a general security agreement;
- Deragon Leasing Inc. has registered a charge against one vehicle; and,
- National Leasing Inc. has registered a charge against lighting as described in a lease agreement.

629 (excluding registrations against both 629 and Entropex listed above)

- Roynat has registered a general security agreement; and
- BNS has registered a general security agreement.

- 1.1.8** On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.
- 1.1.9** On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.
- 1.1.10** On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016 (the "**Forbearance Agreement**"), which expired on July 8, 2016.
- 1.1.11** The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.12** During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.13** On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.

1.1.14 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:

- Take possession of and exercise control over the property of the Companies;
- Manage, operate and carry on the business of the Companies;
- Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
- Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.

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:

- Seek approval of the First Report and the Supplement to the First Report, and the Receiver's activities as outlined therein;
- Seek approval of the proposed changes to the environmental Protocols as outlined therein; and,
- Report to the Court in respect of the realization strategy and process being undertaken by the Receiver and obtain approval of same.

2.0

Initial Receiver Activities

2.1 Possession

- 2.1.1 Upon its appointment the Receiver attended the Lougar Property to serve the principal, Keith Bechard, with a copy of the Initial Order and take possession.
- 2.1.2 The Receiver changed the locks and photographed the Lougar Property and all assets located therein.
- 2.1.3 The Receiver temporarily engaged a security company to conduct period site visits of the Lougar Property.
- 2.1.4 The Receiver conducted a count of Entropex's inventory and prepared lists of the equipment and vehicles.
- 2.1.5 Entropex leased offsite office space where the accounting team worked, and the books and records were stored. The Receiver relocated these books and records to the Lougar Property. The Receiver did not occupy or take possession of the offsite office space.

2.2 Operations

- 2.2.1 Upon the expiry of the Forbearance Agreement on July 8, 2016, BNS and Roynat advised Entropex there would be no more credit under the existing facilities. As such, management of Entropex stopped purchasing new material and began to wind down operations during the week preceding the receivership.
- 2.2.2 Entropex was operating in a cash deficit. Based on an internally prepared forecast, Entropex was expected to lose an average of \$74,600 per week through July and August.
- 2.2.3 The Entropex workforce was unionized and the Receiver faced potential exposure for successor employer liability if operations were carried on by the Receiver.
- 2.2.4 In 2013, after a heavy rain, plastic pellets were washed off the Lougar Property into the municipal drain and sewer system. Entropex spent approximately \$1.4 million to clean the spill. The MOE issued an order requiring Entropex to develop a plan to improve the storm water management and drainage capabilities of the Lougar Property. A plan was submitted and approved by the MOE; however, the enhancements to the Lougar Property have not yet begun. Entropex put in temporary measures to prevent another leak, discussed in more detail below. However, the risk of another environmental spill remains. The Receiver felt this risk would be higher if operations were continued.
- 2.2.5 For these reasons set out above the Receiver did not continue the operations of Entropex. Operations were shut down immediately upon the appointment of the Receiver.

2.3 Environmental

- 2.3.1 Although the operations of Entropex were wound down, the Lougar Property is contaminated with small plastic pellets (Entropex's finished product) from pre-receivership operations and there continues to be risk that these pellets could be washed into the municipal sewer and drainage system in the event of a heavy rain.

2.4 Existing Environmental Protocols

2.4.1 Following the 2013 spill, Entropex initiated environmental protocols ("the **Protocols**") to mitigate this risk, including:

- Screens were placed in drains to filter plastic pellets from water that flowed through before it was released to the municipal drainage system;
- In the event of rain a team of Unionized employees would go to the parking lot to direct water to these filtered drains and scrape the screens to prevent them getting clogged; and,
- Sandbags were placed around portions of the driveway to contain water while it was filtered and drained properly.

2.4.2 Management of Entropex advised the Receiver that a team of at least four people must be onsite at Entropex 24 hours a day, seven days a week, to ensure the Protocols were followed if it rained.

2.4.3 On July 9, 2016 the Receiver advised the Ministry of the Environment (the "**MOE**") of the Receivership, the termination of the unionized employees and shut down of the plant.

2.4.4 The Receiver engaged Pinchin Ltd. ("**Pinchin**"), an environmental engineering and consulting firm to attend the Lougar Property, identify risks of environmental contamination and provide advice and recommendations on how to mitigate these risks.

2.4.5 The Receiver has retained sufficient former Entropex staff members and temporary employees through an agency to maintain the Protocols at a cost of approximately \$90,000 per month.

2.5 Lougar Property Clean Up

2.5.1 The Receiver has engaged Diresco Inc. ("**Diresco**") a local remediation and restoration company to:

- Sweep the entire paved area in front of the plant to remove plastic pellets;
- Sweep all corners and edges to remove plastic pellets;
- Sweep to remove all plastic pellets from outside machinery;
- Clean the screened area in the catch basins to remove plastic pellets; and,
- Vacuum and clean water and pellets in catch basins.

2.5.2 The Receiver and Diresco contacted the MOE to advise of the planned cleanup efforts outlined above. The MOE advised the cleanup efforts were reasonable.

2.5.3 Pinchin is conducting a review of the site for any other potential improvements to redirect and contain water in the event of rain.

2.6 Alternate Environmental Protocols

- 2.6.1** As an alternative to the Protocols, Diresco has provided a quote to supply a response team of five people that would attend the Lougar Property in the event of rain to manage the water flow and carry out the Protocols (the "**Alternate Plan**"). Diresco would require the Receiver maintain one site supervisor familiar with the existing storm water management procedures at the Lougar Property 24 hours a day, 7 days a week, who would alert Diresco when the response team is needed and then immediately commence dealing with the rain water. This would significantly reduce costs to the receivership to monitor and respond to the storm water, from approximately \$90,000 per month to approximately \$22,000 per month.
- 2.6.2** The Receiver has reviewed the Alternate Plan with Pinchin and the MOE. Pinchin has advised that since Entropex is no longer operational and the site has been cleaned by Diresco, thereby significantly reducing the risks of pellet contamination into the municipal sewer and drainage system, the Alternate Plan is a reasonable and appropriate response plan to respond to a storm. The MOE had no concerns with the plan; however, would not provide specific instruction on the appropriate level of monitoring after the cleanup.
- 2.6.3** As such, the Receiver recommends reducing the coverage maintained on the Lougar Property from four people on location 24 hours a day, 7 days a week, to one person, with the Diresco five person response team on standby to attend as needed. This change is expected to save the estate approximately \$68,000 per month in ongoing occupancy costs while at the same time providing sufficient water management coverage given the changed circumstances at the Lougar Property.

2.7 Ube Warehouse

- 2.7.1** Entropex leased a warehouse at 21 Ube Drive, Sarnia, Ontario (the "**Ube Warehouse**"). The warehouse contained some equipment and over 2.0 million kilograms of plastic that could not be used in Entropex's recycling operations (the "**Ube Inventory**").
- 2.7.2** Management advised the Receiver that the Ube Inventory had a book value of approximately \$2.3 million; but was not usable and should be disposed of. Management estimated the costs to dispose of the Ube Inventory would be approximately \$175,000.
- 2.7.3** The Receiver met with the landlord of the Ube Warehouse to advise the equipment would be removed and relocated to the Lougar Property and that the Receiver would not occupy the Ube Warehouse or take possession of the Ube Inventory. The Receiver offered that if so requested by the landlord, it would try and find a buyer for the Ube Inventory so it would be removed from the Ube Warehouse. The landlord has not yet confirmed this request of the Receiver.

2.8 Accounts Receivable

- 2.8.1** The book value of accounts receivable at the date of receivership was \$3,742,000.
- 2.8.2** The Receiver, and/or a representative of Entropex, contacted customers who depended on ongoing supply from Entropex to advise of the receivership and shut down. The Receiver felt that receivable collections would be maximized if customers had as much time as possible to find alternate supply.
- 2.8.3** The Receiver engaged the former Entropex Accounts Receivable Clerk to process all outstanding invoices and interact with customers to collect all accounts outstanding.

2.8.4 The Receiver notified the accounts receivable insurer of the receivership.

2.8.5 The Receiver has collected \$954,288 in accounts receivable to date.

2.9 Inventory Liquidation

2.9.1 The book value of raw material and finished goods inventory, excluding the UBE inventory, at the date of receivership was \$168,000 and \$285,000 respectively.

2.9.2 The Receiver engaged the former Entropex Sales Manager to sell the inventory. All sales were conducted on an "as-is/where-is" basis with no representations or warranties by the Receiver.

2.9.3 The Receiver has sold and collected \$127,000 in inventory sales post receivership.

2.10 Employees

2.10.1 Prior to the receivership, Entropex had approximately 30 non-union and 115 unionized employees. Upon the appointment of the Receiver, Entropex management met the employees to advise they had been terminated as a result of the receivership and plant shut down.

2.10.2 The Receiver retained the former Entropex Human Resources Manager to prepare and issue T4's and Records of Employment to all employees, and calculate employee claims for unpaid wages, vacation, and notice pay under the Wage Earner Protection Program ("WEPP").

2.10.3 The Receiver has begun the claim process for the employees as required under the WEPP legislation.

2.10.4 The Receiver released all personally owned tools to former employees.

2.10.5 The Receiver retained 25 former Entropex employees. Eighteen of these individuals were retained to carry out the environmental Protocols that require four people onsite 24/7. The remainder were retained to assist with the inventory count, sales, accounting support and asset identification.

2.11 Insurance

2.11.1 MNP notified the existing insurance provider of its appointment as Receiver and requested to be added to the policy as named insured, which the insurance provider has done. The Receiver is reviewing coverage levels to determine any deficiencies or potential reductions.

2.12 Third Party Assets

2.12.1 Upon receiving confirmation of ownership, the Receiver has released certain third party assets that were at the Lougar Property upon its appointment. These assets included vending machines and employee tools and belongings.

2.13 Cash and Banking

2.13.1 Immediately after its appointment the Receiver requested all BNS accounts be frozen and set to accept deposits only.

2.13.2 The Receiver is not aware of bank accounts at any other institution.

2.13.3 The Receiver opened a trust account to handle all receipts and disbursements with respect to the Receivership administration.

2.14 Potential Sale Negotiation

2.14.1 On July 27, 2016 the Receiver received an offer to purchase the assets of the Companies. The offer contemplated the Receiver would conduct a two-week marketing campaign under a stalking horse sales process. The Receiver worked to negotiate terms of the sale; however, the prospective purchaser was ultimately unable to waive conditions included in the offer.

2.15 Notice

2.15.1 On July 22, 2016, the Receiver issued notice of its appointment pursuant to Section 245 of the *Bankruptcy and Insolvency Act* to all known creditors of the Companies and the Office of the Superintendent of Bankruptcy. A copy of the Section 245 notice is attached hereto as **Appendix B**.

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

2.16 Independent Counsel

2.16.1 The Receiver has retained Advocates LLP ("Advocates") as independent counsel to provide an opinion to the Receiver on the validity and enforceability of the secured creditors' claims.

2.16.2 Advocates has reviewed all leases entered into by the Companies for various assets and has advised that all but the following are valid and enforceable:

- Ryder Truck Lease dated June 30, 2015;
- Xerox Lease dated November 9, 2012;
- Pitney Bowes Lease dated November 21, 2013;
- Waste Management Compactor Lease dated November 9, 2011;
- MCS Equipment Lease dated July 25, 2014;
- De Lage Landen Lease dated March 17, 2015;
- Hewitt Material Handling Lease dated July 14, 2014;
- Modspace Lease No. 073812;
- Modspace Lease No. 099726;
- Modspace Lease No. 099726F;
- Modspace Lease No. 154970;
- Modspace Lease dated February 4, 2015; and,

- Procor Lease dated February 1, 2016.

(collectively referred to as the "**Challenged Leases**")

2.16.3 The Receiver will make arrangements to release or buyout the validly registered leases. The Receiver will notify the impacted leasing companies of the Challenged Leases and the issues identified therein and request additional information, if available.

3.0***Marketing and Sale of Assets***

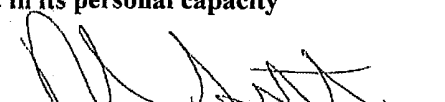
- 3.1 Pursuant to the Initial Order, the Receiver is authorized to market any or all of the assets and operations of the Companies, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2 The Receiver describes herein, the sale process it wishes to undertake and will be seeking the Court's approval of same (the "Sale Process").
- 3.3 Working with MNP Corporate Finance, the Receiver developed a list of 124 parties potentially interested in purchasing the assets and undertakings of the Companies (including competitors and other industry players). The Receiver intends to mail the individuals on this list a notice of the Sale Process and invitation for proposals (the "Invitation for Proposals").
- 3.4 The Receiver proposes that it advertise the Invitation for Proposals for the sale of the Companies' assets and/or operations in the financial section of the national edition of the Globe & Mail within one week of the Court's approval of the proposed marketing process.
- 3.5 The deadline to submit offers has been established as 2:00 p.m. on Friday, September 16, 2016. This provides prospective bidders 30 days to complete their due diligence and prepare an offer.
- 3.6 The Receiver has prepared a Confidential Information Memorandum (the "CIM") which provides a brief overview of the Companies' operations and assets, and the Receiver's terms and conditions of sale. Due to the confidential nature of the CIM, the Receiver is disclosing it to the Court via supplementary report, which we request that the Court keep sealed. The Companies' assets being offered for sale include the Receiver's right, title and interest, if any, in the Lougar Property, inventory, equipment, vehicles and intellectual property owned by Entropex.
- 3.7 In addition to the CIM, interested parties must execute a confidentiality agreement (the "Confidentiality Agreement") if they wish to obtain more detailed financial information and perform due diligence. Upon receipt of the executed Confidentiality Agreement potential purchasers will be provided with access to a virtual data room that will provide further details relating to, among other things, the Companies' current and historical financial operating results and position.
- 3.8 A copy of the Invitation for Proposals and the Confidentiality Agreement including legal terms for the use of the data room are attached as **Appendix C**.
- 3.9 The Receiver has commissioned an appraisal of the Lougar Property.
- 3.10 The Receiver anticipates a high number of offers will be received for the personal property from industry players and liquidators. These offers will be used to determine the current realizable value of the personal property, and as such the Receiver does not intend to commission an appraisal of the equipment, inventory or vehicles.

4.0***Order Sought***

- 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 Supplement to the First Report of the Receiver, and the activities of the Receiver described herein;
 - (b) Seek approval of the proposed changes to the environmental Protocols as outlined therein;
 - (c) Approve the Sales Process described in Section 3.0 of this First Report; and,
 - (d) Approve the sealing of the Supplement to the First Report and its contents.

All of which is respectfully submitted this 5th day of August, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


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

TAB C

Court File No. 35-1979333T



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

THE HONOURABLE)
MISTER JUSTICE GARSON)
TUESDAY, THE 16TH
DAY OF AUGUST, 2016

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

THIS MOTION, made by the Receiver for an Order approving the Receiver's First Report, as well as other relief, was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Receiver's First Report, and upon reading the Confidential Supplement to the First Report, and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that Keith Bechard, as a representative of the Defendants, is in attendance and consents to the within Order, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record be and is hereby abridged and validated, if necessary, such that this Motion is properly returnable today and hereby dispense with further service thereof.

APPROVAL OF REPORT AND ACTIVITIES

2. **THIS COURT ORDERS** that the First Report of the Receiver dated August 5, 2016 (the "First Report") and the Receiver's activities and conduct detailed and reported therein, be and are hereby approved.

3. **THIS COURT ORDERS** that the Confidential Supplement to the First Report dated August 5, 2016 (the "Confidential Supplement") and the Receiver's activities and conduct detailed and reported therein, be and are hereby approved.

SEALING OF CONFIDENTIAL SUPPLEMENT

4. **THIS COURT ORDERS** that the Confidential Supplement, filed with the Court separate and apart from the First Report, shall hereafter be filed in the within Court File in a sealed envelope or other appropriately sealed container and that only the Court and its clerk shall be entitled to open and review the contents without a further Order of the Court. The sealed envelope or container shall be endorsed with the title of proceedings in this action and a label identifying the contents as being "The Confidential Supplement to the First Report of the Receiver dated August 5, 2016", and the words "SUBJECT TO PROTECTIVE ORDER" and a statement in the following form: "THIS ENVELOPE IS NOT TO BE OPENED EXCEPT BY THE COURT OR ITS CLERKS OR BY OTHER PERSONS BY ORDER OF THE COURT".

See 49) attached



4a

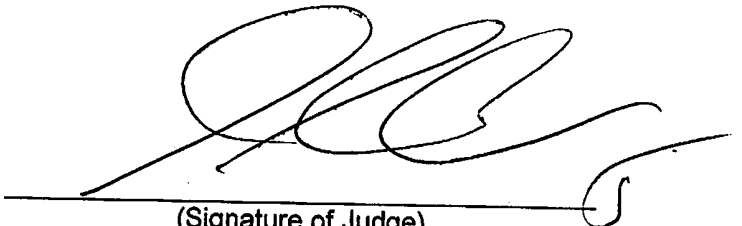
THIS COURT ORDERS That the sealing of the Confidential Supplement shall be in effect until the earlier of ninety (90) days from the date of the within Order and such further Order of this Court terminating, extending or otherwise addressing the sealing Order.

ENVIRONMENTAL PROTOCOLS

5. **THIS COURT ORDERS** that the relief sought relating to changes recommended by the Receiver to the Environmental Protocols presently in place at the property municipally known as 1271 Lougar Avenue, Sarnia, Ontario (the "Real Property"), as detailed in the First Report, be and is hereby adjourned to Tuesday August 23, 2016.

SALES PROCESS

6. **THIS COURT ORDERS** that the sales process recommended by the Receiver and detailed in the First Report and the Confidential Supplement, being an Invitation for Proposals process with a deadline for proposals of September 16, 2016 (the "Sales Process"), be and is hereby approved and the Receiver is hereby authorized to proceed as recommended with the Sales Process.



(Signature of Judge)

THE BANK OF NOVA SCOTIA
Plaintiff

-and-

ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

ORDER

ADVOCATES LLP
16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

David S. Swift (40107N)
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Tel: (519) 858-8220 ext. 235
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Lawyers for the receiver

File Number: 16056

00099

THE BANK OF NOVA SCOTIA
Plaintiff

-and-

ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON

MOTION RECORD

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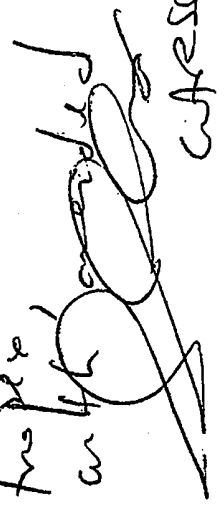
Lawyers for the receiver

File Number: 16056

AUG 16 2016

David Swift for ANP
No one else appearing

Upon reviewing materials and
upon hearing and submissions
and upon being satisfied
that actions and proposed
actions of Receiver are the
appropriate and just in the
circumstances and upon being
satisfied that a sealing order is
necessary to protect the remaining
commercial interests of Entropex,
order to be in accordance with
draft signed by me.



Witness

ENDORSEMENT

Court File No.: 35-1979333T

Date: August 23, 2016

PLAINTIFF: The Bank of Nova Scotia

DEFENDANTS: Entropex, 629725
Ontario Limited or
Lester Inc.

COUNSEL:

COUNSEL:

MNP Ltd. was appointed Receiver of all the assets of the Defendants July 14, 2016. Subsequently the Receiver's First Report of a sales price has been approved Aug 16, 2016.

The Receiver now seeks an order approving changes to the "Environmental Protocols" "proposed in place" at the property of the Ds. Specifically the Receiver asks the court to approve & authorize the reduction of on site coverage 24 hours/day, 7 days a week from 4 people to one person (the Supervisor) & the hiring of Dineco Inc to provide a 5 person response team which is to be available 24 hours/day, 7 days a week to attend the property when notified by the Supervisor in the event of rain. Counsel for the P supports the motion, counsel for the employees' union takes no position, the balance of the parties on the service list have not responded with the exception of the City of Sarnia which has filed an email stating it "understands the concerns" outlined in the "Secured Creditors Objection to alterate Entropex Stormwater Management Plan". This latter document was presented to the court by Mr Bechard who is a director, officer & shareholder of the debtor defendants and also a secured creditor.

Mr Beaton queries the viability & adequacy of what is proposed, the ~~applicability~~ ^{applicability} of the ~~pollution~~ ^{pollution} ~~control~~ ^{control} ~~measures~~ ^{measures} ~~proposed~~ ^{proposed} ~~below~~ ^{below} ~~which we will~~ ^{which we will} ~~polluted~~ ^{polluted} ~~reference~~ ^{reference} ~~below~~ ^{below} the Receiver ~~could~~ ^{could} ~~do~~ ^{do} ~~as well~~ ^{as well} the qualifications, ability & experience of Disco Inc.

He notes that the DS proposal is motivated by the desire to reduce monthly operating expense but expresses concern that office staffing is inadequate; the cleanup completed is insufficient ~~preparation~~ ^{preparation} for an acute staff reduction and the service provider's operational & financial capability is uncertain. Overall, Mr Beaton submits that ~~the~~ ^{the} ~~proposed~~ ^{proposed} ~~DS~~ ^{DS} ~~proposal~~ ^{proposal} puts the property at risk.

The information provided by the Receiver, ~~attached~~ ^{attached} ~~to~~ ^{to} ~~both~~ ^{both} ~~is~~ ^{is} ~~the~~ ^{the} ~~read~~ ^{read} ~~to~~ ^{to} ~~Mr~~ ^{Mr} ~~Smith~~ ^{Smith} ~~and~~ ^{and} ~~staff~~ ^{staff}

- ① an environmental spill occurred in 2013 - as a result of a storm a large amount of pellets entered the city storm sewer
- ② the DS performed remediation work
- ③ by Provincial officers order dated January 29, 2013, the Ministry of the Environment ("MOE") required the DS to improve its stormwater management
- ④ the DS applied for approval of ~~stormwater~~ ^{stormwater} management works & included a report prepared by Polluted Environments Limited ("Polluted") dated Sept 23, 2014
- ⑤ the MOE issued an amended Environmental Compliance Approval dated July 28, 2015 respecting sewage works, described in the Sept 2014 application, which were to be completed within 5 years of the approval
- ⑥ this approval required the DS, amongst other

trap, to install a monitor temporary erosion
+ sediment control & to implement a spill
contingency plan

⑦ The First Report of the Receiver indicates
that a risk of another environmental spill remains,
it believes the risk to less if operations were
discontinued; however notwithstanding the
cessation of operations risk of contamination
continues; to maintain the protocols which the
Ds have followed since the 2013 spill 4 people
have been on site 24/7, seven days/week;
the Receiver has engaged Diresco to "clean up"
the property; the Receiver retained Pinchin Ltd,
an environmental engineering & consultancy firm
it has reviewed the alternate plan it proposes
with Pinchin which has advised the alternate
plan is reasonable & appropriate; the MOE had
no concerns with the alternate plan but "would
not provide specific instructions on the appropriate
level of monitoring after the cleanup."

Having reviewed the First Report in the context of the
information outlined above, I am not satisfied that
the relief requested can be entered on the
record.

I find that Mr Bechtold, whose interests are
aligned with the Receiver, has raised legitimate
concerns & questions which are not addressed
or answered in the First Report, particularly
when the MOE has taken the positive set out
above.

In these circumstances, the court is not in a
position to authorize a change to the current
environmental protocols.

Jane Webster

TAB D

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

August 31, 2016

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1.0***Introduction and Purpose of Report***

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the "**Lougar Property**").

1.1.2 629728 Ontario Limited ("**629**") and Unitec Inc. ("**Unitec**") are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the "**Companies**") are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia ("**BNS**") for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. ("**Roynat**") for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the "**Guarantors**").

A copy of the Entropex BNS general security agreement is attached as **Appendix A**.

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

A copy of the Roynat debenture is attached as **Appendix B**.

In addition Roynat has received guarantees of its indebtedness from Nxgen Holdings Inc. Entropex Logistics Inc. and Entropex Rigidreclaim Inc.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

- 1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016 (the "**Forbearance Agreement**"), which expired on July 8, 2016.
- 1.1.10 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix C**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14 On August 5, 2016, the Receiver submitted a report (the "**First Report**"), attached without appendices as **Appendix D**, and a confidential supplemental report to the Court. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 and issued on August 29, 2016 are attached as **Appendix E**.

1.2 Purpose of the Receiver's Second Report

- 1.2.1 This constitutes the Receiver's Second Report to the Court (the "**Second Report**") in this matter and is filed to:
- a) Report the results of a security review conducted by the Receiver's independent legal counsel to the Court; and,
 - b) Request the Court issue an Order:
 - declaring the interests of the lessors and rental companies described therein to be subordinate to that of Roynat and BNS;
 - allowing the Receiver to dispose of the leased assets free and clear of the lessors and rental companies by way of an Approval and Vesting Order to subsequently be obtained by the Receiver; and

- allowing the Receiver to distribute the proceeds of sale of the leased assets to Roynat or BNS in priority to the lessors and rental companies pursuant to a Distribution Order to subsequently be obtained by the Receiver.

2.0**PPSA Searches**

2.1 Entropex

2.1.2 According to a search conducted pursuant to the Personal Property Security Registration System ("PPSA Search") dated August 31, 2016 the secured creditors of Entropex include the following:

- a) Roynat has made registrations with respect to three specific lease agreements relating to twelve (12) forklifts;
- b) Roynat has made a registration with respect to its debenture against all equipment, inventory, receivables and accounts (also registered against Unitec and 629);
- c) BNS has made a registration with respect to its general security agreement;
- d) Unitec has made a registration with respect to a general security agreement;
- e) Delage Landen Financial Services Canada Inc. has made a registration with respect to two forklifts (also registered against Unitec);
- f) Xerox has made a registration with respect to equipment with no description;
- g) Ryder Truck Rental Canada Ltd. has made a registration against a vehicle; and,
- h) Hewitt Material Handling has made a registration against a forklift.

2.1.3 A copy of the Entropex PPSA search is attached as **Appendix F**.

2.2 Unitec

2.2.1 According to a PPSA Search dated August 31, 2016 the secured creditors of Unitec include the following (excluding registrations against both Unitec and Entropex listed above):

- a) Roynat has made a registration with respect to a general security agreement;
- b) BNS has made a registration with respect to a general security agreement;
- c) Kevin, Timothy, Keith and Christopher Bechard, as well as Carolyn Hannon, Patricia Pequegnat and Joan Hett have made a registration with respect to a general security agreement;
- d) Deragon Leasing Inc. has made a registration with respect to one vehicle; and,
- e) National Leasing Inc. has made a registration with respect to lighting as described in a lease agreement.

2.2.2 A copy of the Unitec PPSA search is attached as **Appendix G**.

2.3 629

2.3.1 According to a PPSA Search dated August 31, 2016 the secured creditors of 629 include the following (excluding registrations against both 629 and Entropex listed above):

- f) Roynat has registered a general security agreement; and
- g) BNS has registered a general security agreement.

2.3.2 A copy of the 629 PPSA search is attached as **Appendix H**.

3.0 Security Review and Challenged Leases

- 3.1.1** The Receiver's independent legal counsel, Advocates LLP ("Advocates"), has reviewed the security registered by BNS and Roynat, as well as various other leasing/long term rental agreements.
- 3.1.2** Advocates has provided an opinion that the security registered by BNS and Roynat against the Companies is valid and enforceable and that the relative priorities of BNS and Roynat are as follows:
- (i) Entropex – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets, subject to the priority of De Lage Landen and Xerox with respect to their specific secured assets;
 - (ii) 629 – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets; and
 - (iii) Unitec – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets, subject to the potential priority of National Leasing Group with respect to its specific secured asset.
- 3.1.3** Advocates has further provided an opinion that certain of the leasing/long term rental agreements, details of which are set out below, that relate to assets in the possession of the Receiver, represent either unsecured interests or secured interests subordinate to both BNS and Roynat. As such, it is the position of the Receiver that these assets ought to be included in the assets that can be sold by the Receiver free and clear of the interest of the subject lessor with the proceeds to be distributed to either Roynat or BNS as the senior secured creditors.
- 3.2 Procor Limited**
- 3.2.1** Entropex entered into a Rail Car Lease Agreement with Procor Limited ("**Procor**") dated August 27, 2001 (the "**Procor Lease**"). The Procor Lease provides the following:
- (i) Procor will lease to Entropex rail cars as set out in Riders added to the Procor Lease;
 - (ii) The Riders shall be part of the agreement between the parties;
 - (iii) The rental period for each leased rail car will be as set out in the applicable Rider; and
 - (iv) The Procor Lease shall be governed by the laws of the Province of Ontario.
- 3.2.2** In addition to the Procor Lease, the Receiver has located a Rider dated December 20, 2012 and described as Rider No.4 ("**Rider No.4**"), a renewal letter dated November 23, 2015 ("**Renewal #1**") and a renewal letter dated June 21, 2016 ("**Renewal #2**").
- 3.2.3** A copy of the Procor Lease, Rider No.4, Renewal #1 and Renewal #2 are attached as **Appendices I, J, K and L** respectively.
- 3.2.4** Following its appointment, the Receiver determined that Entropex is in possession of 27 rail cars leased from Procor pursuant to the Procor Lease.

- 3.2.5** A review of Rider No. 4, Renewal #1 and Renewal #2 provides the following information:
- (i) Entropex leased 23 rail cars pursuant to Rider No. 4 with the rental periods starting anywhere from December 20, 2012 to January 25, 2013 but all ending on December 31, 2015. As a result, all were leased for a term of more than one year;
 - (ii) Cancellation notice could be provided by either party under the terms of Rider No. 4 however if such notice was not given by the end of the rental period, the rental period would automatically continue on a month-to-month basis;
 - (iii) Renewal #1 provides that it is a “renewal proposal for the continued supply of the 23” rail cars which are scheduled to expire at the end of December 2015 and goes on to offer a new revised lease term of three years commencing January 1, 2016. There is a handwritten note on Renewal #1 to change the number of rail cars from 23 to 27. Renewal #1 was accepted by Entropex on January 29, 2016;
 - (iv) Renewal #2 indicates that it relates to a renewal for 23 rail cars and addition of 4 rail cars that are presently covered by Rider No. 4 and the Procor Lease; and
 - (v) Renewal #2 includes an appendix that lists 27 rail cars with 23 of these being the same rail cars listed in Rider No. 4.
- 3.2.6** The Receiver has received a legal opinion which provides that a lessor of rail cars may perfect a security interest in those rail cars by either registering under the PPSA, or by making a registration through the office of the Registrar General of Canada at Industry Canada pursuant to the Canada Transportation Act (the “CTA”).
- 3.2.7** As can be seen from a review of Appendix D, Procor did not make a PPSA registration against Entropex.
- 3.2.8** On August 4, 2016, the Receiver’s legal counsel carried out a Railway Documents search through Industry Canada with respect to Procor and determined that although Procor has made 22 total registrations between January 1, 2000 and August 4, 2016, no registration was made as against Entropex. Attached as **Appendix M** is a copy of the Railway Tool search.
- 3.2.9** The Receiver has received a legal opinion providing that since Procor does not have a registration under either the PPSA or CTA it does not have a valid and enforceable secured interest in the railcars and therefore is subordinate to the claims of the perfected secured creditors.
- 3.2.10** The Receiver wrote to Procor on August 9, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Procor’s legal counsel has advised that it disputes the Receiver’s right to sell the rail cars; however, has not yet provided a basis for this position.
- 3.3 Vacuum Trucks of Canada**
- 3.3.1** Entropex entered into a rental agreement with Vacuum Trucks of Canada (“**Vacuum**”) dated November 20, 2014 (the “**Vacuum Agreement**”). A copy of the Vacuum Agreement is attached as **Appendix N**.

- 3.3.2** The Vacuum Agreement is for a Guzzler Classic Tele Boom Wash with serial number 14-09G-6010 and chassis with VIN INKDL70X1FJ436310. In layman's terms it is a chassis with a vacuum attached to it.
- 3.3.3** The Rental Terms and Conditions of the Vacuum Agreement are illegible; however, this is the only copy available to the Receiver. There is a Lessee's Insurance Undertaking attached as part of the Vacuum Agreement that provides the term of the lease is November 26, 2014 to April 19, 2015.
- 3.3.4** We are advised that despite the stated term of the lease, Entropex has had continuous possession of the asset since November, 2014.
- 3.3.5** The legal opinion received by the Receiver is that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Vacuum Agreement. Since Vacuum does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.3.6** The Receiver wrote to Vacuum on August 11, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Vacuum has not responded.
- 3.4** **Ryder Truck Rental Canada Ltd.**
- 3.4.1** Entropex entered into a Truck Lease and Service Agreement with Ryder Truck Rental Canada Ltd. ("Ryder") dated June 30, 2015 (the "Ryder Agreement"). A copy of the Ryder Agreement, signed by Entropex on July 22, 2015 and by Ryder on July 28, 2015 is attached as **Appendix O**. Also included as part of Appendix J is a completed Ryder Truck Rental Agreement Customer Information form (the "Customer Information Form").
- 3.4.2** The Ryder Agreement is for a 2011 International Prostar truck with serial number 1HSCUAPR2BJ388378.
- 3.4.3** The documents attached as Appendix M were provided to the Receiver by Ryder on July 26, 2016 by way of email. In that email, the Receiver was advised that Entropex took possession of the subject vehicle on September 17, 2015. Attached as **Appendix P** is a copy of the July 26, 2016 email.
- 3.4.4** The PPSA search included at Appendix D shows a registration made by Ryder on June 24, 2016 against equipment and motor vehicle with the same VIN as contained in the Ryder Agreement.
- 3.4.5** The legal opinion received by the Receiver is that the PPSA registration made by Ryder had the effect of perfecting Ryder's security interest; however, since it was made more than 15 days following the date of delivery of the truck, it does not qualify for a Purchase Money Security Interest ("PMSI") priority. It is therefore subordinate to all other security interests perfected prior to June 24, 2016.
- 3.4.6** Since Roynat registered a security interest prior to June 24, 2016 against equipment, with motor vehicle included, the legal opinion obtained by the Receiver is that it has a priority over Ryder.
- 3.4.7** The Receiver wrote to Ryder on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Ryder's legal counsel has advised Advocates that it

is reviewing the security; however, as of the date of this report no further information has been provided.

3.5 De Lage Landen Financial Services Canada Inc.

- 3.5.1** Entropex entered into two lease agreements with De Lage Landen Financial Services Canada Inc. (“**DeLage**”) dated March 17, 2015 bearing Lease No. 577211, attached as **Appendix Q**, and Lease No. 577212, attached as **Appendix R** (collectively the “**DeLage Agreements**”). These versions of the DeLage Agreements are not signed by a representative of DeLage; however, they are the only versions available to the Receiver and we have assumed that they are final and enforceable.
- 3.5.2** The DeLage Agreements are for a 2011 Caterpillar 2C600 forklift with serial number AT83F31065 and a 2012 Caterpillar 2C600 forklift with serial number AT83F31350.
- 3.5.3** We are advised that Entropex has had possession of these assets since March, 2015.
- 3.5.4** The PPSA search included at Appendix D shows a registration made by DeLage on December 19, 2013 against equipment accounts and other, with motor vehicle included. However, the registration includes specific reference to two 2012 Caterpillar forklifts that are the subject of a different lease.
- 3.5.5** Since the registration contains limiting language (i.e. limiting to the assets described in the registration) it does not perfect an interest in favour of DeLage for the assets described in the DeLage Agreements. As such, DeLage does not have a valid and enforceable secured interest in these assets.
- 3.5.6** The Receiver wrote to DeLage on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claims. As of the date of this report DeLage has not responded.

3.6 Hewitt Material Handling

- 3.6.1** Entropex entered into a Lift Truck Rental Agreement with Hewitt Material Handling (“**Hewitt**”) on or about July 14, 2014 (the “**Hewitt Agreement**”). A copy of the Hewitt Agreement is attached as **Appendix S**. This version of the Hewitt Agreement is not executed; however, it is the only version available to the Receiver and we have assumed that it is final and enforceable.
- 3.6.2** The Hewitt Agreement is for an A1 2C5000 lift truck with serial number AT3540645.
- 3.6.3** We are advised that Entropex has had possession of the asset since July 14, 2014. This appears to be confirmed by the signed Pre-Shipping Document and Becker Bros. Trucking Inc. invoice attached as part of Appendix, both of which are dated July 14, 2014.
- 3.6.4** The legal opinion received by the Receiver is that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Hewitt Agreement. Since Hewitt did not have a registration under the PPSA as of the date the Receiver was appointed it does not have a valid and enforceable secured interest in this asset.
- 3.6.5** The Receiver wrote to Hewitt on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Counsel for Hewitt responded on August

29, 2016 to advise that a PPSA registration was made by Hewitt on August 25, 2016 and therefore Hewitt had a valid security interest in the leased forklift.

- 3.6.6** The Receiver subsequently obtained an updated legal opinion as a result of the Hewitt PPSA registration. That opinion is that although Hewitt did register security on August, 25, 2016 such that its interest became secured, since the registration was greater than 15 days from the date of delivery of the assets, the registration does not qualify for a PMSI priority. As such, the registration is subordinate to the prior-ranking charges of Roynat, BNS and Unitec.
- 3.6.7** Advocates advised Hewitt's legal counsel of the updated legal opinion and position of the Receiver that Hewitt remains in a subordinate position. Advocates has since been advised by Hewitt's legal counsel that it needs to review further documentation and information before a final position can be determined.

3.7 Modspace Financial Services

- 3.7.1** Entropex entered into five separate lease agreements with Modspace Financial Services ("Modspace"), as follows:

- Lease 73812 dated June 28, 2010, attached as **Appendix T**, for a 2010 Modspace model SNGL10-601411 10 x 40 foot trailer with serial number 140020968;
- Lease 99726 dated November 15, 2010, attached as **Appendix U**, for a 2010 Modspace model DESS-155650 12 x 40 foot trailer with serial number 240002112;
- Lease 99726F dated November 15, 2010, attached as **Appendix V**, for various furniture;
- Lease 154970 dated March 15, 2012, attached as **Appendix W**, for a 2012 Modspace model DESS-103716 12 x 40 foot trailer with serial number 1240P209398; and,
- Lease dated February 1, 2015, attached as **Appendix X**, for a 2014 Modspace model SNGL1020 10 x 20 foot trailer with no specified serial number.

(Collectively the "**Modspace Agreements**") These versions of the Modspace Agreements are not executed; however, they are the only versions available to the Receiver and we have assumed that they are final and enforceable.

- 3.7.2** We are advised that Entropex has had possession of the assets since on or around the lease dates.
- 3.7.3** The Receiver has received a legal opinion that since Entropex has had possession of the leased assets for more than one year, the PPSA applies to the Modspace Agreements.
- 3.7.4** Since Modspace does not have a registration under the PPSA it does not have valid and enforceable secured interest in the assets.
- 3.7.5** The Receiver wrote to Modspace on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Modspace has not responded.

3.8 Waste Management of Canada Corporation

- 3.8.1** Entropex entered into a lease agreement with Waste Management of Canada Corporation (“**Waste Management**”) dated November 9, 2011 (the “**Waste Management Agreement**”). A copy of the Waste Management Agreement is attached as **Appendix Y**.
- 3.8.2** The Waste Management Agreement is for a waste compactor model RJ 400 Ultra with no specified serial number.
- 3.8.3** We are advised that Entropex has had possession of the asset since November, 2011.
- 3.8.4** The Receiver has received a legal opinion that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Waste Management Agreement.
- 3.8.5** Since Waste Management does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.8.6** The Receiver wrote to Waste Management on August 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Waste Management has not responded.

3.9 Vincent Corporation

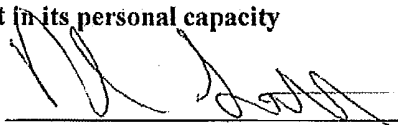
- 3.9.1** Entropex entered into a rental agreement with Vincent Corporation (“**Vincent**”) dated September 28, 2012 (the “**Vincent Agreement**”). A copy of the Vincent Agreement is attached as **Appendix Z**.
- 3.9.2** The Vincent Agreement is for the following assets:
- Vincent Model KP-10 Screw Press with serial number 12268-E
 - Steel support frame
 - Steel tank
- 3.9.3** We are advised that Entropex has had possession of the assets since October, 2012.
- 3.9.4** The Receiver has received a legal opinion that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Vincent Agreement.
- 3.9.5** Since Vincent does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.9.6** The Receiver wrote to Vincent on August 29, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Vincent has not responded.

4.0***Order Sought***

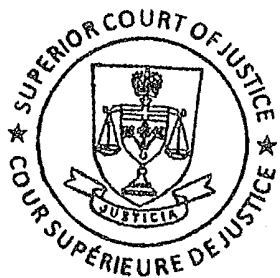
- 4.1** We submit this **Second Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) declaring the interests of the lessors and rental companies described therein to be subordinate to that of Roynat and BNS;
 - b) allowing the Receiver to dispose of the leased assets free and clear of the lessors and rental companies by way of an Approval and Vesting Order to subsequently be obtained by the Receiver; and
 - c) allowing the Receiver to distribute the proceeds of sale of the leased assets to Roynat or BNS in priority to the lessors and rental companies pursuant to a Distribution Order to subsequently be obtained by the Receiver.

All of which is respectfully submitted this 31st day of August, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


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

TABLE



Court File No. 35-1979333T

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

THE HONOURABLE

)

TUESDAY, THE 13TH

MADAM JUSTICE MITCHELL

)

DAY OF SEPTEMBER, 2016

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as court-appointed receiver (the "Receiver") appointed pursuant to an order of the Court dated July 14, 2016 (the "Appointing Order") of the Property (as defined in the Appointing Order) of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") for:

- (a) An Order that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged, if necessary, so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof;
- (b) An Order and Declaration that the interests of:

- (i) Procor Limited in certain rail cars subject to a Rail Car Lease Agreement with Entropex dated August 27, 2001;
- (ii) Vacuum Trucks of Canada in a vacuum truck subject to a rental agreement with Entropex dated November 20, 2014;
- (iii) Ryder Truck Rental Canada Ltd. in a truck subject to a Truck Lease and Service Agreement with Entropex dated June 30, 2015;
- (iv) De Lage Landen Financial Services Canada Inc. in two forklifts subject to lease agreements with Entropex dated March 17, 2015;
- (v) Hewitt Material Handling in a lift truck subject to a Lift Truck Rental Agreement with Entropex dated July 14, 2014;
- (vi) Modspace Financial Services in certain trailers and furniture subject to five (5) lease agreements with Entropex dated June 28, 2012, November 15, 2010, November 15, 2010, March 15, 2012 and February 1, 2015;
- (vii) Waste Management of Canada Corporation in a waste compactor subject to a lease agreement with Entropex dated November 9, 2011; and
- (viii) Vincent Corporation in a screw press and related equipment subject to a rental agreement with Entropex dated September 28, 2012;

are each either:

- (i) unsecured interests that are subordinate to the perfected security interests of both senior secured lenders, The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat"); or

- (ii) secured interests that are subordinate to the perfected security interests of both BNS and Roynat;
- (c) An Order and Declaration that the Receiver is entitled to sell the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, and vest title in same free and clear of the interests of the respective lessors pursuant to an approval and vesting Order to be obtained by the Receiver; and
- (d) An Order and Declaration that either BNS or Roynat is entitled to a distribution as will be recommended to the Court by the Receiver of the proceeds of sale from the sale of the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, in priority to the relevant lessors pursuant to a distribution Order to be obtained by the Receiver;

was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Second Report of the Receiver dated August 31, 2016 (the "Second Report"), filed, and upon reading the Responding Motion Record of United Autoworkers, Local 251, filed, and upon hearing the submissions of the lawyers for the Receiver, ^{and United Autoworkers,} and upon being ^{Roynat} advised that all persons listed on the service list were served with the Motion Record as ^{and} evidenced by the Affidavit of Service filed, and upon being advised that each of Procor Limited, Ryder Truck Rental Canada Ltd., De Lage Landen Financial Services Canada Inc. and Modular Space Corporation, ModSpace Financial Services Canada, Ltd. do not oppose the within Motion,

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and Motion Record be and is hereby abridged and validated, if necessary, such that this Motion is properly returnable today and further service thereof is hereby dispensed with.

PROCOR LIMITED

2. **THIS COURT ORDERS AND DECLARES** that the interest of Procor Limited ("Procor") in twenty-seven (27) rail cars bearing the following railcar numbers:

# of Railcar	Reporting Mark	Railcar Number	# of Railcar	Reporting Mark	Railcar Number
1	UNPX	122640	15	UNPX	123154
2	UNPX	122643	16	UNPX	123207
3	UNPX	122771	17	UNPX	123278
4	UNPX	122774	18	UNPX	123340
5	UNPX	122791	19	UNPX	123564
6	UNPX	122794	20	UNPX	123855
7	UNPX	122845	21	UNPX	123930
8	UNPX	122882	22	UNPX	123954
9	UNPX	122918	23	UNPX	124104
10	UNPX	123030	24	UNPX	124113
11	UNPX	123044	25	UNPX	124122
12	UNPX	123057	26	UNPX	124155
13	UNPX	123065	27	UNPX	124170
14	UNPX	123069			

that are subject to a Rail Car Lease Agreement with Entropex dated August 27, 2001 (the "Rail Cars") is an unperfected security interest that is subordinate to the perfected security interests of both senior secured lenders, The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat").

3. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Rail Cars and vest title in them free and clear of the interest of Procor pursuant to an approval and vesting Order to be obtained by the Receiver (the "Rail Car Approval and Vesting Order") and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale

of the Rail Cars in priority to Procor, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

4. **THIS COURT ORDERS** that the Rail Cars shall not be moved from their present location until the Receiver has obtained the Rail Car Approval and Vesting Order, all Procor Reporting Marks have been removed from the Rail Cars and the purchaser of the Rail Cars has applied its own Reporting Mark to each of the Rail Cars and registered its ownership in the UMLER system.

VACUUM TRUCKS OF CANADA

5. **THIS COURT ORDERS AND DECLARES** that the interest of Vacuum Trucks of Canada ("Vacuum") in a vacuum truck bearing Unit# 8675, Serial Number 14-09G-6010, and Chassis VIN# 1NKDL70X1FJ436310 (the "Vacuum Truck") that is subject to a rental agreement with Entropex dated November 20, 2014, is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

6. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Vacuum Truck and vest title in it free and clear of the interest of Vacuum pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Vacuum Truck in priority to Vacuum, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

RYDER TRUCK RENTAL CANADA LTD.

7. **THIS COURT ORDERS AND DECLARES** that the interest of Ryder Truck Rental Canada Ltd. ("Ryder") in a 2011 International Prostar truck with VIN# 1HSCUAPR2BJ388378 (the "Ryder Truck") that is subject to a Truck Lease and Service Agreement with Entropex dated June 30, 2015 is a perfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

8. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Ryder Truck and vest title in it free and clear of the interest of Ryder pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Ryder Truck in priority to Ryder, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

9. **THIS COURT ORDERS AND DECLARES** that the interest of De Lage Landen Financial Services Canada Inc. ("De Lage") in:

- (a) a 2011 Caterpillar 2C6000 Forklift bearing serial number AT83F31065 c/w attachments and accessories ("De Lage Forklift #1") that is subject to an Equipment Leasing Agreement with Entropex bearing Lease No. 577211; and
- (b) a 2012 Caterpillar 2C6000 Forklift bearing serial number AT83F31350 c/w attachments and accessories ("De Lage Forklift #2") that is subject to an Equipment Leasing Agreement with Entropex bearing Lease No. 577212;

is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

10. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell De Lage Forklift #1 and De Lage Forklift #2 (collectively the "De Lage Forklifts") and vest title in the De Lage Forklifts free and clear of the interests of De Lage pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the De Lage Forklifts in priority to De Lage, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

MODSPACE FINANCIAL SERVICES

11. **THIS COURT ORDERS AND DECLARES** that the interest of Modular Space Corporation, ModSpace Financial Services Canada, Ltd. ("ModSpace") in:

- (a) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 073812, including equipment bearing Serial No. 140020968 ("ModSpace Lease #1");
- (b) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 099726, including equipment bearing Serial No. 240002112 ("ModSpace Lease #2");
- (c) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 099726F ("ModSpace Lease #3");
- (d) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 154970, including equipment bearing Serial No. 1240P209398 ("ModSpace Lease #4"); and

- (e) All equipment leased to Entropex pursuant to a Lease Agreement dated February 4, 2015 bearing Offer No. 89179, including equipment described as a 10x20 Unit, Class SNGL1020 ("ModSpace Lease #5");

is a perfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

12. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell all ModSpace equipment that is subject to ModSpace Lease #1, ModSpace Lease #2, ModSpace Lease #3, ModSpace Lease #4 and ModSpace Lease #5 (collectively the "ModSpace Equipment") and vest title in the ModSpace Equipment free and clear of the interest of ModSpace pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the ModSpace Equipment in priority to ModSpace, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

WASTE MANAGEMENT OF CANADA CORPORATION

AM
~~13. **THIS COURT ORDERS AND DECLARES** that the interest of Waste Management of Canada Corporation ("Waste Management") in a waste compactor model # RJ-400 Ultra – with stand (the "Compactor") that is subject to a Lease Agreement with Entropex dated November 9, 2011 is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.~~
AM

Mr. 14. ~~THIS COURT ORDERS AND DECLARES~~ that the Receiver is entitled to sell the Compactor and vest title in it free and clear of the interest of Waste Management pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Compactor in priority to Waste Management, pursuant to a distribution Order as will be recommended to the Court by the Receiver. *Mr.*

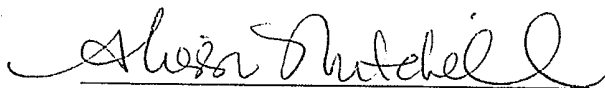
VINCENT CORPORATION

15. **THIS COURT ORDERS AND DECLARES** that the interest of Vincent Corporation ("Vincent") in a Model KP-10 Vincent Screw Press bearing serial #12268-E and related equipment (the "Screw Press") that is subject to an International Rental Agreement with Entropex dated September 28, 2012 is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

16. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Screw Press and vest title in it free and clear of the interest of Vincent pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Screw Press in priority to Vincent, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

HEWITT MATERIAL HANDLING

17. THIS COURT ORDERS that the within Motion be and is hereby adjourned to Tuesday September 27, 2016 as it relates to any and all relief sought by the Receiver with respect to Hewitt Material Handling and Waste Management Canada Corporation.



(Signature of Judge)

RCP-E 59A (July 1, 2007)

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

ORDER

ADVOCATES LLP
16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

David S. Swift (40107N)
D.Swift@AdvocatesLLP.com
Tel: (519) 858-8220 ext. 235
Fax: 519-858-0687

Lawyers for the receiver

File Number: 16056

00130

TAB F

**In the Matter of the Receivership of Entropex
Statement of Receipts and Disbursements
To September 19, 2016**

		<u>Notes</u>
<u>Receipts</u>		
Accounts receivable collected	\$ 2,207,558	(1)
Receiver sales	203,784	
HST refund - pre receivership	36,506	
Scrap sales	4,239	
Interest	6	
Miscellaneous refunds	120	
Net HST collected	30,800	
Total receipts	<u>2,483,014</u>	
<u>Disbursements</u>		
Wages	150,736	(2)
Source deductions	49,598	
Pellet clean up & other environmental protection measures	12,500	(3)
Rail car storage	11,282	(4)
Repairs and maintenance	10,142	(5)
Consulting	13,299	(6)
Shipping	31,393	(7)
Appraisal fees	4,161	(8))
Cleaning and disposal	4,520	(9)
Locksmith	1,469	
Security	735	
Utilities	18,454	(10)
Advertising	4,580	(11)
Insurance	14,612	
Office & general	306	
Phone & internet	758	
Official receiver fees	70	
Bank charges	77	
HST paid	13,821	
Total disbursements	<u>342,513</u>	
Net receipts in trust	<u>\$ 2,140,501</u>	

Notes

- (1) The Receiver continues to collect on the outstanding accounts receivable. The balance of the accounts receivable as at September 19 is approximately \$700,000 USD and \$120,000 CAD.
- (2) Due to the environmental concerns raised, the Receiver continued to engage sufficient staff to sustain the water management protocol. The protocol required at least 4 full time employees 24 hours per day to be on site and ready in the event of rain. The Receiver has consulted with external environmental consultants to review the water management system in place. However, the receiver was unable to receive court approval to implement its own water management system which will decrease the number of necessary staff required to be retained.
- (3) The Receiver has engaged the services of Diresco and Pinchin Environmental to assist with the maintenance and compliance with the environmental protocols. The receiver has swept the exterior Entropex lot, flushed and vacuumed the water catch basins and reinforced the sand bag barrier surrounding the parking lot with the assistance of Diresco. Pinchin has reviewed the storm water management system and is providing consultation to formulate a more cost effective environmental protocol.
- (4) Storage fees are for charges relating to the handling and release of railcars which contained finished goods for sale to customers.

- (5) This amount includes a large repair to an Entropex transformer which had been damaged during a rain storm on August 16th. The emergency repair has been estimated to be approximately \$12,000. We have not yet been provided the final invoice from Blue Water Power. The receiver has also been notified of a water discharge line in need of repair. An estimate of \$5,000 has been provisioned in the projection.
- (6) The Receiver has engaged the former Chief Operating Officer (David Myers) on a consulting basis to assist with the administration. The projected amount represents the unpaid accrued balance.
- (7) Projected shipping expenses relate to the trust claim issued by Tandet Logistics over the outstanding accounts receivable. The Receiver has incurred some shipping costs for the movement of finished goods.
- (8) The appraisal fee includes the appraisal for the building as well as a desktop appraisal of the leased assets under dispute.
- (9) Cleaning costs include the dumping of garbage on site as at the date of the Receiver's appointment.
- (10) The anticipated utility costs are uncertain at this point in time as the Receiver is occupying the premises and the plant is no longer operating. Certain pumps and compressors remain active which are required to assist with the storm water management as well as lighting and air-conditioning. The Receiver has requested new utility accounts and allocated a \$40,000 estimate per month.
- (11) This includes the cost to advertise the sale in the Globe and Mail as well as the mailing to the prospective purchasers.

TAB G

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendant

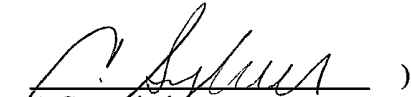
AFFIDAVIT OF ROBERT W. SMITH
(Sworn September 21, 2016)

I, Robert W. Smith of the City of London, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and licensed trustee in bankruptcy at MNP Ltd. ("MNP") and, as such, I have knowledge of the matters to which I hereinafter depose.
2. MNP was appointed as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Entropex, 629728 Ontario Limited and Unitec Inc. by the Ontario Superior Court of Justice on July 14, 2016.
3. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver, detailing its services rendered and disbursements, namely:
 - (a) an account dated September 21, 2016 for the period from July 8, 2016 to September 16, 2016. Attached hereto and marked as Exhibit "A" to this my Affidavit, is a copy of the Statement of Account. The average hourly rate is \$250.89.
4. To the best of my knowledge the rates charged by MNP in connection with the within matter are comparable to the rates charges by other insolvency professionals in the Southwestern Ontario market for the provision of similar services.

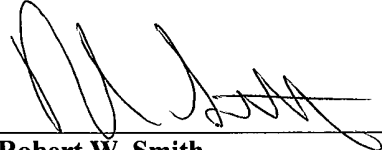
5. This Affidavit is made in support of a motion to, inter alia, approve the fees and disbursements of the Receiver.

SWORN before me at the City of
London, in the Province of Ontario
This 21st day of September, 2016.


A Commissioner, etc.)

Christine Marie Sylver, a Commissioner, etc.,
Province of Ontario, for MNP Ltd.,
Trustee in Bankruptcy.
Expires August 24, 2017.

)
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Robert W. Smith

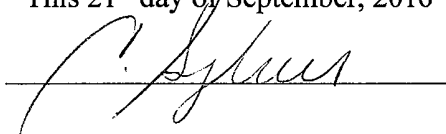
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT W. SMITH

Sworn before me

This 21st day of September, 2016

A handwritten signature in cursive script, appearing to read "C. Sylver", is written over a horizontal line.

Commissioner for taking Affidavits, etc

**Christine Marie Sylver, a Commissioner, etc.,
Province of Ontario, for MNP Ltd.,
Trustee in Bankruptcy.
Expires August 24, 2017.**

Entropex
MNP LLP
148 Fullarton Street
Suite 1002
London, ON N6A 5P3

Invoice: 7758179

21 Sep, 2016

For Professional Services

For professional services rendered in connection with our appointed as Court Appointed Receiver of Entropex, 629728 Ontario Limited and Unitec Inc. to September 16, 2016.

<u>Name</u>	<u>Hours</u>	
Partner		
Rob Smith	124.60	
Melanie Fuller	0.20	
Senior Manager		
John Athanasiou	245.60	
Cindy Wilson	4.25	
Senior Administrators & Analysts		
Ben Shillette	46.35	
Mandeep Bhatti	46.25	
Christine Sylver	21.90	
David Palmateer	4.00	
Administrative	<u>25.00</u>	
	518.15	
Total Professional Fees		159,880.90
Plus Disbursements		2,366.91
Mileage	\$ 2,208.96	
Mail redirection	\$ 157.95	
Less Discretionary Discount		<u>-32,247.81</u>
		Sub Total 130,000.00
Harmonized Sales Tax		<u>16,900.00</u>
		Total (CDN) <u>146,900.00</u>

Invoices are due and payable upon receipt.

Continued on page 2..

60187

Entropex
MNP LLP
148 Fullarton Street
Suite 1002
London, ON N6A 5P3

Invoice: 7758179

21 Sep, 2016

Page: 2

For Professional Services

...Continued from page 1

Account No: 0610606 RS
HST Registration Number: 103697215 RT 0001

A service charge of 1.5% per month (19.56% per annum) will be added to any invoice not paid within 30 days of billing.

Receivership of Entropex, Unitec and 629728
 WIP to Sept 16, 2016

Date	Description	Units	Amount	Notes
22-Jul-2016	Anita Grottoli	1.20	139.20	mail notice of receivership
18-Aug-2016	Anita Grottoli	2.00	232.00	mail invitation for proposals
23-Aug-2016	Anita Grottoli	.10	11.60	Banking
		3.30	382.80	
14-Jul-2016	Anne Nelligan	.10	13.60	court order on server and email to R. Smith and J. Athanasiou
20-Jul-2016	Anne Nelligan	1.20	163.20	banking
25-Jul-2016	Anne Nelligan	.30	40.80	banking
26-Jul-2016	Anne Nelligan	.20	27.20	call to OSB to follow up on estate number
28-Jul-2016	Anne Nelligan	.10	13.60	creditor call
03-Aug-2016	Anne Nelligan	.10	13.60	fax
05-Aug-2016	Anne Nelligan	.20	27.20	deliver documents to Advocates
05-Aug-2016	Anne Nelligan	.10	13.60	fax
09-Aug-2016	Anne Nelligan	.30	40.80	Investigate UPS status; send cheques to J. Guo
15-Aug-2016	Anne Nelligan	.20	27.20	review mail and email to John
16-Aug-2016	Anne Nelligan	.10	13.60	call about banking
16-Aug-2016	Anne Nelligan	.50	68.00	review mail
17-Aug-2016	Anne Nelligan	.20	27.20	mail and looking at a list for Anita
18-Aug-2016	Anne Nelligan	.20	27.20	review mail
19-Aug-2016	Anne Nelligan	.20	27.20	review mail
29-Aug-2016	Anne Nelligan	.30	40.80	review mail
02-Sep-2016	Anne Nelligan	.20	27.20	review mail
07-Sep-2016	Anne Nelligan	.10	13.60	review mail
09-Sep-2016	Anne Nelligan	.20	27.20	review mail
12-Sep-2016	Anne Nelligan	.40	54.40	review mail
13-Sep-2016	Anne Nelligan	.10	13.60	review mail
14-Sep-2016	Anne Nelligan	.20	27.20	review mail
14-Sep-2016	Anne Nelligan	.30	40.80	attend CRA to pay taxes
		5.80	788.80	
11-Jul-2016	Ben Shillette	2.50	305.00	Reviewed industry players to put together comprehensive prospective buyers list. Spoke with Toronto MNPFC team to gain insight into prior experience in recycling research.
12-Jul-2016	Ben Shillette	4.00	488.00	Generated prospective buyers list for Rob Smith, focusing on Canadian and US strategic buyers in the plastics recycling industry. Vetted list generated from CapitalIQ, in addition to additional Canadian and US plastics associations.
13-Jul-2016	Ben Shillette	2.50	305.00	Worked on the Entropex buyers list
14-Jul-2016	Ben Shillette	1.00	122.00	Spoke with Cindy Wilson and Evan Lipton regarding current state of prospective buyers list, and emailed Rob Smith with current draft.
18-Jul-2016	Ben Shillette	4.00	488.00	Entropex information memorandum
19-Jul-2016	Ben Shillette	3.00	366.00	Worked on the CIM for the receivership sale
20-Jul-2016	Ben Shillette	4.80	585.60	Entropex CIM
21-Jul-2016	Ben Shillette	4.50	549.00	Entropex CIM
22-Jul-2016	Ben Shillette	2.25	274.50	Entropex CIM
25-Jul-2016	Ben Shillette	2.00	244.00	CIM - made final edits to first draft and sent to Rob Smith for review.
26-Jul-2016	Ben Shillette	3.20	390.40	CIM updates and edits
27-Jul-2016	Ben Shillette	1.50	183.00	Finalized CIM with most recent changes and sent to Rob Smith
05-Aug-2016	Ben Shillette	1.00	122.00	Uploaded content to data room for Entropex, including establishing folders and format for user access
10-Aug-2016	Ben Shillette	1.20	146.40	Updated data room
11-Aug-2016	Ben Shillette	1.80	219.60	Data room and CIM edits
12-Aug-2016	Ben Shillette	2.00	244.00	Data room update - uploaded new CIM and changed formatting of firmex page.
17-Aug-2016	Ben Shillette	1.80	219.60	Spoke with John Athanasiou regarding reaching out to prospects on the Entropex deal. Assisted with ensuring that new prospects that have returned signed NDAs have access to the data room.
18-Aug-2016	Ben Shillette	.70	85.40	Data room administration - added new parties, and ensured that group restriction rules were in order
19-Aug-2016	Ben Shillette	.20	24.40	Added more prospective buyers to data room
22-Aug-2016	Ben Shillette	.30	36.60	Added multiple new prospective buyers to the data room at Rob Smith's request
23-Aug-2016	Ben Shillette	.30	36.60	Added new prospect to data room
25-Aug-2016	Ben Shillette	.30	36.60	Updated data room members
26-Aug-2016	Ben Shillette	.80	97.60	Added new prospects to data room, and followed up with previous Invitations that had not yet been opened
30-Aug-2016	Ben Shillette	.20	24.40	Added new prospects to data room
01-Sep-2016	Ben Shillette	.50	61.00	Added new prospects to data room
		46.35	5,654.70	
25-Jul-2016	Christine Sylvester	.30	52.50	respond to creditor internet query
25-Jul-2016	Christine Sylvester	.50	87.50	update prospective purchasers list
25-Jul-2016	Christine Sylvester	.20	35.00	phone call from creditor - Sarnia piping
25-Jul-2016	Christine Sylvester	.20	35.00	phone call from creditor - Right Choice
26-Jul-2016	Christine Sylvester	1.50	262.50	setup package for prospective purchasers
26-Jul-2016	Christine Sylvester	.50	87.50	update purchasers list
29-Jul-2016	Christine Sylvester	.20	35.00	phone call from creditor - Central Machine

Date	Description	Units	Amount	Notes
29-Jul-2016	Christine Sylver	.20	35.00	update purchaser list
02-Aug-2016	Christine Sylver	.50	87.50	creditor phone calls
03-Aug-2016	Christine Sylver	1.00	175.00	phone calls from Creditors
04-Aug-2016	Christine Sylver	.20	35.00	creditor phone call
05-Aug-2016	Christine Sylver	.50	87.50	creditor calls
09-Aug-2016	Christine Sylver	.20	35.00	email from Jim re: banking
09-Aug-2016	Christine Sylver	1.00	175.00	attend Canada Post to re-direct mail
10-Aug-2016	Christine Sylver	.50	87.50	creditor phone calls
11-Aug-2016	Christine Sylver	.50	87.50	creditors calls and emails
16-Aug-2016	Christine Sylver	.20	35.00	email from Jim re: banking deposit
16-Aug-2016	Christine Sylver	.20	35.00	email to creditor
16-Aug-2016	Christine Sylver	.20	35.00	email to Globe and Mail re ad
17-Aug-2016	Christine Sylver	.30	52.50	emails with Globe and Mail
17-Aug-2016	Christine Sylver	1.00	175.00	creditor phone calls and emails
19-Aug-2016	Christine Sylver	1.00	175.00	meet with John A. and tour factory
22-Aug-2016	Christine Sylver	.50	87.50	employee phone call
22-Aug-2016	Christine Sylver	.30	52.50	phone call to Willy Neele of Entropex to discuss WEPPA applications
23-Aug-2016	Christine Sylver	.50	87.50	Creditor calls
23-Aug-2016	Christine Sylver	.50	87.50	employee calls
24-Aug-2016	Christine Sylver	.30	52.50	emails to Scotia Bank to purchase GIC
24-Aug-2016	Christine Sylver	.50	87.50	creditor inquiries
24-Aug-2016	Christine Sylver	.50	87.50	employee calls
24-Aug-2016	Christine Sylver	1.00	175.00	WEPPA update re POC's received
25-Aug-2016	Christine Sylver	2.00	350.00	Attend Entropex, meet with Willy Neely
26-Aug-2016	Christine Sylver	.50	87.50	Emails to and from Scotia bank re: GIC
29-Aug-2016	Christine Sylver	.20	35.00	email to creditor
29-Aug-2016	Christine Sylver	.80	140.00	phone call with Willy re: WEPPA proof of claim
31-Aug-2016	Christine Sylver	.20	35.00	POC input for Weppa
01-Sep-2016	Christine Sylver	.20	35.00	employee call re: WEPPA
07-Sep-2016	Christine Sylver	.50	87.50	emails with Willy (payroll) employee POC
08-Sep-2016	Christine Sylver	.30	52.50	employee inquiry
09-Sep-2016	Christine Sylver	.30	52.50	call from creditor re: bidding
09-Sep-2016	Christine Sylver	.80	140.00	draft RCS9 for all Entropex companies
09-Sep-2016	Christine Sylver	.20	35.00	creditor inquiry
12-Sep-2016	Christine Sylver	.30	52.50	Fax RCS9
12-Sep-2016	Christine Sylver	.30	52.50	creditor inquiry
13-Sep-2016	Christine Sylver	.30	52.50	email to prospective buyer re: wire info
		21.90	3,832.50	
14-Jul-2016	Cindy C Wilson	.25	75.00	Discussion w/Ben & Evan re: purchaser list, f/u discussion w/MM re: ongoing work with compiling sale documentation
18-Jul-2016	Cindy C Wilson	1.00	300.00	Discussion w/Rob Smith, discussion w/Ben re: compiling information list, review list and other information provided (EY CIM, precedent CI mandates, etc)
22-Jul-2016	Cindy C Wilson	1.75	525.00	Review/edit first draft of CIM
25-Jul-2016	Cindy C Wilson	.25	75.00	CIM review, f/u comments to Ben
26-Jul-2016	Cindy C Wilson	.50	150.00	Second round review/edits, discussions w/Ben re: additional edits
27-Jul-2016	Cindy C Wilson	.25	75.00	Discussion w/Ben re: additional accounting information required
12-Aug-2016	Cindy C Wilson	.25	75.00	Review adjustments to CIM
		4.25	1,275.00	
21-Jul-2016	David Palmateer	.60	174.00	import creditor listing
22-Jul-2016	David Palmateer	.60	174.00	organize mailing of 245 notice
22-Aug-2016	David Palmateer	.20	58.00	prepare desposit slip
23-Aug-2016	David Palmateer	.20	58.00	prepare desposit slip
23-Aug-2016	David Palmateer	.90	261.00	payroll cheques
24-Aug-2016	David Palmateer	.30	87.00	review prior pmt history to Ceridian; email to R. Smith; prep cheq for pmt to locksmith
26-Aug-2016	David Palmateer	.20	58.00	call with Scotiabank re GIC
30-Aug-2016	David Palmateer	.80	232.00	payroll cheques
13-Sep-2016	David Palmateer	.20	58.00	provide wire instructions to Jim
		4.00	1,160.00	
26-Jul-2016	Jim Guo	2.00	314.00	payroll and cheque requests
29-Jul-2016	Jim Guo	.20	31.40	review - US\$ deposit
02-Aug-2016	Jim Guo	.30	47.10	banking file setup
03-Aug-2016	Jim Guo	.50	78.50	payroll
03-Aug-2016	Jim Guo	.20	31.40	cheque requests
08-Aug-2016	Jim Guo	.30	47.10	cheque requests
10-Aug-2016	Jim Guo	.20	31.40	cheque requests
10-Aug-2016	Jim Guo	2.00	314.00	cheque processing
11-Aug-2016	Jim Guo	.20	31.40	filling
16-Aug-2016	Jim Guo	.30	47.10	missing deposit slips, stopped payment
17-Aug-2016	Jim Guo	.50	78.50	cheque requests for payroll

Date	Description	Units	Amount	Notes
18-Aug-2016	Jim Guo	3.00	471.00	posting, deposit
19-Aug-2016	Jim Guo	.40	62.80	bank reconciliation
02-Sep-2016	Jim Guo	.40	62.80	cheque request & filing
07-Sep-2016	Jim Guo	.50	78.50	posting - EFT payment
08-Sep-2016	Jim Guo	.50	78.50	posting & filing
09-Sep-2016	Jim Guo	.30	47.10	posting & filing
12-Sep-2016	Jim Guo	.20	31.40	posting & filing
13-Sep-2016	Jim Guo	.20	31.40	cheque requests
14-Sep-2016	Jim Guo	.40	62.80	payroll
16-Sep-2016	Jim Guo	1.00	157.00	cheque requests and bank reconciliation
		13.60	2,135.20	
14-Jul-2016	John Athanasiou	10.00	3,350.00	Attend on site. Take possession and control of premises. Complete plant tour. Engage locksmith. Meet with environmental consultant. Meet with employees. Gather books and records.
15-Jul-2016	John Athanasiou	9.00	3,015.00	Attend on site. Deal with inventory and segregation of assets. Draft term and task letters. Meet with former employees and issue term and task letters. Contact insurance - and request addition of MNP to policy. Contact utility companies. Other matters as required.
18-Jul-2016	John Athanasiou	10.00	3,350.00	Attend on site. Meet with operations and accounting managers. Delegate responsibilities. Begin inventory of assets and finished goods/raw materials. Complete invoicing and monitor collections. Meet with environmental consultants re water management and clean up of property. Obtain quotes re same. Correspondence with counsel re leases. Deal with suppliers. Meet with MOE and walk premises to identify any concerns. None raised. Other day to day administrative matters.
19-Jul-2016	John Athanasiou	9.00	3,015.00	Attend on site. Meet with operations and accounting managers. Delegate responsibilities. Monitor inventory of assets and finished goods/raw materials. Meet with AR clerk to monitor invoicing and monitor collections. Calls and correspondence with environmental consultants re water management and clean up of property. Discussions with suppliers. Other day to day administrative matters.
20-Jul-2016	John Athanasiou	8.50	2,847.50	Attend on site. Meet with operations and accounting managers. Delegate responsibilities. Meet with Pinchin to tour premises and identify risks. Correspondence re same. Ship inventory and receive payment from purchaser. Approve invoices. Call and correspondence with benefits provider. Deal with suppliers and release third party goods. Other day to day administrative matters.
21-Jul-2016	John Athanasiou	9.00	3,015.00	Attend on site. Meet with operations and accounting managers. Delegate responsibilities. Begin 245 notice to creditors and gather financial information. Call and correspondence with trucking company re threat to lien. Deal with disposal of load to Carlton farms. Draft terms and confirm. Meet with AR clerk to monitor invoicing and monitor collections. Meet with 2nd Pinchin consultant to walk through premises and seek opinion. Calls and correspondence with sweepers re clean up of property. Correspond with suppliers. Other day to day administrative matters.
22-Jul-2016	John Athanasiou	9.00	3,015.00	Attend on site. Meet with operations and accounting managers. Delegate responsibilities. Deal with release of third party goods and review property claim form. Calls and correspondence with R. Smith re go forward environmental plan. Finalize 245 notice and coordinate mailing. Review AR roll forward. Email insurance co to remove certain coverage. Approve and review shipments. Forward term and sev calcs to union. Monitor removal of assets from UBE and attend at location to deal with landlord. Deal with suppliers. Other day to day administrative matters.
24-Jul-2016	John Athanasiou	.80	268.00	Prepare for attendance tomorrow. Letter to CRA and lessors re legal opinion.
25-Jul-2016	John Athanasiou	9.00	3,015.00	Attend on site. Meet with acctg and operations managers and delegate responsibilities. Complete AR roll forward. Notify suppliers re continuation of services. Obtain copy of Procor lease and forward to counsel for review. Call with Dockside and correspondence re same. Review 30 day goods claims. Review and approve payroll. Review inventory and valuations. Call with counsel and secured lenders. Updates to court report.
26-Jul-2016	John Athanasiou	8.50	2,847.50	Attend on site. Meet with general manager re status of matters on site. Review payroll. Coordinate processing of same. Correspondence with prospective purchaser - arrange site visit. Correspondence from counsel re rail car leases - review same. Correspondence from leasing company re disputed lease/registration. Review property claim. Correspondence with appraiser and set up site visit. Discussion with management re logistics and engage transport company. Other administrative duties as required.
27-Jul-2016	John Athanasiou	7.00	2,345.00	Review processed payroll and approve disbursements. Meetings with R. Smith and legal counsel re outstanding matters. Calls and correspondence with suppliers. Attend bank to execute signing docs and request draft. Correspondence with benefits provider re status of coverage. Correspondence with City of Toronto re supply agreement. Calls and correspondence with accounting staff re WEPP and input of data. Obtain SRED docs and review.
28-Jul-2016	John Athanasiou	8.40	2,814.00	Attend on site. Distribute employee payroll. Meet with sales manager to discuss anticipated realizations. Meet with real estate appraiser and tour premises. Correspondence to MOE re status. Calls and correspondence re rail cars. Review 30 day goods claims. Review and update AR schedules, collections and sales. Update on shipments of inventory. Meet with potential purchaser and tour. Meeting with accounting and general manager. update on activates. Other administrative duties.
29-Jul-2016	John Athanasiou	8.00	2,680.00	Attend at plant. Meet with operations and account managers re outstanding items. Termination of employees. Meet with engineering team re equipment listings and descriptions. Calls and correspondence with railyard re release of goods. Calls and review of correspondence from counsel re transport claims. Prepare notice to employees re WEPP claims. Review deposits and approve shipments/sales. Meet with manager health and safety - contact supplier re sandbags for property. Other administrative duties as required.

Date	Description	Units	Amount	Notes
02-Aug-2016	John Athanasiou	8.00	2,680.00	Attend on site. Calls and correspondence with suppliers and potential 30 day goods claims. Call and correspondence with Ceridian re employee T4s. Reconcile payments received to date on receiver sales. Call and correspondence with UAW re employee WEPP claims. Review inventory for sale and determine potential recovery. Obtain payroll documents and approve weekly hours. Other administrative duties as required.
03-Aug-2016	John Athanasiou	7.00	2,345.00	Prepare schedules and gather information for court report re assets. Review payroll and execute cheques for employees. Review details re SRED claim, Deal with issues surrounding shipment of goods and invoicing issues.
04-Aug-2016	John Athanasiou	9.00	3,015.00	Attend on site. Review deposits and approve sales. Finalize equipment and lease listings for court report. Prepare AR roll forward and review of account collectability. Meeting with payroll dept re ROE's and call with Service Canada. Distribute payroll. Review correspondence from counsel re Procor lease. Walk through premises with prospective purchaser. Calls and correspondence with lessor re Vac truck. Call and correspondence with appraiser re valuation of leased assets. Other administrative duties as required.
05-Aug-2016	John Athanasiou	5.00	1,675.00	Process payables. Calls and correspondence with leasing companies - Xerox and Procor. Call with counsel for Toledo re set off and Tandet claims. Call and correspondence with R. Smith re court date and information package. Call with County of Lambton re os fines.
08-Aug-2016	John Athanasiou	4.50	1,507.50	Follow up with GM re status at plant. Obtain and review appraisal of leased assets. Call with Payroll clerk re weekly payroll. Review and process disbursements.
09-Aug-2016	John Athanasiou	8.50	2,847.50	Attend Entropex premises. Deal with 30 day goods claim - TKM. Meet with general manager and walk through premises. Meet with payroll coordinator Re current payroll and obtain copies of timesheets for review. Meetings and correspondence with AR clerk re collections and credits. Meet with SRED consultant. Correspondence to suppliers. Call and correspondence with Pinchin re site visit and engagement.
10-Aug-2016	John Athanasiou	4.00	1,340.00	Review and approve weekly payroll. Call with legal counsel re Procor and other disputed leases. Call with Procor re request for information. Call with Dockside re rental and purchase of railcars. Calls and correspondence re accounts receivable and disputed amounts. Calls and correspondence with suppliers. Review and approve disbursements.
11-Aug-2016	John Athanasiou	10.00	3,350.00	Attend on site. Meetings with VP Finance and GM. Review and approve inventory sales. Deal with 30 day goods claims. Calls and correspondence with leasing companies re disputed leases. Review deposits. Discussions with payroll clerk re payroll matters. Plant tour with prospective purchaser. Correspondence from Union re receiver's employees. Call with counsel re same. Call with counsel for customer re Tandet claims. Distribution of Tandet letter to AR. Other administrative matters as required.
12-Aug-2016	John Athanasiou	1.20	402.00	Correspondence with counsel re sale of disputed leases. Correspondence with GM and controller re tasks. Call and correspondence with enviro consultant re walkthrough and go forward plan.
15-Aug-2016	John Athanasiou	7.50	2,512.50	Attend at the Entropex facility. Meet with management and staff re next steps. Deal with suppliers and daily issues.
16-Aug-2016	John Athanasiou	8.00	2,680.00	Attendance in court. Meetings and discussions with K. Bechard. Follow up email re results. Distribute NDA's. Field calls from interested purchasers.
17-Aug-2016	John Athanasiou	7.00	2,345.00	Coordinate mailing of sales packages and finalization of data room. Organize NDA's and correspond with interested parties. Gather information as requested. Initiate invites to data room. Reconcile receivables and review deposits. Approve sales and final shipment of goods. Calls and correspondence with management team. Review and approval of payroll.
18-Aug-2016	John Athanasiou	4.00	1,340.00	Administrative duties in office - banking and payables. Respond to interested party calls and correspondence. Update data room and add invitees. Deal with disputed lease enquiries. Correspondence with leasing company re release of items.
19-Aug-2016	John Athanasiou	8.00	2,680.00	Attend on site. Meet with prospective purchaser and tour facility. Calls from employees re claims. Prepare R&D and disbursement budget. Call with Toledo re AR. Attend bank to deposit funds. Respond to requests from interested parties and post items to data room. Meetings with general managers and address daily issues.
25-Aug-2016	John Athanasiou	3.60	1,206.00	Final edits to R&D and notes for update to secured parties. Calls and correspondence with R Smith re status of administration. Calls and correspondence with interested parties.
26-Aug-2016	John Athanasiou	1.20	402.00	Correspondence with payroll providers. Ceridian and Sunlife. Correspondence with interested parties - gather information as required.
29-Aug-2016	John Athanasiou	4.00	1,340.00	Call with secured lenders, Prepare for same. Gather info for court report. Deal with interested parties and send out information requests. Review data room and access.
30-Aug-2016	John Athanasiou	3.60	1,206.00	Review of court report. Correspondence with staff re misc info - inventory, railcars. Correspondence with int parties re requests fr information - MOE. Finalize payroll and approve payments. Courier same. Review disbursements and approve payments.
31-Aug-2016	John Athanasiou	2.00	670.00	Correspondence with interested buyers. Respond to requests for information - payroll, operating costs etc. Approve additional disbursements. Dealing with disputed leases.
01-Sep-2016	John Athanasiou	3.20	1,072.00	Review payments to suppliers and approve same. Calls and correspondence with counsel re interested parties and service of motion re disputed leases. Calls and correspondence with interested parties re sale of assets. Calls and correspondence with 30 day goods claimant and release of goods.
02-Sep-2016	John Athanasiou	2.40	804.00	Calls and correspondence from interested parties. Gather information. Schedule site visits. Review of outstanding AR and correspondence with customers re payment on account. Call with CRA re source deduction and HST accounts.
07-Sep-2016	John Athanasiou	4.60	1,541.00	Review and approval of weekly payroll. Receipt and review of claim from union. Call with union regarding same. Calls and correspondence from interested parties re sale of assets. Calls and correspondence re collection of os receivables.
08-Sep-2016	John Athanasiou	3.50	1,172.50	Reconciliation of accounts receivable and collections to date.

Date	Description	Units	Amount	Notes
09-Sep-2016	John Athanasiou	4.00	1,340.00	Deal with calls from suppliers. Deal with payroll re stats holiday. Continue with reconciliation of AR and collections. Review reconciliation of accounts with SM and Bway. Call with union re sale process. Call with Hydro re status. Prepare updated R&D for update to secured lenders.
12-Sep-2016	John Athanasiou	.80	268.00	respond to calls and correspondence re release of 3rd party goods and shipments from rail yard. Correspondence from interested parties seeking additional information.
13-Sep-2016	John Athanasiou	4.60	1,541.00	reconciliation of SM receivable and correspondence re same. Correspondence with potential purchasers re additional information and access to data room. Calls with interested parties. Review of settlement agreement with Toledo. Calls and correspondence with payroll clerk re source deductions due - coordinate and approve payment of same.
14-Sep-2016	John Athanasiou	4.20	1,407.00	Calls and correspondence with customers re outstanding receivables. Review and processing of supplier payments. Calls with interested parties re bid deadline and final questions.
16-Sep-2016	John Athanasiou	6.00	2,010.00	calls and correspondence re incoming offers. Gather, review and summarize all offers. Calls and correspondence re SRED. Calls and correspondence with counsel regarding rail cars. Calls and correspondence with staff and external parties re sale and registration of rail cars.
		245.60	82,276.00	
22-Jul-2016	Laura Custodio	1.00	98.00	mailout of creditor package
18-Aug-2016	Laura Custodio	1.00	98.00	assist with mailout of invitation for proposals
19-Sep-2016	Laura Custodio	.10	9.80	mail cheques
		2.10	205.80	
08-Aug-2016	Lisa Silva	.20	19.60	mailed out letters to various employees
14-Jul-2016	Mandeep Bhatti	8.00	1,360.00	Administrative issues assigned by J. Athanasiou, changes to utility letters after review, plant tour and meeting with K. Bechard, receive and review receivable summary, AR summary collected from Samantha
15-Jul-2016	Mandeep Bhatti	8.00	1,360.00	Administrative issues assigned by J. Athanasiou, AR summary updated for any collections, identification and prepare list of rolling assets
18-Jul-2016	Mandeep Bhatti	6.50	1,105.00	Administrative issues, updated AR listing, return suppliers calls
19-Jul-2016	Mandeep Bhatti	6.00	1,020.00	Tagged all rolling asset and updated rolling asset spreadsheet, update rolling asset listing
20-Jul-2016	Mandeep Bhatti	3.50	595.00	equipment review and prepare list
21-Jul-2016	Mandeep Bhatti	7.00	1,190.00	update asset for leased vs owned, updated receivable summary for invoices and collections
22-Jul-2016	Mandeep Bhatti	7.25	1,232.50	Updated receivable lists; numerous supplier calls; misc administrative issues
		46.25	7,862.50	
06-Sep-2016	Melanie Fuller	.20	87.00	review bank reconciliation
08-Jul-2016	Rob Smith	1.20	522.00	emails with local Scotia branch re new bank account; call with Cassone re timing of application; begin receivership planning checklist; review email from company with funding ask for next week, email to lenders to provide thoughts; call with S. Marsili and Cassone re payroll; call to security guard company
13-Jul-2016	Rob Smith	.70	304.50	call with T. Hogan re order; email MOE docs to Swift; review model order
14-Jul-2016	Rob Smith	9.00	3,915.00	attend court for motion; attend Entropex; management meeting; call to union; employee meeting; plant inspection; pictures; email to corporate finance re CIM; meeting with Ube landlord; misc possession issues
15-Jul-2016	Rob Smith	9.00	3,915.00	call with D. Swift re union, Ube, misc issues; meetings/calls with various creditors; meetings/calls with Bechard, Myers, Swift, Hogan re storm water management; review security company contract; call to Ube landlord; customer calls with Bechard; discussions with S. Hill re inventory to be sold and various customers; request bank account from Scotia; conference call with Pinchin re MOE order and storm water management issue;
18-Jul-2016	Rob Smith	7.00	3,045.00	clear and distribute vmails for response; call from K. Bechard re stalking horse process; creditor calls; call to Corporate Finance re sales process; call with S. Marsili re enviro concerns and protocol; spoke to MOE; call with CBRE re real estate appraisal; draft letter to Ube landlord; numerous calls all day from suppliers, customers, employees- distributing messages to team for return calls; emails with Pinchin re storm water management and MOE, setup meeting for Wednesday; call with Novachem re settling account
19-Jul-2016	Rob Smith	3.50	1,522.50	distribute vmails; call from Hewitt re rented forklift; prosp purchaser calls; call from Recycling Today; call from union re outstanding amounts owing to employees; review and execute Pinchin engagement letter; call with P. Waters to provide update; call with S. Marsili re environmental controls; call with Cruickshank from MOE
20-Jul-2016	Rob Smith	2.50	1,087.50	prepare schedules for CIM (form of offer, terms and conditions, and APS); begin draft of court report; call with Swift re landlord, CIM, enviro concerns; calls from prosp purchasers; email to Pinchin re expectations for their report; review Diresco proposal, email to Cruickshank (MOE) for her thoughts; provide additional company info to corporate finance for CIM; review Pinchin enviro plan and respond; email to Marsili and Waters to update on enviro issue
22-Jul-2016	Rob Smith	6.00	2,610.00	call with Nova to begin settling account; review 245 report; review and execute appraisal engagement letter, email pertinent property info to CBRE; review Pinchin follow up report with recommendations; email to security company re 24/7 coverage; return vmails/emails from prosp purchasers; prepare NDA; draft email to Roynat and Scotia with update on enviro issue and recommendations to address same; call to Curran to clarify clean up quote; call to Pinchin to discuss recommendations; call with Swift to discuss recommendations for enviro; call with Sarnia Lambton Economic Development re prosp purchasers
24-Jul-2016	Rob Smith	3.00	1,305.00	work on background and receiver's activities section of court report; prepare supplemental report

Date	Description	Units	Amount	Notes
25-Jul-2016	Rob Smith	6.00	2,610.00	clear/distribute emails and vmails from prosp purchasers and creditors; call from K. Bechard re environmental and stalking horse; call with D. Swift to discuss marketing strategy, potential stalking horse, etc.; conference call with Scotia and Roynat re update on receivership and strategy for MOE; call with Emmie Leung re stalking horse process; review draft CIM and provide comments for changes; call with Roynat re Emterra bid; email to Pinchin re engagement to advise on remediation and storm water management; land title search; complete first draft of court report and supplemental and email to D. Swift; prepare invitation for proposals
26-Jul-2016	Rob Smith	3.50	1,522.50	employee calls; call from C2Fibers (prosp purchaser) re potential pre-sales process offer; email to cancel security; review and finalize NDA; review edits to court report, supplemental court report, CIM terms and conditions; review and edits to NDA and appendices; call with Swift re Darlington and union lawyer call; calls with B. Shillette re edits to CIM; review revised version of CIM and email same to K. Bechard for comment
27-Jul-2016	Rob Smith	2.00	870.00	review stalking horse APA; vmails from creditors, distribute same; email to Bechard re service of Siblings; email to MOE re service; email to Scotia and Roynat re Emterra offer; email to C2Fibers re potential offer; calls with Swift re Emterra offer and possible strategies
28-Jul-2016	Rob Smith	1.00	435.00	call to S. Marsili re enviro protocols and potential purchase; email to Pinchin to stay review; call to D. Swift re Tandet customer letters; investigate Tandet letter, calls to counsel
29-Jul-2016	Rob Smith	.70	304.50	call with Tandet re MLA and BLA act and receivables owing; correspondence with Advocates and HP re Tandet; call with Bechard re sale, timing of same, court process;
30-Jul-2016	Rob Smith	2.00	870.00	review package of invoices & BOL's from Tandet, prepare analysis of which have AR to cover, email to Swift with analysis and backup
01-Aug-2016	Rob Smith	.30	130.50	at request of Emterra - send letter to UAW confirming potential sale
02-Aug-2016	Rob Smith	3.50	1,522.50	at Advocates to review Tandet bill of ladings and discuss strategy; complete summary of Tandet claims and email to Scotia to update; call with R. Trusler re Tandet contract and inventory lists; call from K. Bechard re offer, customers affected by Tandet; call with S. Lewis re E&Y marketing campaign; call with Koskie Minskie re WEPP and prospective purchaser; calls from prospective purchasers
03-Aug-2016	Rob Smith	8.00	3,480.00	return call to Nova re account settlement; call from S. Marsili; review and provide comments on draft APS; email to Hogan re support for acceptance of Emterra offer; review comments from Darlington re SRED, chemical inventory, etc and provide comments to Swift; emails to Trusler re value of SRED claims; letter to Tandet; instruction to S. Whyte to collect undisputed Tandet accounts; email update to Scotia and Roynat re progress of Emterra sale; complete revised drafts of first court report and supplement to reflect proposed sale to Halton
04-Aug-2016	Rob Smith	4.00	1,740.00	review comments to first court report and supplemental from D. Swift; gather appendices for court reports; review draft order and notice of motion, comments to Swift; emails/calls with Swift re disputed leases, SRED, status of offer; call from K. Bechard re union vote and status of Emterra bid, calls to Swift and Athanasiou to update; go back to sales materials and court report for invitation for proposal process, update all
05-Aug-2016	Rob Smith	1.50	652.50	finalize court report, gather appendices, execute and send to Advocates; instructions to CF for CIM; call with Swift re MOE material to post to data room, edits to MOE docs and send to CF; call with Emmie Leung re Emterra bid and interest in specific assets;
08-Aug-2016	Rob Smith	1.00	435.00	call from Tandet re status of review; call to K. Bechard re comments on CIM, changes to CIM; call to D. Swift re injunction issue with former employee (Trainor); call from prosp purchaser; letter from Miller Thomson re TMK 30 day good claim;
09-Aug-2016	Rob Smith	.20	87.00	email to C. Mills re TKM claim; review customs account setup, execute and email; discussion with J. Athanasiou re rail cars and storage fees
10-Aug-2016	Rob Smith	2.00	870.00	email to B. Shillette re updates to CIM and populate data room; review operating expenses, and approve/deny as appropriate; draft letter to customers re Tandet claims; status update email to Scotia and Roynat; call with Cockshutt (Tandet) re MLA/BLA claims and Dockside; call from Atradius re Tandet
18-Aug-2016	Rob Smith	.80	348.00	call with D. Swift re disputed leases, enviro protocols, sales process; call from N. Copra re BNS security position and general status update; call from Sarnia Observer re sale rumour; emails with E. Leung re union vote
19-Aug-2016	Rob Smith	2.00	870.00	call with E&Y re status of SRED; review Nova account reconciliation, call with R. Trusler to discuss, settlement and acceptance letter to Nova; call from Bechard re insurance policy, enviro, sales process
22-Aug-2016	Rob Smith	3.00	1,305.00	call with D. Swift and T. Hogan re environmental concerns, prelim discussion on disputed leases, update to be sent; review edited NDA from Urban Polymers; respond to QFD Recycling enquiries and request for meeting; review letter from Bechard re storm water, call with Pinchin and Diresco to discuss concerns, call to Swift to discuss next steps; call with prosp purchasers and send out NDA's; review R&D and AR schedule; email to R. Trusler re confirmation of BWay balance;
23-Aug-2016	Rob Smith	6.00	2,610.00	review email from J. Boothe (Municipality), call with D. Swift to discuss; set up site visits for prosp. purchasers; court attendance re enviro issue; call from Canada Fibers re sales process; call from prosp purchasers; court and sale docs to marketing to post online
24-Aug-2016	Rob Smith	.20	87.00	email to Regency re payment of storage costs; update call with S. Marsili; emails to R. Trusler and J. Athanasiou re BWay balance
25-Aug-2016	Rob Smith	3.00	1,305.00	call with Tandet re finalize settlement; prepare detailed update to Scotia and Roynat; add details re disputed leases to lease summary; calls from prosp purchasers; review and sign payroll cheques
26-Aug-2016	Rob Smith	1.00	435.00	call to Gemini group re storage charges; call with Swift re Unitec security; begin second court report
29-Aug-2016	Rob Smith	7.50	3,262.50	attend plant, meet Mike McCauly from Insulfoam (Carlisle Manufacturing); call with lenders to discuss status update; follow up with Blanc at Nova re settlement; correspondence with prosp purchasers; review endorsement of Leitch re environmental; draft second report to the court re challenged leases

Date	Description	Units	Amount	Notes
30-Aug-2016	Rob Smith	1.20	522.00	review Advocates security opinion re BNS and Roynat; call with D. Swift re Procor; correspondence with prosp purchasers (EPL); call with P. Waters re disputed leases; gather appendices for 2nd court report
31-Aug-2016	Rob Smith	2.50	1,087.50	review Swift edits; changes to and finalize court report; calls with prospective purchaser; review notice of motion
02-Sep-2016	Rob Smith	.30	130.50	call from Nova re payment of settlement, letter to Nova with instruction for payment; emails with Hewko (prosp purchaser)
03-Sep-2016	Rob Smith	1.50	652.50	prepare draft bill of sale for VIP; prepare update email for BNS and Roynat for Monday update call; review Swift email re latest request from Procor and respond with comments
06-Sep-2016	Rob Smith	2.00	870.00	review email from Swift and letter from DLA Piper re Procor; call to Dockside re offer to buy railcars; call with Swift re Procor; email to Roynat re Procor; call from Hogan re Procor; coordinate site tours; email Bway re o/s invoice; respond to Hewko info request and email to R. Trusler re same; review AR list with J. Athanasiou; call with Roynat and BNS re response to Procor/DLA Piper; review Swift response to DLA Piper
07-Sep-2016	Rob Smith	4.00	1,740.00	at Entropex; meeting with Sud / QFD Recycling; meeting with D. Myers re Emterra and other bidders; meeting with E. Leung in Brantford; review offer from Procor and email discussion with Roynat re same
08-Sep-2016	Rob Smith	.50	217.50	call to Dockside re railcars; review Swift factum for Sept 13 motion
09-Sep-2016	Rob Smith	.50	217.50	email VIP re offer; emails/calls with Swift and lenders re Procor settlement and VIP sale
12-Sep-2016	Rob Smith	1.50	652.50	bank update call; call with Swift re Procor; review draft order for Sept 14 motion; call with D. Myers re Gracious Living questions; prosp purchaser calls;
13-Sep-2016	Rob Smith	4.50	1,957.50	call from E Leung and M. Hunter (Taylor Liebow) re SRED claim, email requested docs; prosp purchaser call; emails with D. Hewitt re concerns of party negotiating with Union; attend court for motion to approve second court report; meeting with K. Bechard re sales process; attend at Entropex to meet with Cascades Recovery; calls with VIP re bill of sale
14-Sep-2016	Rob Smith	1.00	435.00	call from VIP re reporting marks and bill of sale; review TMD release, edits and email to D. Swift; review J. Athanasiou letter to Union and provide comments; email from prosp purchaser re site visit; call with D. Hewko re concerns over sales process re newspaper article; call from E. Leung re submission of offer and timing
15-Sep-2016	Rob Smith	1.50	652.50	prelim review of Emterra offer; call with S. Marsili re VIP offer reduction; call from K. Bechard re sales process; email from D. Hewko re sales process; review edits to VIP bill of sale and call with D. Swift to discuss; edits to VIP bill of sale and email to R. McEachern re completion of sale
16-Sep-2016	Rob Smith	2.50	1,087.50	calls/emails with VIP re Umier reporting marks issue, calls/emails with D. Swift and J. Athanasiou re resolution to problem; quick review of offers received then forward to J. Athanasiou for analysis and summary; email/call to Emterra re adjustment for rail cars and SRED; follow up email to D. Hewko re leased assets; execute VIP bill of sale; review Athanasiou summary of offers; calls with S. Marsili and P. Waters to update on offers; email to lenders and counsel to update on status of offers
		124.60	54,201.00	
	Total Time	518.15	159,880.90	

Disbursements

14-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
14-Jul-2016	Rob Smith	84.96	mileage: to Sarnia
14-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
15-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
15-Jul-2016	Rob Smith	84.96	mileage: to Sarnia
15-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
18-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
18-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
19-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
19-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
20-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
20-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
21-Jul-2016	Mandeep Bhatti	84.96	mileage: to Sarnia
21-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
22-Jul-2016	John Athanasiou	84.96	mileage: to Sarnia
02-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
03-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
04-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
09-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
11-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
15-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
19-Aug-2016	John Athanasiou	84.96	mileage: to Sarnia
19-Aug-2016	Christine Sylver	84.96	mileage: to Sarnia
24-Aug-2016	Rob Smith	84.96	mileage: to Sarnia - Canada Fibers
25-Aug-2016	Christine Sylver	84.96	mileage: to Sarnia
29-Aug-2016	Rob Smith	84.96	mileage: to Sarnia - Insulfoam
07-Sep-2016	Christine Sylver	157.95	mail redirection

Total Disbursements 2,366.91

12/1/03
THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

AFFIDAVIT OF ROBERT W. SMITH

ADVOCATES LLP
16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

David S. Swift (40107N)
D.Swift@AdvocatesLLP.com
Tel: (519) 858-8220 ext. 235
Fax: 519-858-0687

Lawyers for the receiver

File Number: 16056

TAB H

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

AFFIDAVIT

I, Kyle A. MacLean, of the City of London, in the County of Middlesex, MAKE OATH AND SAY:

1. I am a lawyer with the law firm of Advocates LLP, lawyers for MNP Ltd. ("MNP"), the court-appointed receiver (the "Receiver") appointed pursuant to the Order of the Honourable Mister Justice Grace dated July 14, 2016 (the "Appointing Order") of all the assets, undertakings and properties of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") and as such have knowledge of the facts and matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.
2. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the time incurred by professionals with Advocates LLP on behalf of the Receiver with respect to the within matter between July 8, 2016 and September 19, 2016, including

the respective hourly rates, disbursements and applicable taxes, as well as the fee discount provided.

3. Attached hereto and marked as Exhibit "B" to this my Affidavit is a copy of the invoice rendered to the Receiver dated September 21, 2016 which sets out the particulars of the time incurred by professionals with Advocates LLP on behalf of the Receiver with respect to the within matter between July 8, 2016 and September 19, 2016, including the respective hourly rates, disbursements and applicable taxes, as well as the fee discount provided.

4. I confirm that these particulars accurately reflect the services provided by Advocates LLP in this matter and the fees and disbursements claimed by it.

5. To the best of my knowledge the rates charged by Advocates LLP in connection with the within matter and set out in the attached Exhibits are comparable to the hourly rates charged by other law firms in the Southwestern Ontario market for the provision of similar services.

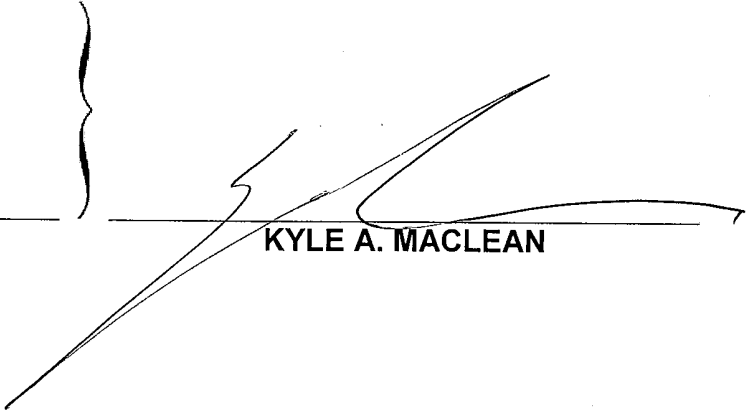
6. I make this Affidavit in good faith relating to the approval of fees and disbursements of Advocates LLP and for no improper purpose.

SWORN BEFORE ME at the City of London, in the Province of Ontario on September 21, 2016



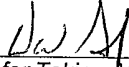
Commissioner for Taking Affidavits
(or as may be)

DAVID S. SWIFT



KYLE A. MACLEAN

Attached are Exhibits "A" and "B" referred to in the Affidavit of Kyle A. MacLean, sworn September 21, 2016



Commissioner for Taking Affidavits (or as may be)

DAVID S. SWIFT

**SUMMARY OF FEES AND DISBURSEMENTS OF ADVOCATES LLP
FOR THE PERIOD JULY 8, 2016 TO SEPTEMBER 19, 2016**

	NAME	YEAR OF CALL	HOURS SPENT	HOURLY RATE	TOTAL
LAWYERS	Angelo D'Ascanio	1991	3.1	\$425.00	\$1,317.50
	David Swift	1998	188.6	\$400.00	\$75,440.00
CLERKS	Cory Wood		4.6	\$150.00	\$690.00
	Andrew Corbett		8.8	\$125.00	\$1,100.00
TOTAL FEES					\$78,547.50
HST ON FEES					\$10,211.18
TAXABLE DISBURSEMENTS					\$2,309.97
NON-TAXABLE DISBURSEMENTS					\$100.00
HST ON DISBURSEMENTS					\$300.30
TOTAL FEES, DISBURSEMENTS AND TAXES PRIOR TO DISCOUNT					\$91,468.95
DISCOUNT (INCLUSIVE OF HST)					(\$8,875.88)
TOTAL AFTER DISCOUNT					\$82,593.07

THIS IS EXHIBIT "A" to the affidavit of
Kyle A. MacLean sworn before me this
21st day of September, 2016.

WJ M

COMMISSIONER FOR TAKING AFFIDAVITS

00151



16th Floor, One London Place, 255 Queens Ave., London, ON N6A 5R8
T 519.858.8220 F 519.858.0687 www.AdvocatesLLP.com

September 21, 2016

File No.: 16056

Invoice No.: 12808

MNP Ltd. (London)
148 Fullarton Street
Suite 1002
London, Ontario N6A 5P3

RE: Receivership of Entropex

For Professional Services as detailed herein, to and including September 19, 2016


Total Fees (Summary & details attached)	\$70,692.75
Total Disbursements (details attached)	<u>\$2,409.97</u>
Total Fees and Disbursements	\$73,102.72
HST/GST on Fees	\$9,190.06
HST/GST on Disbursements	<u>\$300.29</u>
Total Fees, Disbursements and Taxes this account	\$82,593.07
Total Receipts (details attached)	\$0.00
Transferred from Trust and Applied to this Account	<u>\$0.00</u>
BALANCE DUE THIS ACCOUNT	\$82,593.07
Balance Forward	<u>\$0.00</u>
TOTAL OUTSTANDING	<u>\$82,593.07</u>

ACCOUNTS DUE UPON RECEIPT

- Please make cheques payable to "Advocates LLP"

Advocates LLP

Per:




David S. Swift

E. & O. E.

HST/GST #: 83320 6485 RT0001

Total HST/GST (this account): \$9,490.35

THIS IS EXHIBIT "B" to the affidavit of
Kyle A. MacLean sworn before me this
21st day of September, 2016.



COMMISSIONER FOR TAKING AFFIDAVITS

TIMEKEEPER SUMMARY

00152

<u>Timekeeper</u>	<u>Initials & Description</u>		<u>Standard Rate</u>	<u>Hours</u>	<u>Charged Rate</u>	<u>Amount</u>
Angelo D'Ascanio	ACD	Lawyer	\$425.00	3.10	\$425.00	1,317.50
David S. Swift	DSS	Lawyer		'Adjustment	\$359.36	-7,854.75
David S. Swift	DSS	Lawyer	\$400.00	188.60		75,440.00
Cory L. Wood	CLW	Law Clerk	\$150.00	4.60	\$130.43	690.00
Andrew Corbett	ADC	Law Clerk	\$125.00	8.80	\$113.64	1,100.00
				<u>205.10</u>		<u>\$70,692.75</u>

Details of Professional Services Included Herein:

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>
Jul-08-16	CLW	Email from DSS re new matter for MNP; Prepare conflict check and advise DSS	0.30
Jul-11-16	DSS	Emails from and to Rob Smith re Entropex; review of website and background information of Entropex; call with Rob Smith for background, plan; message to Smith re discussion with Hogan about form of Order; review of Model Order for employee provisions and obligations of receiver to act; email to Smith summarizing discussion with Hogan and review of Model order	2.30
Jul-12-16	DSS	Discussion with Hogan, emails with Smith and review of environmental and employee provisions	0.80
Jul-12-16	CLW	Initial client document review and file preparation including posting potential limitation periods;	0.60
Jul-13-16	DSS	Review of BNS motion record; email to Smith seeking instructions re security vet, provide MOE orders; Review of EPA provisions re Receiver; emails with Hogan re draft Order, instructions for immediate action; review of MOE documents; to receipt and review of Statement of Law; to receipt, review and revision of draft Term and Task letter and to call with Athanasiou to discuss amendments	4.60
Jul-14-16	DSS	Calls from Smith re Order, black plastic issue; review of Order, receiver powers and email to Smith re black plastic issue	0.70
Jul-15-16	DSS	Receipt and review of endorsement; call with Smith to review various issues, next steps including environmental, rented warehouse, union; review of Model Vesting Order; call with Smith and Labio of Pinchin re environmental issues; calls with Hamber re landlord issues; call with Hogan re bank security; calls from and to Smith re environmental position of debtor, decision for 24 hour staff; receipt and initial review of leases and Bank security; receipt and review of email from Bechard re storm water containment process	5.80
Jul-18-16	DSS	Emails with Smith re present status, attempts to reach MOE; review of various equipment leases for enforceability and email to Athanasiou re missing lease pages; review of PMSI law, initial PPSA searches of debtors; email from Athanasiou with Modspace leases	4.90
Jul-19-16	DSS	Email to Hamber with receiver letter to landlord; receipt and review of Hewitt lease and email to Athanasiou not to release forklift; call with Rob Smith re transport company claims and review of law re potential transport company claims to accounts receivable	3.90
Jul-20-16	DSS	Emails with Smith re inventory with landlord, MOE contact; call with Smith re MOE discussions, settling on plan; final review of leases, preparation of memo to client re priority positions and email to client	3.70
Jul-22-16	DSS	Email from Hamber seeking position re landlord and email to Smith for instructions; email from Smith with instructions to abandon inventory with landlord and email to Hamber advising; emails and calls with Smith re proposed email to Bank about plan for environmental issues	0.80
Jul-25-16	DSS	Call with Rob Smith re sales approval motion, call re environmental issues; review of Pinchin emails re environmental clean up and monitoring and recommendation by MNP; preparing motion record materials for approval motion; conference call with Smith et al re sales process, environmental plan; to call with Smith re: finalizing report and motion materials	2.90
Jul-26-16	DSS	Receipt, review and revision of draft first report, supplementary report and CIM and to review of all documents and emails to Smith with comments, amendments; call with Smith	6.30

00153

		re proposed offer from Bechard, completing motion material; emails from Hogan re contact from Darlington and Yiokaris; call with Darlington and report to Hogan and Smith; call with Yiokaris; email to Yiokaris with BNS motion; call with Smith re call with Yiokaris, status of motion, next steps; review of Procor lease, law re lease of railcars under Canada Transportation Act and email to client with initial opinion subject to search	
Jul-27-16	DSS	Review and amendment of NDA and cover letter to potential purchasers; email to Smith with comments; completing draft motion record and order and email to Smith for review; emails with Smith and various counsel to finalize motion service list; receipt and initial review of draft Stalking Horse Agreement from Emterra; calls with Darlington and Williams; emails and calls with Smith and Hogan re Stalking Horse idea, options, plan, next steps, instructions; call and email to Darlington re potential pre-pack arrangement; email to Williams	7.20
Jul-27-16	CLW	Review and revise Motion Record to include Service List	0.50
Jul-28-16	ACD	Reviewing email from R.Smith and attached Tandet letter to customers claiming customers liable for unpaid shipping invoices, and attached bills of lading and invoices; Telephone discussion with D.Swift re: same; Research of law and email to R.Smith with opinion re: validity of Tandet's claim that customers liable for debtor's unpaid shipping invoices.	2.00
Jul-28-16	DSS	Email to Smith and Hogan re planned call with Williams; emails with Smith re revised position on environmental issues	0.40
Jul-28-16	DSS	Call with Leanne Williams to advise re pre-pack concept and to email report to Hogan and Smith; to emails and calls re Tandet issue; to call from Williams re Bechard group position and report to Smith and Hogan	1.40
Jul-29-16	ACD	Receiving and exchanging numerous emails with R.Smith and J. Athanasiou re: Tandet's claim to priority over customer receivables for unpaid shipping charges.	0.60
Jul-29-16	DSS	Email from Williams re monetary demand of Bechard group and email to Smith and Hogan; emails and calls re Tandet position	1.10
Jul-30-16	DSS	Emails from and to Smith re evidence from Tandet, need for review and opinion	0.30
Jul-31-16	DSS	Emails from and to Smith, Darlington and purchaser re contact with Union, need to advise of potential sale, union term	0.70
Aug-01-16	DSS	Review of law re Mercantile Law Amendment Act and Bills of Lading Act, along with initial review of Tandet documents; emails and calls with Rob Smith	2.10
Aug-02-16	DSS	Review of cases and articles re MLAA and BLA and email to Smith confirming opinion that shippers can claim from customer, requirements for bills of lading; review of Tandet shipping documents; review of case law and articles re ability of shipper to collect payment even if all invoices paid and email opinion to Smith; call with Smith re inventory values, need for discussion with Darlington; email to Darlington with issues to address in APS; to review and revision of draft Agreement of Purchase and Sale; message from Darlington re issues for APS and email report to client; review of response and information from Procor	7.60
Aug-03-16	DSS	Emails with Smith re BNS position on Tandet claims, response to Tandet; compiling draft APS and email to Smith for review and comment; call with Smith to review and revise draft APS; email to Darlington with draft APS; email from Darlington re preliminary APS issues relating to inventory, assets purchased and email to Smith with comments; call from Smith with initial position re preliminary APS issues; call with Kapos re APS issues; email instructions from Smith re initial APS issues; email to Darlington responding to initial APS issues; review of client lease summary; revision of clauses 5.11 and 5.12 in draft APS and email to Kapos	6.70
Aug-04-16	DSS	Review and comment on revised draft first report and supplement to first report to address Halton offer and plan; revision of Motion materials to address Halton offer; preparation of Approval and Vesting Order; emails with Smith re contact with Bechard group; email to Smith with revised notice of motion and order; calls with Smith to discuss call with Keith Bechard, contact with Bechards for position; email to Darlington with draft order; call with Hogan re status; email from Kapos with update; calls to Corporations Canada re railway searches; conducting railway searches and email report to client with opinion Procor unsecured; emails with Darlington re leases and SRED claims; calls with client re lease position and tax claim position; review of letter from Landlord and call with client; calls and emails regarding rejection by union of deal and moving back to sales approval process; finalizing motion record and draft order for approval of first report and sales process	8.30
Aug-05-16	DSS	Finalizing motion materials, instructions re service and filing, letters to parties served by mail; call with Smith re contents for data room about enviro issue; emails with Smith and banks re Emterra deal finished, motion served	2.50
Aug-05-16	ADC	Compiled and prepared copies of Motion Record re Approval of Receiver's First Report and Sales Process; Served Motion Record on all recipients by courier or email; Prepared and swore Affidavit of Service of Motion Record; Memo to LLC attaching filing materials; Email to LLC requesting pickup of Motion Record to be filed	3.30

Aug-08-16	DSS	Review of correspondence from Mills re TKM, service issues and supplier claim; review of service requirements; emails with Smith re TKM; email and call from Smith re Trainor litigation; call and email to Nixon re Trainor litigation	1.30
Aug-08-16	ADC	Email to DSS regarding service of MNP Motion Record and diarizing confirmation of motion; Sent email serving MNP Motion Record to updated address of Patricia Pequegnat	0.20
Aug-10-16	DSS	Calls from and to Tudor Carsten re Trainor litigation; call from Smith re railcar issue; call with Athanasiou re Procor position, review of materials re Canada Transportation Act; review of Xerox response, lease, call and email to Athansiou; review of materials from Tudor Carsten re Trainor litigation and review of powers of receiver	2.30
Aug-11-16	DSS	Calls from and to Hogan re confidential supplement; review of letter from Yiokaris re potential union claims; call with Athanasiou re union claims; email from and to Hogan re confidential supplement	0.80
Aug-11-16	ADC	Prepared confirmation of motion returnable August 16, 2016; Served motion on all parties by email, fax and regular mail per service list; Confirmed motion with court by fax	1.10
Aug-12-16	DSS	Emails with Athanasiou re Vacuum Trucks of Canada lease and review of letter from MNP to VTC; call from and to Tudor Carsten re Trainor litigation; email report and recommendation to Smith and Athanasiou re Call with Carsten and Trainor litigation	1.60
Aug-15-16	DSS	Email from Smith agreeing not to pursue Trainor litigation and advise Carsten; email to Carsten advising receiver will not pursue Trainor litigation; call from and to James Harnum, lawyer for Union re motion; call with Athanasiou re union, Procor legal counsel and motion; email report to Athanasiou re call with Harnum; review of all motion materials and law in preparation for motion	4.50
Aug-15-16	CLW	Prepare Receiver's Statement of Law Brief (3)	0.50
Aug-16-16	DSS	Preparing for motion including finalizing Order, summarizing factual and legal argument; attending on Motion including discussions with Athanasiou and Bechard re environmental relief and agreeing to adjourn environmental relief, revising Order and speaking to Motion; issuing order; email report to Harrison Pensa re order obtained, environmental issue; email to Bechard with Order	8.50
Aug-18-16	DSS	Emails with Athanasiou re contact with Emterra, dealing with environmental issues, confirming motion; emails from Athanasiou re contact from Procor and Ryder; review of PPSA provisions re true leases; emails with Cassone and Athanasiou re call to address environmental issues; instructions to CLW to confirm motion; emails with Bechard re service issues; calls and emails with Yiokaris re environmental issues, union meetings; call with Rob Smith re various issues; review of BNS and Roynat security as well as PPSA searches for purpose of providing security opinion; email from Athanasiou re Vincent claim; review of law re interaction of Canada Transportation Act and PPSA re railcars; emails from Smith re union vote	6.10
Aug-18-16	CLW	Prepare, serve and file Confirmation of Motion - proceeding on Paragraph 2(d) only	0.30
Aug-19-16	DSS	Emails with Bechard re confidential supplement and motion record; call to Procor and report to client; review of Vincent Corporation lease and email opinion to client; update of lease memo re Procor and Vincent Corporation leases; review of law re s.57.1 of PPSA; preparing opinion re BNS and Roynat security	3.20
Aug-19-16	DSS	Calls from and to Mary Buttery re Procor; call to Smith with report	0.60
Aug-22-16	DSS	Email to Buttery with BNS Motion Record, position re conflict; call with Hogan and Smith to discuss environmental issue, obtain bank instructions; call with Smith to discuss update to bank and lease situation; preparing draft Order re change to environmental protocols; emails with Smith re draft order; email to Bechard and Koskie that proceeding with environmental change order; email from Koskie that unlikely to attend motion; receipt and review of email from Bechard with response to environmental issue; calls to and from Smith re Bechard letter and decision to proceed with motion; emails with and call from Rosenblat on behalf of Ryder	3.70
Aug-23-16	DSS	Preparing for motion re environmental issue including compiling argument, response to Bechard letter, receipt and review of Sarnia email, discussions with Smith; attending on motion before Justice Leitch; email report to Hogan and Vine re reserve of motion decision; receipt and review of letter from DLA Piper re potential conflict acting for Procor and emails with Smith; review of PPSA texts re railway stock and general lease law	7.30
Aug-25-16	DSS	Emails with Bechard re timing of endorsement; compiling chart of disputed leases and email to Smith; emails from and to Buttery re conflict issue, pending motion	1.30
Aug-26-16	DSS	Email from and to Smith re Bechard complaints about environmental plan; call with Smith re Bechard complaints about environmental, discussion re Bechard group security, postponements and SRED claims; call with Hogan re PPSA lease analysis and Bechard postponements re SRED claims; preparing security opinion; call with Vine re Bechard postponements; call with and email from Kelly Bryant with BNS and Bechard postponements and Roynat guarantor security; initial review of BNS and Bechard postponements	5.30
Aug-29-16	ACD	Meeting with D.Swift to discuss competing priorities to SRED claim; Research law re: same; Further discussions with D.Swift re: same.	0.50

Aug-29-16	DSS	Receipt and review of letter from Salmas claiming Hewitt priority including review of section 20(1)(b) of PPSA and cited case law; email with Athanasiou that will prepare response to Salmas; compiling response to Salmas with relevant PPSA sections and authority; call from and to Ryder counsel with update, seeking evidence of delivery date; call to Judge's chambers re environmental endorsement; receipt and review of endorsement and email to banks and counsel; attending conference call with banks, counsel and Smith to provide update; review of Unitec postponements and compiling security opinion	7.30
Aug-30-16	DSS	Finalizing security opinion; call from Smith and email from Athanasiou re additional four rail cars delivered later; review of all Procor documentation and email to client with detailed analysis; call with Hewitt counsel re position, motion re leases, providing documents; call with Ryder counsel re BNS and Roynat debt, delivery dates; emails with Athanasiou re Ryder delivery dates and proof; email to Ryder counsel with delivery date evidence; review of draft second report, amendment and email to Smith	7.30
Aug-31-16	DSS	Email to Salmas with appointing record, receiver's first motion; emails with MNP re lessor contacts and updating service list; emails with Smith re revising second report including adding bank security, other appendices; review of text and case law re leases and title issue; preparing notice of motion and motion record; emails with Smith re finalizing report, notice of motion;	5.40
Aug-31-16	CLW	Review and revise service list re: new motion returnable September 13	0.20
Sep-01-16	DSS	Instructions to ADC re compiling, serving and filing motion re disputed leases; finalizing legal memo re PPSA priorities; emails with Athanasiou re National Leasing and Deragon	2.30
Sep-01-16	ADC	Compiled and prepared copies of Motion Record re Disputed Leases - Second Report; Served Motion Record on service list by email and courier; Prepared and swore Affidavit of Service of Motion Record; Memo to LLC to file Motion Record; Email to LLC requesting pickup and filing of Motion Record	2.60
Sep-06-16	DSS	Letter from Buttery re motion; email to Smith with Buttery letter and recommendation; review of Yiokaris letter with Union claim and email to Athanasiou; review of law argument re lease contest, motion based on reports and compiling argument to Procor counsel; call with Yiokaris re Union priority claim, relevance to motion; call with Smith re Procor counsel letter; preparing response to Procor letter, email to Smith for review and call with Smith re instructions for counter offer, finalizing letter, email to Buttery	5.80
Sep-06-16	CLW	Email to James Harnum with Service List	0.10
Sep-07-16	DSS	Emails with Smith and Athanasiou re proposed agreement with TMD, Entropex customer subject to Tandet claim; review of TMD agreement, amendment, email to client; preparing factum for September 13 motion including summarizing facts, compiling law and authorities	6.40
Sep-08-16	DSS	Finalizing factum and brief of authorities for disputed lease motion including compiling law, instructions re service and filing; emails to disputed lessors to provide position on motion; calls from and to Modspace; emails with Vacuum Trucks; emails with Smith re rail car issues including offer from Procor, potential interest from third parties; emails from and to Procor counsel re offer; emails with Hewitt counsel re potential adjournment; email from Rosenblat and to Smith re Ryder not opposing, may want to bid on truck; emails with Bechard re Unitec shareholders position; calls with Smith and Hogan re Dockside	6.80
Sep-08-16	CLW	Review and revise draft Factum re: numbering and formatting changes; Prepare electronic copy and Court Copy of Factum and provide instructions to LLC re filing Factum with Court;	1.80
Sep-08-16	ADC	Prepare Book of Authorities (2) including electronic copy	
Sep-08-16	ADC	Confirmed September 13, 2016 Motion re Disputed Leases by fax, email and mail to court and all parties	0.60
Sep-08-16	ADC	Served MNP Factum for Motion re Disputed Leases on all parties; Prepared and swore Affidavit of Service of Factum	0.50
Sep-09-16	DSS	Emails and calls with Smith regarding potential rail car offers, valuations, dealing with Procor; emails with Smith and Rosenblat re potential Ryder offer for truck; calls with and emails to Ben Blay on behalf of Modspace re motion and email report to Smith; email follow up to Vacuum Trucks re motion; email to Buttery with offer to pay Procor to resolve rail car issues; emails and calls with Buttery re potential settlement of Procor issues; emails and calls with Smith re potential Procor deal, finalizing terms	4.30
Sep-09-16	ADC	Prepared hard copy of MNP Motion Record re Disputed Leases and sent by courier to Keith Bechard	0.50
Sep-10-16	DSS	Emails with Smith re terms of agreement with Procor, finalizing agreement with VIP	0.30
Sep-11-16	DSS	Email to Smith summarizing issues to address re Procor, recommendation on email to Banks; review of draft Bill of Sale, revision and email to Smith	1.70
Sep-12-16	DSS	Emails with Salmas re availability for motion adjournment and adjournment date; emails re liability issue for Procor; attending conference call with Smith and banks to provide update; preparing draft Order for Motion; call to and emails with Buttery and Smith to finalize agreement with Procor, terms for Order; revising draft Order to incorporate Procor terms; emails with Modspace counsel; emails to remaining lessors to determine positions;	6.40

		email with Bechard; calls and emails from and to Union with draft Order, concerns re potential priority of Union	00156
Sep-13-16	DSS	Review of union issues, emails with Smith; finalizing draft Order; call with Harnum to address union concern, reach agreement re endorsement; emails and calls from Waste Management re opposition to motion; emails with Vacuum Trucks re not opposing motion, desire to bid on asset, providing receiver contact; preparing for and attending on Motion re disputed leases and obtaining issued Order; emails and calls with Waste Management counsel re position, providing motion record, factum, arranging call	5.80
Sep-13-16	CLW	Email to counsel and parties with Order of Justice Mitchell dated September 13, 2016	0.30
Sep-14-16	DSS	Call with Smith re VIP issues, discussions to finalize agreement; receipt and review of TMD agreement and receipt, amendments, email to client; emails with Harnum and court re endorsement of Justice Mitchell; call from and to and email from and to counsel for Vacuum Trucks re Order obtained, potential marshalling issues; emails with Bader re potential offer for compactor, terms and conditions	1.90
Sep-15-16	DSS	Review of requested changes from VIP to Bill of Sale, comparison with Vesting Order, call with Smith and email to Smith agreeing with changes	0.70
Sep-16-16	DSS	Emails with Smith and Athanasiou re VIP request for UMLER report regarding rail cars; emails to and from Buttery re UMLER report; emails with clients re advising VIP of lack of UMLER report; call with Bader re offer from Waste Management for compactor and emails with Smith; emails from Smith and call with Smith re Railinc requirements for Rail Car transfer, need to advise Buttery cars must be reregistered; email to Buttery; emails from and to Athanasiou re dealings with Railinc and further emails to Buttery	1.30
Sep-19-16	DSS	Emails to Hewitt and Waste Management counsel to provide position re lease motion; preparing draft Order for lease motion re Hewitt and Waste Management; emails with Smith and Athanasiou re VIP sale finalized, Procor issue resolved; call with Smith re motion to approve VIP sale, potentially Emterra sale also; preparing draft Motion Record, Notice of Motion and Orders re approval of sale to VIP; emails from and to Smith and VIP counsel	3.40
Sep-21-16	DSS	Courtesy discount in fees of \$7,854.75	

TOTAL HOURS**205.10****TOTAL FEES****\$70,692.75****DISBURSEMENTS*** HST Exempt)

<u>Date</u>	<u>Description</u>	<u>Amount</u>
Jul-31-16	Civil litigation document production licence fee (ACL)	100.00
Aug-05-16	Filing Fee - Insolvency Motion Record*	50.00
Aug-08-16	Agent's Fee to file Motion Record August 5, 2016	25.00
Aug-12-16	Courier to Ryder Truck Rental, Concord on August 5, 2016	13.95
Aug-12-16	Courier to Xerox Canada Ltd. on August 5, 2016	13.95
Aug-12-16	Courier to Deragon Leasing Inc. on August 5, 2016	20.75
Aug-12-16	Courier to National Leasing Group on August 5, 2016	16.90
Aug-12-16	Courier to De Lage Landen Financial on August 5, 2016	13.95
Aug-12-16	Courier to the City of Sarnia on August 5, 2016	13.95
Aug-31-16	File Motion Record*	50.00
Aug-31-16	PPSA Search	20.85
Aug-31-16	Teraview land registry search fees - details available;	62.90
Sep-02-16	Agent's Fee to file Motion Record	20.00
Sep-02-16	Courier -to Deragon Leasing Inc, Cowansville QC, September 1 2016	26.48
Sep-02-16	Courier -to National Leasing GR, Winnipeg, September 1 2016	21.39
Sep-09-16	Courier -to Deragon Leasing Inc., September 6 2016	20.55

Sep-09-16	Courier -to National Leasing, September 6 2016	16.74
Sep-09-16	Courier -to National Leasing, September 8 2016	16.74
Sep-09-16	Agent's Fee -to file Factum and Affidavit of Service	20.00
Sep-19-16	Agent's Fee to file Book of Authorities of Receiver	20.00
Sep-21-16	Standard administrative charge of 2.35% of fees at standard rates and before discounts, if any, charged in respect of all routine internal copying, printing and postage (registered mail excluded); electronic research services and library costs; all fax transmissions; and all telephone calling charges (excluding Conference calls);	1,845.87

TOTAL DISBURSEMENTS

\$2,409.97