

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**MOTION RECORD**

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*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
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Court File No. CV-22-00679501-00CL

*ONTARIO*  
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APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**NOTICE OF MOTION**

MNP Ltd. (“**MNP**” or the “**Receiver**”), the receiver of all the assets, undertakings and properties (the “**Property**”) of Lake Trading Newcastle Inc. (the “**Company**”) will make a motion to a Judge of the Commercial List on Monday, October 3, 2022, at 10:00 a.m. or as soon after that time as the motion can be heard, at the Courthouse, 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR:**

1. An order substantially in the form attached as Schedule “A” to this notice of motion:
  - (a) approving the activities of the Receiver as set out in the First Report of the Receiver dated September 23, 2022 (the “**Report**”);
  - (b) approving the Receiver’s interim statement of receipts and disbursements;
  - (c) approving the fees and disbursements of the Receiver and its counsel as set out in the Report; and
  - (d) discharging the Receiver conditional upon receipt of all payments owing to the Receiver and to BMO’s legal counsel, Miller Thomson, with respect to fees and disbursements (collectively the “**Outstanding Payments**”), by 5:00 PM (ET) on Thursday, October 6, 2022;
  - (e) if the Outstanding Payments are not made authorizing the Receiver to commence a marketing and sales process of the Property; and
  - (f) if the Outstanding Payments are received by 5:00 PM (ET) on Thursday, October 6, 2022, declaring that the Receiver is relieved of any and all financial liabilities relating to the Property and/or the Company.
2. Such further and other order as to this Honourable Court seems just.

**THE GROUNDS FOR THE MOTION ARE:**

1. On application of Bank of Montreal (“**BMO**”) and by order of the Honourable Madam Justice Gilmore dated April 21, 2022, MNP was appointed as receiver of the present and future property, assets and undertaking of the Company.
2. The indebtedness of the Company but for the Outstanding Payments have been repaid.
3. BMO has advised the Receiver of its consent to the termination of the receivership subject to the payment by the Company of the Outstanding Payments.
4. The Receiver consents to and requests an order discharging it as Receiver conditional on the payment of the Outstanding Payments.
5. No other creditor will be affected by the order sought.
6. Such further and other grounds as counsel may advise and this Honourable Court permits.

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

1. The First Report of the Receiver dated September 23, 2022;

2. Such further and other evidence as counsel may advise and this Honourable Court permits.

September 23, 2022

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## SCHEDULE "A"

Court File No. CV-22-00679501-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 3 <sup>rd</sup>
	)	
JUSTICE	)	DAY OF OCTOBER, 2022

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER**

THIS MOTION, made by MNP Ltd. ("**MNP**" or the "**Receiver**"), in its capacity as the court-appointed receiver (the "**Receiver**") of the undertaking, property and assets (the "**Property**") of Lake Trading Newcastle Inc. (the "**Company**") for an order, among other things:

(a) approving the activities of the Receiver as set out in the First Report of the Receiver dated September 23, 2022 (the "**Report**"); (b) approving the Receiver's interim statement of receipts and disbursements; (c) approving the fees and disbursements of the Receiver and its counsel as

set out in the Report; and (d) discharging MNP as Receiver of the undertaking, property and assets of the Company; was heard this day by videoconference in Toronto, Ontario.

ON READING the Report and the affidavits of the Receiver and its counsel as to fees (the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Receiver and for the Applicant, no other party appearing despite service having been effected as set out in the Affidavit of Amy Casella sworn September ●, 2021:

1. THIS COURT ORDERS that the time for service of the Receiver’s motion material is hereby abridged and validated so that this motion is properly returnable today, and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the activities of the Receiver as set out in the Report are hereby approved.
3. THIS COURT ORDERS that the Receiver’s interim statement of receipts and disbursements as set out in the Report are hereby approved.
4. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel as set out in the Report and the Fee Affidavits are hereby approved.
5. THIS COURT ORDERS that upon receipt of all payments owing to the Receiver and to BMO’s legal counsel, Miller Thomson, with respect to fees and disbursements as described in

the Report (collectively the “**Outstanding Payments**”), by 5:00 PM (ET) on Thursday, October 6, 2022, and on the filing by the Receiver of a receiver’s certificate of completion thereafter, the Receiver is discharged as Receiver of the undertaking, property and assets of the Company, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Receiver.

6. THIS COURT ORDERS that if the Outstanding Payments are not paid in full, by 5:00 PM (ET) on Thursday, October 6, 2022, the Receiver is authorized to commence a marketing and sales process for and of the Property.

7. THIS COURT ORDERS AND DECLARES that upon its discharge herein, MNP is hereby relieved of any and all financial liabilities relating to the Company and/or the Property.

8. THIS COURT ORDERS AND DECLARES that upon its discharge herein, MNP is hereby released and discharged from any and all liability that MNP now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of MNP while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver’s part. Without limiting the generality of the foregoing, MNP is hereby forever released and discharged from any and all liability relating to matters that were raised, or which

could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

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Court File No.: CV-22-00679501-00CL

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

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**BETWEEN**

**BANK OF MONTREAL**

Applicants

- and -

**LAKE TRADING NEWCASTLE INC.**

Respondents

**FIRST REPORT OF MNP LTD. AS RECEIVER OF  
LAKE TRADING NEWCASTLE INC.**

**SEPTEMBER 23, 2022**

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## APPENDICES

Appendix “A”	Appointment Order dated April 21, 2022
Appendix “B”	Appointment Certificate filed July 15, 2022
Appendix “C”	Receiver’s Interim Statement of Receipts and Disbursements
Appendix “D”	Fee Affidavit of Deborah Hornbostel sworn September 23, 2022
Appendix “E”	Fee Affidavit of Gary Feldman sworn September 21, 2022



## INTRODUCTION

1. The Bank of Montreal (“**BMO**”) had originally made an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to be heard on April 21, 2022. for the appointment of MNP Ltd. (“**MNP**”) as the Receiver of Lake Trading Newcastle Inc. (“**Newcastle**”); however, shortly before the hearing date, repayment terms with respect to the debt owing to BMO were agreed to between BMO and Newcastle, along with the consent of Newcastle to ongoing weekly monitoring of its property by MNP pending full repayment of the debt owing to BMO. Accordingly, an Order was issued on April 21, 2022 reflecting the repayment terms, insurance requirements, the involvement of MNP and the ramifications of a breach of the terms by Newcastle (the “**Appointment Order**”). Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. While Newcastle remitted its scheduled payments to BMO pursuant to the Appointment Order, it failed to pay the account of MNP within the required timeframe and accordingly, on July 15, 2022, BMO filed an Appointment Certificate with the Court and MNP became the Receiver of Newcastle. Attached hereto as **Appendix “B”** is a copy of the Appointment Certificate.
3. Newcastle is a private Ontario corporation incorporated on July 3, 2014 with a registered head office in Mississauga, Ontario; however, it is managed by personnel located in Tanzania, Africa and the sole Canadian director resigned several months ago. Newcastle’s assets principally consist of real property located at 216 King Street East, Newcastle, Ontario (the “**Real Property**”) on which a non-operating gas station and convenience store are located, previously run by Newcastle until sometime in the spring of 2022. Also located on the Real Property is an unoccupied office unit, a nail salon operated by a tenant and a residential apartment unit occupied by a former employee of Newcastle and his pregnant wife.
4. The Application Record, Appointment Order and all other publicly available information in these proceedings, have been posted to the Receiver’s website (the “**Receiver’s Website**”), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/lake-trading-newcastle-inc> .

## PURPOSE OF THIS REPORT

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- (a) report on the Receiver’s activities since the date of its appointment on July 15, 2022 (the “**Appointment Date**”);
  - (b) provide the Court with an update on the repayment of the debt owed to BMO;
  - (c) provide this Court with the evidentiary basis to make an order (the “**Approval Order**”), *inter alia*:
    - (i) approving the Receiver’s Interim Statement of Receipts and Disbursements as at September 22, 2022;
    - (ii) approving the First Report and the actions of the Receiver described herein;
    - (iii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Chaitons LLP (“**Chaitons**”), including estimated costs for completion;
    - (iv) approving a discharge order of the Receiver conditional upon receipt of all payments owing to the Receiver and to BMO’s legal counsel, Miller Thomson, with respect to fees and disbursements, by no later than 5:00 PM (Toronto time) on Thursday, October 6, 2022, failing which the Receiver will commence a marketing and sales process; and,
    - (v) if full payment of the Receiver’s fees and disbursements and BMO’s counsel’s fees is received by 5:00 PM (Toronto time) on Thursday, October 6, 2022, approving an order relieving the Receiver of any and all financial liabilities relating to the Real Property and/or Newcastle and requiring Newcastle to be responsible for any and all such unpaid expenses incurred prior to or during the receivership.

## **TERMS OF REFERENCE**

6. In preparing this Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, Newcastle's books and records, discussions with management of Newcastle and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
7. All currency references are in Canadian Dollars unless otherwise specified.

## **ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT DATE**

8. Immediately upon its appointment, the Receiver wrote to Mr. Dileep Kumar and Mr. Ally Awadh, the principals of Newcastle, to request various information with respect to the creditors and the Real Property. To date, the Receiver's requests have not been addressed.
9. The Receiver has performed its statutory obligations under the BIA and taken the appropriate conservatory and protective measures.
10. There were no employees at Newcastle at the date of the Receiver's appointment and as the Receiver is not aware of any wages owing to former employees, it did not administer any Wage Earner Protection Program claims.
11. The Receiver attended at the Real Property to inspect it, meet with current and previous tenants to obtain details regarding physical deficiencies at the property, arranged for new locks to the premises, restricted access to the roof which was being accessed by local residents, and arranged for external clean up of the Real Property including removal of garbage and tree limbs that had been in the parking lot for months.
12. On or about July 19, 2022, counsel for Newcastle approached BMO with a proposal to pay all remaining debt to BMO by August 31, 2022 and all fees and expenses of MNP if the

- Receiver agreed to “stand down” during the intervening period and only undertake conservatory and protective measures. All parties agreed to this proposal.
13. During the intervening period, the Receiver discovered that the insurance policies had been either cancelled or were pending cancellation due to lack of payment. The Receiver arranged for payment of the policies and reinstatement of the cancelled policy and also arranged to be added on as loss payee and additional insured. Despite receiving confirmation that the situation had been resolved, the Receiver subsequently received notification that certain policies were going to be cancelled due to increased risk. The Receiver alerted the insurer that such cancellation would be in breach of the Appointment Order. The insurance broker subsequently advised the Receiver that the policies would not be cancelled.
  14. The nail salon tenant had been in the process of selling its business prior to the appointment of the Receiver and required an assignment of the lease by August 1, 2022 to its purchaser. The tenant reached out several times to the Receiver for assistance in this matter due to a lack of response from Newcastle. Eventually Mr. Kumar executed the required documents and the lease assignment took place. The Receiver notes that it collected and cashed the rent arrears from the tenant for the months of June and July 2022 that had not been paid because the cheques previously provided by the tenant to Newcastle had not been cashed. The Receiver has recently received cheques from the new tenant, but the cheques are payable to Lake Oil Group Internal Audit, rather than Newcastle, in accordance with the lease executed by Mr. Kumar.
  15. The residential tenant claimed to have no lease for the premises and no information was provided by Newcastle to the Receiver. In order to maintain the status quo during the intervening period, the tenant has continued its occupation of the apartment during the intervening period.
  16. The Receiver arranged for a transfer of the utility accounts to the Receiver’s name to ensure continuation of service during the receivership.

17. The Receiver conducted weekly inspections of the Real Property have continued throughout the receivership process and in accordance with insurance requirements.
18. On August 18, 2022, in anticipation of the August 31, 2022 payment deadline and the October 3, 2022 Court date, the Receiver wrote to Goderich to request payment of \$54,000 by August 31, 2022 to fund the Receiver's fees and disbursements and Goderich undertook to wire the payment.
19. On or about August 29, 2022, Newcastle's principals advised the Receiver that they were experiencing short term liquidity problems and requested an extension of an additional fifteen days to September 15, 2022 to repay all remaining debt to BMO and all fees and expenses of MNP. All parties agreed to the extension request.
20. On September 15, 2022 the Receiver obtained confirmation from BMO that it had received full payment of the debt owed to it by Newcastle from a third party. Required payments were not made to satisfy payment of the Receiver fees and expenses nor BMO's counsel fees and expenses. Late that evening the Receiver received an email from Mr. Kumar advising that those payments were not made due to liquidity issues and therefore requested an extra grace period of one week and again undertook to pay these fees within the extended time period.
21. To date, neither the Receiver nor BMO's counsel have been paid and there has been no further response from Newcastle with respect to wiring these payments.
22. The original intention of the October 3, 2022 Court date was to seek the Receiver's discharge, given the expectation of full payment to BMO and the Receiver. Since Newcastle had repaid BMO, and in light of the relatively small amounts owing to the Receiver and BMO's counsel, rather than proceeding immediately with a sales process, the Receiver, on advice from counsel, thought it preferable to seek a conditional discharge and provide Newcastle with one last opportunity to pay the Receiver and counsel charges and regain possession of the Real Property, failing which the receivership will continue in full force. To the best of the Receiver's knowledge, there are no other creditors impacted by the relief sought, including Canada Revenue Agency which has not contacted the Receiver.

## RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

23. Attached hereto as **Appendix "C"** is the Receiver's Interim Statement of Receipts and Disbursements as at September 22, 2022. The limited receipts of approximately \$9,050 were only sufficient to satisfy payment of the Receiver's out-of-pocket expenses, including payment of the insurance premiums, security, repairs and maintenance and utility charges.

## FEES AND DISBURSEMENTS

24. Attached hereto as **Appendix "D"** is the Fee Affidavit of Deborah Hornbostel, sworn September 23, 2022, which attaches a copy of the Receiver's dockets pertaining to the receivership for the period July 15, 2022 to and including September 20, 2022. In total, the Receiver has incurred professional fees in the amount of \$32,504 exclusive applicable HST of \$4,225.52. This represents a total of 62.1 hours at an average rate of \$523.41 per hour. The Receiver anticipates that its additional fees required to finalize the receivership will not exceed \$6,500, plus applicable HST, on the assumption that full payment is made prior to the proposed October 6, 2022 deadline.
25. Attached hereto as **Appendix "E"** is the Fee Affidavit of Gary Feldman, sworn September 21, 2022, which attaches a copy of the accounts of Chaitons, which reflects the services provided to the Receiver in the amount of \$9,962.68 plus disbursements of \$224.70 and applicable taxes in the amount of \$1,212.62 for a total of \$11,500 for the period March 2, 2022 to and including September 13, 2022, including estimated accrued fees to completion and net of a discount of \$2,444.82.
26. Notwithstanding the inclusion of an accrual for completion included in the foregoing accounts of Chaitons to September 13, 2022, there has been considerable additional work required as a result of the further extension requests and the lack of payment from Newcastle as promised on August 31, 2022, September 15, 2022 and September 22, 2022. Accordingly, approval for additional fees of \$2,500 plus HST is requested, on the assumption that full payment is made prior to the proposed October 6, 2022 deadline.

27. The Receiver has reviewed the accounts of Chaitons and given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in Chaiton's accounts was carried out and was necessary. The hourly rates of the lawyers at Chaitons who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers with the appropriate levels of experience.

## **RECOMMENDATION**

28. For the reasons discussed in this First Report, the Receiver recommends that the Court grant the requested order as outlined in paragraph 5.

The Receiver respectfully submits to the Court this First Report, dated September 23, 2022.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver of  
Lake Trading Newcastle Inc.,  
and not in its personal or corporate capacity**

Per:



---

Deborah Hornbostel CPA, CA, CIRP, LIT  
Senior Vice President

## **Appendix “A”**





Court File No. CV-22-00679501-00CL

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

THE HONOURABLE MADAM ) THURSDAY, THE 21st  
 )  
JUSTICE GILMORE ) DAY OF APRIL, 2022  
 )

**BANK OF MONTREAL**

**Applicant**

- and -

**LAKE TRADING NEWCASTLE INC.**

**Respondent**

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

**ORDER  
(appointing Receiver)**

THIS APPLICATION made by the Applicant 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. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via judicial videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Eugene Chow sworn April 6, 2022 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and such other counsel that were present as listed on the participant information sheet, no one appearing for any other party on the service list although duly served as appears from

the affidavit of service, filed, and on reading the consent of MNP Ltd. to act as the Receiver, and the consent of the Debtor, filed,

## **SERVICE**

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

## **APPOINTMENT**

2. THIS COURT ORDERS that paragraphs 6 to 35, inclusive, of this Order shall be effective upon the filing with the Court of an Appointment Certificate, as defined in paragraph 4 below. Unless an Appointment Certificate is filed with the Court, paragraphs 6 to 35 of this Order shall not take effect. The date of filing of the Appointment Certificate is herein referred to as the "Effective Time".

3. THIS COURT ORDERS THAT from the date of this Order until the earlier of (i) the Effective Date, and (ii) all indebtedness owing by the Debtor to the Applicant inclusive of principal, interest, fees and costs in accordance with a payout statement to be provided by the Applicant's counsel, plus the professional fees and expenses of MNP Ltd. and its counsel (collectively, the "Indebtedness"), are paid in full,

- (a) MNP Ltd. shall on a weekly basis inspect the Property, as defined in paragraph 6 below, to verify the condition of same and shall report in writing to the Applicant and the Debtor thereon; and
- (b) the Debtor shall insure and keep insured the Property in an amount sufficient to satisfy the Indebtedness, with the Applicant to be recorded as first loss payee on all policies of insurance for the Property, and shall provide evidence of same to the Applicant upon request.

4. THIS COURT ORDERS that the Applicant shall file with the Court a certificate in the form attached as Schedule A (the "Appointment Certificate") forthwith upon the happening of any of the following events (each, an "Appointment Event"):

- (a) the Debtor defaults in the making of any of the payments to the Applicant as set forth on Schedule B;
- (b) the Debtor fails to pay any invoice from MNP Ltd., or its counsel, within 15 days of receiving a copy of same;
- (c) prior to the full repayment of the Indebtedness, there occurs any material damage to the Property not covered by insurance; or
- (d) prior to the full repayment of the Indebtedness, the Debtor fails to keep the Property insured with the Applicant recorded as first loss payee on all insurance policies for the Property, or fails to provide the Applicant with proof of same upon request.

5. THIS COURT ORDERS that upon the full repayment of the Indebtedness, the Applicant shall file with the Court a certificate confirming same.

6. THIS COURT ORDERS that pursuant to section 243(1) of the *BIA* and section 101 of the *CJA*, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including the real property described on Schedule C and all buildings located thereon, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

#### **RECEIVER'S POWERS**

7. 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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.

- (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, including the real property described on Schedule C;
- (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**

8. 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.

9. 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 9 or in paragraph 10 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.

10. 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.

11. 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**

12. 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**

13. 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**

14. 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**

15. 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**

16. 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.

17. THIS COURT ORDERS that without limiting the generality of paragraph 16 above, no insurer providing insurance to the Debtor in respect of the Property, or any part thereof, shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

### **RECEIVER TO HOLD FUNDS**

18. 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**

19. 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**

20. 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**

21. 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**

22. 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**

23. 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.

24. 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.

25. 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**

26. 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.

27. 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.

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

29. 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**

30. 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.

31. 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**

32. 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.

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

34. 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.

35. 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.

36. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

37. 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.

38. THIS COURT ORDERS that, notwithstanding Rule 59.05, this order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court.



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*Justice, Ontario Superior Court of Justice*

**Schedule A**

**APPOINTMENT CERTIFICATE**

Court File No.: CV-22-00679501-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN :

**BANK OF MONTREAL**

**Applicant**

- and -

**LAKE TRADING NEWCASTLE INC.**

**Respondent**

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*,  
R.S.O. 1990, c. c-43, as amended

APPOINTMENT CERTIFICATE

THIS IS TO CERTIFY that pursuant to paragraph 4 of the Order of Justice Gilmore dated the 21st day of April, 2022 (the "Order") an Appointment Event, as defined in paragraph 4 of the Order, has occurred and therefore, as provided for in the Order, paragraphs 6 to 35 of the Order are effective.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2022.

**BANK OF MONTREAL**, by its lawyers,  
Miller Thomson LLP

Per: \_\_\_\_\_

Name:

Title: Partner



## Schedule B

### INDEBTEDNESS REPAYMENT SCHEDULE

All indebtedness owing by the Debtor to the Applicant inclusive of principal, interest, fees and costs in accordance with a payout statement to be provided by the Applicant's counsel shall be repaid as follows:

- (a) the sum of \$150,000 on or before 3:00 p.m. (EST) on April 25, 2022;
- (b) the further sum of \$145,000 on or before 3:00 p.m. (EST) on May 25, 2022;
- (c) the further sum of \$145,000 on or before 3:00 p.m. (EST) on June 24, 2022;
- (d) the further sum of \$145,000 on or before 3:00 p.m. (EST) on July 25, 2022;
- (e) the further sum of \$145,000 on or before 3:00 p.m. (EST) on August 25, 2022; and
- (f) the remainder on or before 3:00 p.m. on September 26, 2022.

**Schedule C**

**REAL PROPERTY**

PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON (PIN 26655-0066(LT)) and municipally known as 216 King Avenue East, Newcastle, Ontario

## Schedule D

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all assets, undertakings and properties of Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor (the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 21st day of April, 2022 (the "Order") made in an action having Court file number \_\_\_\_\_, 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 \$250,000 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 monthly not in advance on the last day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime rate of Bank of Montreal 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 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 the Property, and not in its personal  
capacity

Per: \_\_\_\_\_

Name:

Title:

**BANK OF MONTREAL** and  
Applicant

**LAKE TRADING NEWCASTLE INC.**

Respondent

Court File No.: CV-22-00679501-00CL

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

Proceeding commenced at TORONTO

**ORDER**

**MILLER THOMSON LLP**  
One London Place  
255 Queens Avenue, Suite 2010  
London, ON Canada N6A 5R8

**Tony Van Klink LSO#: 29008M**  
Tel: 519.931.3509  
Fax: 519.858.8511  
Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,  
Bank of Montreal**

## Appendix “B”

Court File No.: CV-22-00679501-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**BANK OF MONTREAL****Applicant**

- and -

**LAKE TRADING NEWCASTLE INC.****Respondent**

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*,  
R.S.O. 1990, c. c-43, as amended

**APPOINTMENT CERTIFICATE**

THIS IS TO CERTIFY that pursuant to paragraph 4 of the Order of Justice Gilmore dated the 21st day of April, 2022 (the "Order") an Appointment Event, as defined in paragraph 4 of the Order, has occurred and therefore, as provided for in the Order, paragraphs 6 to 35 of the Order are effective.

DATED the 15th day of July, 2022.

**BANK OF MONTREAL**, by its lawyers,  
Miller Thomson LLP

Per: 

Name: Tony Van Klink

Title: Partner

BANK OF MONTREAL      LAKE TRADING NEWCASTLE INC.  
Applicant                      Respondent

Court File No.: CV-22-00679501-00CL

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

Proceeding commenced at TORONTO

**APPOINTMENT CERTIFICATE**

**MILLER THOMSON LLP**

One London Place  
255 Queens Avenue, Suite 2010  
London, ON Canada N6A 5R8

**Tony Van Klink** LSO#: 29008M  
Tel: 519.931.3509  
Fax: 519.858.8511  
Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,  
Bank of Montreal**



## **Appendix “C”**

**In The Matter Of The Receivership Of  
Lake Trading Newcastle Inc.  
Interim Statement of Receipts & Disbursements  
As at September 22, 2022**

**Receipts**

Cash In Bank	\$	7,050.11
Collection of Accounts Receivable		2,000.00
Interest Earned		7.26
Total Receipts		<u>9,057.37</u>

**Disbursements**

Insurance		4,792.51
Repairs & Maintenance		2,990.80
Travel		151.85
HST Paid		475.89
Utilities		558.36
Filing Fees		72.82
Total Disbursements		<u>9,042.23</u>

**Net Receipts**

	\$	<u>15.14</u>
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## Appendix “D”

Court File No. CV-22-00679501-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

**BANK OF MONTREAL**

Applicant

– and –

**LAKE TRADING NEWCASTLE INC.**

**Respondents**

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**AFFIDAVIT OF DEBORAH HORNBOSTEL**

(Sworn September 23, 2022)

I, Deborah Hornbostel, of the City of Toronto, in the Province of Ontario,

**MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. the Court-appointed Receiver (the “**Receiver**”) of Lake Trading Newcastle Inc. (“**Newcastle**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of the assets, property and undertaking of Newcastle by Order of the Court dated April 21, 2022 (the “**Appointment Order**”). The appointment of MNP Ltd. as the Receiver became effective on July 15, 2022 pursuant to the filing of an Appointment Certificate by the Bank of Montreal.



Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF DEBORAH HORNBOSTEL

Sworn before me via videoconference

This 23rd day of September, 2022

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

Commissioner for taking Affidavits, etc.

# Invoice



Client Number : 0955780

Invoice Date : September 22, 2022

Invoice Terms : Due Upon Receipt

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Lake Trading Newcastle Inc.

## For Professional Services Rendered :

For Professional services rendered as Court Appointed Receiver of Lake Trading Newcastle Inc. for the period July 15, 2022 to and including September 20, 2022. Detailed dockets attached. \$ 32,504.00

Sub Total :	<u>\$32,504.00</u>
Harmonized Sales Tax :	<u>\$4,225.52</u>
<b>Total (CAD) :</b>	<b><u>\$ 36,729.52</u></b>

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

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

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

## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
15-Jul-2022	Matthew Marston	1.50	Calls with Deborah, visit site to meet locksmith and contact tenants
15-Jul-2022	Deborah Hornbostel	2.50	Email from and to R. Tuzzi, em/tcs with Matthew for arrangements to take possession, coordinate locksmith attendance, emails to/from T. Van Klink, confirmation of filing of Certificate with the Court, receipt of Court stamped RO, provide to Matthew, review insurance confirmation from E. Chow, prepare door notice for posting onsite, email to Dileep and Ally to advise them of receivership, tc from Dileep, tvn to Sampathy, update to BMO and counsel to advise of possession, review of updated photos and correspondence located on site, provide further instructions to Jolande.
18-Jul-2022	Chahna Nathwani	.50	Creating web pages in French and English. Uploaded receivership order on webpages.
18-Jul-2022	Deborah Hornbostel	2.90	Email from Dileep re wire payment, verify receipt of funds, update emails with G. Feldman, T. Van Klink and E. Chow, arrange for website postings, email exchange with M. Marston re his update and site visit, email to E. Chow for updated debt amount, email to Noah Habib with pictures of trees and instructions for removal quotes, vm to Wissam Behno, arrangements for site visit, vm to Wi. Behno, arrangements for site visit, review application record for key info, review TSSA site, email to TSSA for tank info, emails with W. Behno re site inspection and management, email to Dileep for creditor and financial info.
19-Jul-2022	Matthew Marston	.50	Emails, coordinating site visits, door notice.
19-Jul-2022	Deborah Hornbostel	1.40	vm to Federated Insurance, receipt and review of fuel tank info from TSSA, review of quote for tree cleanup, fwd to Noah for guidance on others, email from and tc with E. Chow, coordinate arrangements for site visit and remaining lock changes, email exchanges with G. Feldman.
20-Jul-2022	Matthew Marston	1.00	Meet D. Hornbostel on site to tour around, change locks, describe visits and info observed.
20-Jul-2022	Deborah Hornbostel	3.80	Attend to site for inspection, meet with M. Marston and R. Tuzzi for further lock changes and security issues, tc and mtg with Robin, former tenant, ,tc to Federated insurance, email to Grace at federated to



DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			advise of receivership and request policy adjustments and info, review email from T. Van Klink re debtor's request, tc to G. Feldman, review draft response and provide comments, instructions to C. Nathwani for utilities, instructions re trust account opening, instructions re trust account opening.
21-Jul-2022	Chahna Nathwani	1.50	Call Utility agencies and find out account details for Hydro and water accounts. Prepared draft letters requesting to change account details and notifying of receivership. Sent emails to Water and Hydro companies enclosing receiver orders and letters.
21-Jul-2022	Deborah Hornbostel	.10	Review and approve draft correspondence re hydro account.
22-Jul-2022	Matthew Marston	.20	Correspond w D. Hornbostel, get keys from site.
22-Jul-2022	Deborah Hornbostel	.20	Text to Sampath, tc with him. review messages from Paul of nail salon and tc with him, instructions to Matthew re attendances and inspection of Sampath's unit, email to Dileep.
24-Jul-2022	Deborah Hornbostel	.40	Review emailed documents from J. Law re lease, email to G. Feldman re tenants and receivership issues, review email from M. Marston.
25-Jul-2022	Deborah Hornbostel	1.20	Review emails from G. Feldman and E. Chow, prepare Notice and Statement of Receiver, instructions to staff for issuance, review email from Grace of Federated Insurance.
26-Jul-2022	Chahna Nathwani	.40	Submitting Notice of Receiver to OSB. Sent email to Deborah with updates. Sent the notice to CRA through Fax and saved fax confirmation under the client's folder for reference.
26-Jul-2022	Fatemah Khalfan	.10	Notice of Receiver emailed to the OSB.
26-Jul-2022	Matthew Marston	.30	Site visit.
26-Jul-2022	Deborah Hornbostel	1.00	Review emails between John Law and Sreekumar re rent cheque, notification of receipt of cheques at HO, update from Fatemah re status of trust account, vm to G. Feldman, tc from John Law re lease assignment, discussion with G. Feldman re various receivership issues and standstill agreement pending payout by owners, email to Dileep re lease assignment, review email from G. Feldman to C. Lews re same.
27-Jul-2022	Chahna Nathwani	.10	Received Certificate of Receivership. Saved a copy under the client's folder for reference. Sent an email to Deborah with updates.
27-Jul-2022	Fatemah Khalfan	.70	Input file to Ascend; posted Notice of Receiver on website.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
27-Jul-2022	Deborah Hornbostel	.20	Tel call with and email to Rocco Tuzzi, email to Matthew Marston to provide instructions re limiting activities, review response, receipt and review of OSB filing certificate, arrange posting on website.
28-Jul-2022	Fatemah Khalfan	.20	Reviewed file in Ascend; transferred over to Estates.
28-Jul-2022	Deborah Hornbostel	.70	Review emails from Dileep and John Law of nail salon, tc and emails from Beth of Waste Connections re o/s invoices, tc with John Law re lease assignment and his invoice paid re garbage removal, respond to emails from Dileep, execute documents for trust account set up.
29-Jul-2022	Fatemah Khalfan	2.40	Teams message exchanged with P. Ball on adding BMO account to Ascend; added BMO bank account to Ascend and linked it to the file; prepared receipt voucher and sent to D, Hornbostel for signing; Teams call with D. Hornbostel; entered receipts to Ascend; attended at BMO for deposit and to request access card; scanned deposit slip to D. Hornbostel and sent update email.
29-Jul-2022	Matthew Marston	.50	Call w Rocco, report for DH.
29-Jul-2022	Deborah Hornbostel	.90	Review inspection report from M. Marston, em and tc with G. Feldman, email to Dileep re lease assignment, email to John Law to advise of depositing of rent cheques and status of lease assignment, review response from Dileep, tc to John Law to confirm Dileep's advise and discuss HST on rent, email update to Gary, instructions to F. Khalfan for deposit of cheques, approve deposit requisition.
03-Aug-2022	Deborah Hornbostel	.90	Emails from John Law and Dileep re lease transfer, tel call from John re delay by Dileep, further email from him, forward to Gary Feldman, review Gary's emails to John and related response, tel call from George Hurst of Federated Insurance advising of cancellation of insurance, receipt of various emails from him with details, emails to him to request further info, email update to Gary Feldman.
04-Aug-2022	Deborah Hornbostel	.60	Email to George Hurst of Federated to request info on arrears and status of policies and copies thereof, review all and billing statement, update emails with Gary Feldman, email to Grace of Federated to request confirmation of required arrears to re-instate policies and remittance info and request additional insured and loss payee, review emails from E. Chow

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			and G. Feldman wrt Dileep's request for payout statement.
05-Aug-2022	Deborah Hornbostel	1.70	Review emails from G. Hursrt re pollution policy, tc with Gulliett Ramirez of IPFS Canada, tc to G. Hurst to seek confirmation of re-implementation of pollution policy upon payment, receipt of confirmation, email to Ms. Ramirez to request payment details, email to E. Chow to advise of estimated funding requirements, tc with E. Chow to discuss, email from him to advise of funds on hand, request transfer of funds to receiver's trust account, review of email from R. Tuzzi advising of completion of site work, review photos and request invoices for work done, email to M. Marston regarding key/lockbox, banking instructions to F. Khalfan, receipt of confirmation of funds from Jason Singh. respond to texts from John Law, tc with him also re lease transfer status.
06-Aug-2022	Deborah Hornbostel	.10	Review and respond to emails from R. Tuzzi re site clean up.
08-Aug-2022	Deborah Hornbostel	1.20	Tc with Josee of IPFS, receipt of requested information, forward to banking for payment of premium, vm and em to Grace of Federated Insurance again to request payment details for remittance, receipt of some information, em back to her for further clarification, organize filing of all insurance documentation received to date, receipt and review of Lock-it invoices, email to F. Khalfan for payment of filing fees and LockIt invoices.
09-Aug-2022	Matthew Lem	.10	Wire authorization.
09-Aug-2022	Chahna Nathwani	.30	Called water billing in regards to updating account details. Received email confirmation of changes.
09-Aug-2022	Fatemah Khalfan	1.00	Posting done to Ascend of funds received and then made amendment; prepared wire requisitions x 2 and sent to D. Hornbostel for signing; received back; prepared wires in BMO online banking; Teams call with M. Lem on this; received authorizations from M. Lem; saved to client folder; sent confirmations to D, Hornbostel; printed bank balance statement and sent to D. Hornbostel.
09-Aug-2022	Deborah Hornbostel	.50	Review email from Grace of Federated, seek further confirmation re August 4 payment, revised instructions to Fatemah for payment to Federated, review and approve wire payment requisitions re IPFS and Federated insurance, reconcile bank

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			balance, email confirmation of payment to Grace of Federated.
10-Aug-2022	Matthew Lem	.10	Wire authorizations.
10-Aug-2022	Chahna Nathwani	.30	Sent an email to D. Hornbostel in regards to account and meter details. Call with City of Durham water billing department to notify them to change account details for a GAS account and request to send estimates for upcoming bills.
10-Aug-2022	Fatemah Khalfan	1.00	Wire requisition prepared and sent to D. Hornbostel for signing; received back; entered wire details to BMO; sent email to M. Lem for approval; cheque requisition for OSB filing fee and 2 Invoices from Lockit Key & Security prepared and sent to D. Hornbostel; posted previous day's wire to Ascend along with interest accumulated on the bank account; ensured that Ascend GL balanced with bank account.
10-Aug-2022	Deborah Hornbostel	1.20	Email exchanges with G. Hurst re pollution policy cancellation and payment, provide wire confirmation to him, tc to him re status, update from Grace re July NSF notifications, arrange for payment of July amounts to Federated, review email from Elexicon re utility accounts, email to and tc with G. Feldman re tenant utilities, rent and windup planning, provide instructions to C. Nathwani re utility accounts, review and approve various cheque requisitions and cheques
11-Aug-2022	Chahna Nathwani	.60	Uploaded Receiver's certificate, application record, and service list on web pages on English and French web pages; sent email to D. Hornbostel with updates.
11-Aug-2022	Fatemah Khalfan	.40	Put cheque requisitions fee through Ascend for e-signing; sent email to D. Hornbostel; posting of wire done to Ascend.
11-Aug-2022	Deborah Hornbostel	4.50	Email exchange with G. Hurst re status of coverage, email to Grace of Federated, sign cheques, commence court report drafting, review email from G. Feldman re expected fees, provide documents to Chahna for website posting and review thereof.
12-Aug-2022	Matthew Marston	1.00	Site visit, remove remainder of keys from lockbox, report for Deborah.
12-Aug-2022	Deborah Hornbostel	.50	Email to M. Marston re site visit, email from G. Hurst confirming reinstatement of pollution policy, email exchange with G. Feldman re discharge plans, review site report from Matthew and respond, email to Rocco re tree limbs.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
15-Aug-2022	Deborah Hornbostel	.40	Tc from R. Tuzzi, review and respond to email from M Marston re new tree limbs and neighbour, review email from M Crilly of Parkland and response from G. Feldman.
16-Aug-2022	Deborah Hornbostel	.30	Review emails from G. Hurst re upcoming cancellation of policy and non-renewal, tc to him, provide court order to confirm inability to terminate policy or renewals.
17-Aug-2022	Fatemah Khalfan	.50	Prepared draft Invoice - for Disbursements - in MPM and sent to D. Hornbostel for review; Teams call with D. Hornbostel on this.
17-Aug-2022	Deborah Hornbostel	.90	Review accounts and disbursements wrt funding requirements, revise draft court report due to change in termination strategy, email to G. Feldman re funding requirements and draft report.
17-Aug-2022	Fatemah Khalfan	.40	Prepared cheque requisition for D. Hornbostel travel costs and sent for signing; received back; put through Ascend for e-signing; printed cheque; scanned and saved to client folder; email exchanged with D. Hornbostel on whether to mail or leave in office.
18-Aug-2022	Fatemah Khalfan	.20	Received 3 letters from Elexicon Energy in the mail; sent to D. Hornbostel.
18-Aug-2022	Fatemah Khalfan	.10	Sent wire details to D, Hornbostel.
18-Aug-2022	Deborah Hornbostel	.30	Review email from G. Feldman re court date and funding, email to Ally and Dileep re court date, funding requirements and wire instructions.
19-Aug-2022	Fatemah Khalfan	.20	Elexicon statement received in the mail; sent to D. Hornbostel asking if it needed to be paid.
19-Aug-2022	Matthew Marston	.30	Site visit.
19-Aug-2022	Deborah Hornbostel	.30	review email from G. Feldman and respond, email to Ally and Dileep re August 31 payment deadline date, email to G. Feldman re rents, review and respond to email from E. Chow re rescinding of insurance cancellation notice by Vector.
22-Aug-2022	Fatemah Khalfan	.40	Prepared cheque requisition for Elexicon Energy and sent to D. Hornbostel for signing; received back; put through Ascend for e-signature; printed cheque and arranged for mailing
22-Aug-2022	Fatemah Khalfan	.20	Printed cheque for D. Hornbostel; scanned and saved to system.
22-Aug-2022	Deborah Hornbostel	.20	Review and approve disbursement requisition and cheque.
23-Aug-2022	Matthew Marston	.40	Write and send report.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
23-Aug-2022	Deborah Hornbostel	.40	Review site report from M. Marston, email to him re issues, tc from John Law re rent and waste charges.
24-Aug-2022	Deborah Hornbostel	.20	Email exchange with M Marston, review email with receipt of confirmation re garbage removal authorization from John Law and incoming cheque.
25-Aug-2022	Deborah Hornbostel	.10	Email exchange with E. Chow of BMO.
29-Aug-2022	Deborah Hornbostel	.90	Review email from G. Feldman and automated response from C. Lewis, forward email to Ally and Dileep, review their response and responding email from G. Feldman, tc with G. Feldman to discuss repayment delay request to Sept. 15.22, review responses from T. Van Klink and E. Chow, tc from Kelly of new nail salon tenant re rent cheques, disc with G. Feldman re rent deposits.
30-Aug-2022	Deborah Hornbostel	1.00	Review email from G. Hurst and his exchange with insurer requiring renewal form completion today, review forms, forward same to Ally and Dileep for execution and to G. Feldman for provision to their counsel, email to Fatemah re rent cheque endorsements, respond to email from G. Hurst, response from Dileep re insurance renewal information, complete form and submit to G. Hurst.
31-Aug-2022	Deborah Hornbostel	.40	Vm from Dileep, email from E. Chow, email to G. Feldman, review email from him to Lake Oil team re extension, review draft court report amendments from G. Feldman.
31-Aug-2022	Fatemah Khalfan	.30	Reviewed client folder for information needed for site inspection; email sent to D. Hornbostel.
01-Sep-2022	Fatemah Khalfan	3.50	Travel to and from premises; site inspection; took photos; uploaded to client folder; sent email to D. Hornbostel; Teams call with D. Hornbostel on photos from the site.
01-Sep-2022	Deborah Hornbostel	.80	Review email from Dileep, review site report from Fatemah and discuss with her, forward picture to Dileep et al, email to M. Marston for f/iu action, discussions with G. Feldman and E. Chow.
06-Sep-2022	Deborah Hornbostel	.60	Review email from Dileep, prepare summary schedule of funding requirement from Lake Oil Group and respond to his email, email to John Law re cheque not received yet, email to G. Hurst re status of pollution policy renewal.
07-Sep-2022	Deborah Hornbostel	.40	Review pollution policy renewal offer and respond to George Hurst, tc from him, tc to Kelly re o/s rent cheques, review email from J Law re rent cheques.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
08-Sep-2022	Deborah Hornbostel	.10	Email to J. Law re receipt of August rent cheque.
09-Sep-2022	Fatemah Khalfan	.20	Received email from D. Hornbostel on cheque from Lala Nails; took cheque from G. Sabatino at front desk and put away; sent update to D. Hornbostel.
09-Sep-2022	Matthew Marston	1.00	Report, emails to D. Hornbostel. Site visit and cleanup of ceiling tile.
12-Sep-2022	Fatemah Khalfan	.30	Wire requisition prepared and sent to D. Hornbostel for review/signing.
12-Sep-2022	Deborah Hornbostel	.20	Arrange for payment of monthly commercial insurance premium, approve payment requisition.
13-Sep-2022	Matthew Lem	.10	Wire authorization.
13-Sep-2022	Fatemah Khalfan	.30	Entered wire details to BMO online banking; sent to M. Lem requesting his authorization; received back from him.
13-Sep-2022	Deborah Hornbostel	.70	Review inspection report from J. Oudshoorn and correspondence from Waste mgmt., email exchange with her re same, receipt and review of account from G. Feldman, tc to new tenant re o/s cheques, email to G. Feldman.
14-Sep-2022	Deborah Hornbostel	.40	Email exchange with G. Feldman, review of correspondence from Hydro, instructions to F. Khalfan, tc to E. Chow for update on payment by debtor.
15-Sep-2022	Fatemah Khalfan	.80	Logged into BMO online banking to review account; posted wire transaction to Federated Insurance to Ascend; email sent to the insurance companies that wires had been sent; cheque requisitions x 2 prepared and sent to D. Hornbostel for signing; received back and put through Ascend; printed cheques, scanned and saved to client folder and arranged for mailing.
15-Sep-2022	Deborah Hornbostel	.70	Emails with E. Chow re payments from owner, review proposed cheque requisitions and account balance, instructions to F. Khalfan re insurance notifications and order of payments pending funding, review updated accounting and approve water and travel disbursements, tc with Gary Feldman, review various emails from G. Feldman and BMO team re status of payments due from debtor.
16-Sep-2022	Fatemah Khalfan	.50	Received Elexicon Energy statement in the mail; forwarded to D. Hornbostel; received email back not to prepare requisition just yet; was forwarded a Notice of termination of services by D. Hornbostel, received from Elexicon; called Elexicon and spoke

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			with agent; was advised that Notice had been issued in error and out account is in good standing; sent update to D. Hornbostel.
16-Sep-2022	Matthew Marston	1.00	Site visit, visit church, write 2 reports and send to D. Hornbostel.
16-Sep-2022	Deborah Hornbostel	.50	Review emails from Dileep and G. Feldman re new payment delay request and respond, review new hydro bill provide instructions to hold due to lack of funds, review site reports from M. Marston and cut-off notice from Elexicon, forward to F. Khalfan for investigation, review responding email from her re Elexicon error.
19-Sep-2022	Matthew Marston	.20	Emails w D. Hornbostel.
19-Sep-2022	Deborah Hornbostel	.10	Review and respond to email from J. Oudshoorn.
20-Sep-2022	Deborah Hornbostel	.10	Email update with Jolande, email to G. Feldman.

## SUMMARY OF TIME CHARGES

Professional	Average Hourly		
	Rate	Hours	Amount
Deborah Hornbostel	\$725.00	36.50	\$26,462.50
Matthew Lem	\$635.00	.30	\$190.50
Chahna Nathwani	\$250.00	3.70	\$925.00
Fatemah Khalfan	\$250.00	13.70	\$3,425.00
Matthew Marston	\$190.00	7.90	\$1,501.00
<b>TOTAL</b>	<b>523.41</b>	<b>62.10</b>	<b>\$32,504.00</b>



## Appendix “E”

Court File No. CV-22-00679501-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**AFFIDAVIT OF GARY FELDMAN**

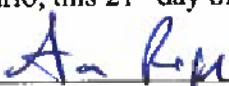
I, **GARY FELDMAN**, of the City of Vaughan, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**


1. I am a partner with the law firm of Chaitons LLP (“**Chaitons**”), lawyers for MNP Ltd. in its capacity as Court-appointed receiver in this proceeding (the “**Receiver**”), and as such have knowledge of the matters to which I hereinafter depose.
2. Attached hereto as **Exhibit “A”** is a true copy of the account issued by Chaitons to the Receiver for the period ending September 13, 2022, totalling \$11,500.00 (comprised of fees of \$9,962.68, disbursements of \$224.70 and HST of \$1,312.62) with respect to this proceeding.

3. Attached hereto as **Exhibit "B"** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons who have worked on this matter, their year of call to the bar, total time charged and hourly rates. I hereby confirm that this list represents an accurate account of such information.

4. I confirm that the accounts described in paragraph 2 above accurately reflect the services provided by Chaitons in this matter and the fees and disbursements claimed by it from March 2, 2022 to August 31, 2022.

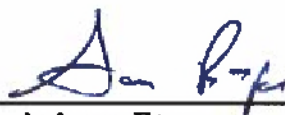
SWORN before me at the City )  
of Toronto, in the Province of )  
Ontario, this 21<sup>st</sup> day of September, 2022 )  
\_\_\_\_\_ )  
A Commissioner, etc. )

  
\_\_\_\_\_ )  
A Commissioner, etc. )

  
\_\_\_\_\_ )  
**GARY FELDMAN** )

**Sam P. Rappos**

**THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF GARY FELDMAN  
SWORN BEFORE ME THIS 21st  
DAY OF SEPTEMBER, 2022**



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**A Commissioner Etc.**

# Chaitons<sup>LLP</sup>

**INVOICE NUMBER: 286630**

**September 13, 2022**

MNP LLP  
300 - 111 RICHMOND STREET WEST  
TORONTO, ON M5H 2G4

**Re: RECEIVERSHIP OF LAKE TRADING NEWCASTLE INC.**  
**Our file: 005715-74456**

**FOR PROFESSIONAL SERVICES RENDERED** on this matter up to and including September 30, 2022:

**PROFESSIONAL FEES**

SUBJECT TO HST	\$12,407.50	
LESS: DISCOUNT	(\$2,444.82)	
<b>SUB-TOTAL</b>		<b>\$9,962.68</b>

**DISBURSEMENTS**

NON TAXABLE	\$90.30	
SUBJECT TO HST	\$134.40	
<b>SUB-TOTAL</b>		<b>\$224.70</b>
HST at 13.00%		\$1,312.62

**GRAND TOTAL**

**\$11,500.00**

Amount payable on the current invoice	\$11,500.00
Plus outstanding invoices on this matter	\$0.00
<b>Amount Due</b>	<b>\$11,500.00</b>
<b>Trust Balance</b>	

HST No R124110933

INVOICE NUMBER: 286630

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

**PROFESSIONAL FEES:**

- Jul 14, 22 GNF To correspondence from Tony Van Klink advising of default and exchange of correspondence with Tony Van Klink and Deborah Hornbostel to exchange ideas and confirm the need to proceed with the receivership;
- Jul 15, 22 GNF To receipt and review of confirmation of filing of appointment certificate and receivership order;
- Jul 15, 22 GNF To receipt and review of application record;
- Jul 18, 22 GNF To correspondence from and to Deborah Hornbostel advising of receipt of payment for the outstanding accounts and confirming that receivership must continue unabated;
- Jul 19, 22 GNF To correspondence from and to Deborah Hornbostel dealing with the issues of whether operation of the gas station must recommence and confirming that both locations should be listed for sale at this time;
- Jul 20, 22 GNF To correspondence from and telephone discussions with Tony Van Klink and Deborah Hornbostel to discuss borrower's request for an extension to August 31st for repayment of the indebtedness;
- Jul 20, 22 GNF To correspondence to solicitor for the borrower advising of the receiver's position vis a vis the extension request;
- Jul 22, 22 GNF To receipt and review security in favour of Bank of Montreal together with corporate, bankruptcy, PPSA and land searches in order to complete a vetting;
- Jul 25, 22 GNF To receipt and review of correspondence with lease agreement, offer to lease and copy of agreement of purchase and sale for the sale of the nail salon;
- Jul 26, 22 GNF To telephone discussion with Deborah Hornbostel to discuss tenants, issues with the property and clean up required and steps to be taken while awaiting final payout;

HST No R124110933

INVOICE NUMBER: 286630

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

# Chaitons<sup>LLP</sup>

Jul 26, 22	GNF	To correspondence from the receiver and to Craig Lewis dealing with the request of the nail salon tenant to approve a sale and assumption of lease;
Jul 28, 22	GNF	To correspondence from owner;
Jul 29, 22	GNF	To telephone discussion with Deborah Hornbostel to discuss assignment of nail salon lease to the new purchaser, receipt of correspondence from receiver and response from owner;
Aug 4, 22	GNF	To receipt of correspondence from nail salon tenant with draft attachments, correspondence to and from Deborah Hornbostel to discuss the tenant issue and correspondence to the tenant, John Law, advising of the receiver's position;
Aug 5, 22	GNF	To correspondence from receiver and BMO dealing with the issue of payment to reinstate the lapsed insurance policies;
Aug 26, 22	GNF	To correspondence from the receiver and BMO and correspondence to counsel for the borrower;
Aug 29, 22	GNF	To receipt of correspondence from borrower requesting an extension for payment of the balance owing, correspondence to and from BMO and counsel, telephone discussion with Deborah Hornbostel and correspondence to borrower advising of receiver's position;
Aug 31, 22	GNF	To correspondence from and to receiver and bank and correspondence to the borrower and counsel responding to the request for an extension of the forbearance period for repayment;
Aug 31, 22	GNF	To reviewing and amending draft first report of the receiver;
Sep 12, 22	CJS	To preparing court material to obtain an order discharging the receiver including notice of motion, affidavits, order and factum.

**TOTAL PROFESSIONAL FEES**  
HST at 13.00%

**\$9,962.68**  
1,295.15

IST No R124110933

INVOICE NUMBER: 286630

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DOC#10388372v1

# Chaitons<sup>LLP</sup>

4.

**DISBURSEMENTS:****Subject to HST:**

Internet Search Fee Taxable	\$58.35	
Teranet Fee Taxable	\$11.05	
Teranet Electronic Registration Fee Taxable	\$65.00	
		\$134.40

**Non-Taxable:**

Registration/Filing Fee(s) Non-taxable	\$66.30	
Government Disbursement Internet Search Non-tax.	\$24.00	
		\$90.30

**TOTAL DISBURSEMENTS****\$224.70**

HST at 13.00%

17.47

**GRAND TOTAL****\$11,500.00****CHAITONS LLP**


per:

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 Gary N. Feldman

HST No R124110933

INVOICE NUMBER: 286630

E. & O.E. Payment due on receipt of the account. In accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

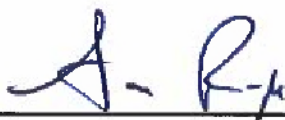
DOC#10368372v1



**LAWYERS' SUMMARY:**

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
CHRISTOPHER STAPLES	\$725.00	4.10	\$2,975.18
GARY N. FELDMAN	\$650.00	10.75	\$6,987.50
Total:		14.85	\$9,962.68

**THIS IS EXHIBIT "B" TO  
THE AFFIDAVIT OF GARY FELDMAN  
SWORN BEFORE ME THIS 21st  
DAY OF SEPTEMBER, 2022**



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**A Commissioner Etc.**

SUMMARY

<b>Lawyer</b>	<b>Year of Call</b>	<b>Hours Billed</b>	<b>Hourly Rate</b>	<b>Amount Billed</b>
Gary Feldman	1979	10.75	\$650.00	\$6,987.50
Christopher Staples	1990	4.10	\$725.00	\$2,975.18
<b>Total Hours and Amounts Billed</b>		<b>14.85</b>		<b>\$9,962.68</b>
<b>Average Hourly Rate</b>			<b>\$670.88</b>	
<b>Total Disbursements</b>				<b>\$224.70</b>
<b>Total Taxes (HST)</b>				<b>\$1,312.62</b>
<b>TOTAL</b>				<b>\$11,500.00</b>

BANK OF MONTREAL

Applicant

and

LAKE TRADING NEWCASTLE INC.

Respondent

Court File No. CV-22-00679501-00CL

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

Proceedings commenced at TORONTO

**MOTION RECORD**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Christopher J. Staples**

(LSUC #31302R)

Tel: 416-218-1147

Email: [chris@chaitons.com](mailto:chris@chaitons.com)

**Lawyers for MNP Ltd., the receiver of  
all the assets, undertakings and  
properties of Lake Trading Newcastle  
Inc.**