

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

B E T W E E N:

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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  
(returnable March 26, 2021)**

March 23, 2021

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# TAB 1

Court File No.: CV-20-00646729-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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B E T W E E N:

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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

**NOTICE OF MOTION  
(returnable March 26, 2021)**

MNP Ltd. (“MNP”), in its capacity as the court-appointed receiver and manager (the “Receiver”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“Turuss”), will make a motion via videoconference to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “Court”) on March 26, 2021, at 10:00 a.m., or as soon after. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing [amanda.campbell@dentons.com](mailto:amanda.campbell@dentons.com).

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

**THE MOTION IS FOR:**

1. An Order, substantially in the form attached hereto as **TAB 3** to the Motion Record of the Receiver dated March 23, 2021 (the “**Motion Record**”), for the following relief:
  - (a) abridging the time for service of the Motion Record and validating service thereof;

- (b) authorizing the Receiver to extend the offer deadline (the “**Deadline**”) contemplated and set forth in Sale Process (as defined herein) from March 26, 2021 to April 16, 2021;
  - (c) approving the auction procedures, attached as in Schedule “A” to the draft form of Order attached as **TAB 3** (the “**Auction Procedures**”);
  - (d) approving a sealing order for the Lease Expansion Agreement (as defined herein);
  - (e) approving the fourth report of the Receiver dated March 23, 2021 to the Court (the “**Fourth Report**”), and the activities of the Receiver as described therein;
  - (f) approving the Receiver’s interim statement of receipts and disbursements as at March 19, 2021 (the “**R&D**”);
  - (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Fourth Report, fee Affidavit of Jerry Henechowicz dated sworn March 23, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn March 23, 2021 (the “**Kennedy Affidavit**”, and together with the Henechowicz Affidavit, the “**Fee Affidavits**”); and
  - (h) such other matters considered relevant to the Receiver’s administration of this proceeding.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

- 3. The Turuss is a federally incorporated entity that manufactures, imports and distributes hardwood flooring;
- 4. Pursuant to the Order by Justice Hainey dated September 18, 2020 (the “**Receivership Order**”), MNP was appointed the receiver and manager over the assets, undertakings and

properties of Turuss, including the commercial industrial building and lands located at 60 Industrial Park Road, Chesley, Ontario (collectively, the “**Chesley Property**”);

5. On October 29, 2020, this Court issued an Order (the “**Sale Process Order**”) which approved a sale process (the “**Sale Process**”), and authorized and directed the Receiver to commence the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the Chesley Property. Since this date, the Receiver has implemented various components of the Sale Process, including soliciting interested parties, preparing and distributing sale process materials, advertising and publishing notices, facilitating tours of the Chesley Property, and responding to due diligence inquiries pertaining to the Chesley Property;
6. More recently, the Receiver concluded a lease expansion, extending and amending agreement with Bruce Power L.P. (“**Bruce Power**”) dated March 22, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increases the leased space to approximately 349,000 sq. ft. to effectively encompass the entire main industrial building located on the Chesley Property, together with a small building adjacent to the main industrial building. In addition, approximately 5 acres of vacant land not utilized is being removed from Bruce Power’s occupancy;
7. The Receiver has now made the Lease Expansion Agreement available in the Sale Process data room for Prospective Offerors to review and assess as part of the due diligence process;
8. To date, fifty-eight (58) Prospective Offerors executed an NDA with the Receiver and utilized the online dataroom. Twelve (12) of these parties have conducted on site due diligence tours of the Chesley Property and had discussions with the Receiver regarding the Sale Process timeline and additional due diligence requirements

#### **Extension of Sale Process Bid Deadline**

9. The Deadline set forth in the Sale Process was extended from January 11, 2021 to February 26, 2021 by an Order of the Court on January 11, 2021 (“**Deadline Extension Order**”). The Deadline Extension Order, among other things, approved and authorized that the

Receiver to extend the Deadline for an additional period no greater than four (4) weeks, in its sole direction acting reasonably, all with a view of maximizing the value of the assets and business of Turuss;

10. As a result of the continued negotiations between the Receiver and Bruce Power connected to the Lease Expansion Agreement, and prior Ontario government COVID-19 lockdown orders, the Receiver extended the Deadline from February 26, 2021 to March 19, 2021, and again from March 19, 2021 to March 26, 2021;
11. The Receiver is requesting and recommending a further extension to the bid Deadline until April 16, 2021. Extending the bid Deadline until April 16, 2021 provides Prospective Offerors with a reasonable period of time to conduct further due diligence on the newly executed Lease Expansion Agreement. The Receiver submits that the proposed extension to the Deadline is reasonable and appropriate in the circumstances;

### **Approval of Auction Procedures**

12. The Receiver is also recommending that the Court approve the Auction Procedures, which shall supplement the Sale Process to incorporate and authorize the Receiver to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the Chesley Property:
13. A summary of the Auction Procedures provide for the following key components:
  - (a) The Receiver and its advisors shall direct and preside over the Auction;
  - (b) The Auction will be held via Zoom video conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten (10) business days after the Deadline, or such other place and time as the Receiver may advise;
  - (c) Only a selected offeror is eligible to participate in the Auction (a “**Selected Offeror**”). The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid (“**Lead Bid**”) by 5:00pm (Eastern Time) two (2) business days before the date scheduled for the



Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction, and only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction;

- (d) Bidding at the Auction shall be conducted in rounds and include an opening bid (“**Opening Bid**”), with the terms of the Opening Bid provided to all participating Selected Offerors at the Auction. The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction;
- (e) The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid, including, among other things, the following:
  - (i) the amount and nature of the consideration;
  - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
  - (iii) the Receiver’s assessment of the certainty of the Selected Offeror to close the proposed transaction;
  - (iv) the likelihood, extent and impact of any potential delays in closing;
  - (v) the net economic effect of any changes from the Opening Bid of the previous round; and
  - (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the “**Bid Assessment Criteria**”);

- (f) Any bid made after the Opening Bid shall be considered an “**Overbid**”. Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”, pluralized as “**Minimum Overbid Increments**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments. An Overbid must comply with certain requirements, as discussed in the Auction Procedures, and a Selected Offeror may submit no more than one (1) Overbid per round;
- (g) At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid. If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid) fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction;
- (h) The Receiver reserves the right to make one or more adjournments in the Auction. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction;
- (i) During the Auction, the Auction Procedures provide for certain Overbid-related disclosure to Selected Offerors that are participating in the Auction;
- (j) The Auction shall be closed after the Receiver has: (A) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (B) identified the Successful Offer and the Back-Up Bid (as defined in the Auction Procedures) and advised the Selected Offerors participating in the Auction of such determination. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid (as defined in the Auction Procedures), relevant documentation will be finalized.

- (k) After the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the transaction and vesting in and to the Successful Offeror Turuss’ interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) days after Court approval.
14. The Receiver believes that the Auction (if necessary) will provide a fair, transparent and efficient mechanism to select a transaction that produces the best result for all stakeholders, in the circumstances;

#### **Approval of Sealing Order**

15. The information contained in the Lease Expansion Agreement contains confidential information and will only be reviewed by those entities with access to the confidential data room as part of the Sale Process, namely, the Prospective Offerors. Providing a sealing order aligns with the Sale Process, and is fair and reasonable in the circumstances.

#### **Interim Statement of Receipts and Disbursements**

16. The R&D reflects net receipts over disbursements of \$66,860.64. The Receiver requests that the Court approve the Receiver’s R&D, as they are fair and reasonable in the circumstances;

#### **Approval of Fees and Disbursements**

17. The Receiver has provided services and incurred disbursements during the period of December 22, 2020 to February 28, 2021 which are described in the Fourth Report and in the Henechowicz Affidavit. The Fourth Report provides a fair and accurate description of the services provided and the amounts charged by MNP as Receiver;

18. Additionally, the Receiver has incurred legal fees of its legal counsel, Dentons, in respect of these proceedings, as more particularly set out in the Kennedy Affidavit;
19. The Receiver requests that this Court approve its interim accounts in the amount of \$60,426.10, together with HST of \$7,910.15 for a total of \$68,757.45, and approve the interim accounts of its legal counsel for the period of December 1, 2020 to February 26, 2021 in the amount of \$224,149.78 inclusive of disbursements and HST (collectively, the “**Professional Fees**”);
20. The Receiver submits that the Professional Fees, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Receivership Order;

#### **Other Grounds**

21. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure* (Ontario);
22. Section 243 of the *Bankruptcy and Insolvency Act* (Canada);
23. Such further and other grounds as counsel may advise and this Court may permit;

#### **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

24. The Fourth Report of MNP, in its capacity as Receiver dated March 23, 2021, filed
25. The Fee Affidavits; and
26. Such further and other material as counsel may advise and this Court may permit.

**DATE:** March 23, 2021

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<https://dentons.zoom.us/j/9541073314?pwd=UDdkOGtUy9JVTg5dklERCtYTDIwZz09>

**Meeting ID:** 954 107 3314

**Passcode:** 290641

**Dial-in:**

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**Toll Free:** 1-855-703-8985

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION**  
(returnable March 26, 2021)

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*Lawyers for the Receiver*

# TAB 2



Court File No. CV-20-00646729-00CL

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

BETWEEN:

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*ACT*, R.S.O. 1990, c. C-43, AS AMENDED

**FOURTH REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF  
THE ASSETS, UNDERTAKINGS AND PROPERTIES OF TURUSS  
(CANADA) INDUSTRY CO., LTD.**

March 23, 2021

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**APPENDICES**

- Appendix “A”:** Appointment Order dated September 18, 2020 and corresponding Endorsement dated September 18, 2020
- Appendix “B”:** Receiver’s First Report dated October 21, 2020
- Appendix “C”:** Sale Process Order dated October 29, 2020 and corresponding Endorsement dated October 29, 2020
- Appendix “D”:** Receiver’s Second Report dated November 9, 2020
- Appendix “E”:** Document Production Order dated November 10, 2020 and corresponding Endorsement dated November 10, 2020
- Appendix “F”:** Receiver’s Third Report dated January 5, 2021
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- Appendix “K”:** Henechowicz Affidavit sworn March 23, 2021
- Appendix “L”:** Kennedy Affidavit sworn March 23, 2021
- Appendix “M”:** Interim Statement of Receipts and Disbursements as at March 19, 2021

**CONFIDENTIAL APPENDIX**

- Confidential Appendix “A”:** Lease Expansion, Extending and Amending Agreement dated March 23, 2021

## INTRODUCTION

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order and its corresponding endorsement is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep sworn September 4, 2020 (the “**Dizep Affidavit**”), and included in the Application Record, filed in support of the Appointment Order, dated September 4, 2020.
3. The Company is a federally incorporated entity that previously manufactured, imported and distributed hardwood flooring. Ms. Yang Jiang (“**Jiang**”) is the sole officer and director of the Company. Turuss’ remaining Property primarily consists of a commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), with a majority portion of the Chesley Property being leased to Bruce Power L.P. (“**Bruce Power**”).
4. On October 21, 2020, the Receiver filed its first report to the Court (the “**First Report**”) in support of its motion (returnable October 29, 2021) seeking, *inter alia*, an order authorizing the Receiver to complete a sale process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**.
5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report (the “**Sale Process Order**”). A copy of the Sale Process Order and its corresponding endorsement is attached as **Appendix “C”**.
6. On November 9, 2020, the Receiver filed its second report to the Court (the “**Second Report**”), in support of its motion (returnable November 10, 2020) seeking, *inter alia*, an order directing Jiang to deliver the Company’s books and records (the “**Books and**

**Records**”) to the Receiver. A copy of the Second Report (without appendices) is attached hereto as **Appendix “D”**.

7. Subsequent to the filing of the Second Report, the following orders and endorsements were issued and additional reports filed with the Court, primarily in connection with the delivery of the Books and Records:

(a) the order of Justice Gilmore dated November 10, 2020 (the “**Document Production Order**”) and corresponding endorsement. A copy of the Document Production Order and corresponding endorsement is attached hereto as **Appendix “E”**.

(b) the Receiver’s third report to the Court dated January 5, 2021 (the “**Third Report**”). A copy of the Third Report (without appendices) is attached hereto as **Appendix “F”**;

(c) the order of Justice Gilmore dated January 11, 2021 (the “**Deadline Extension Order**”) and corresponding endorsement. A copy of the Deadline Extension Order and corresponding endorsement is attached hereto as **Appendix “G”**;

(d) the Receiver’s supplement to the third report to the Court dated January 20, 2021 (the “**Supplement to the Third Report**”). A copy of the Supplement to the Third Report is attached hereto as **Appendix “H”**; and

(e) the endorsement of Justice Gilmore dated January 21, 2021 (the “**Penalty Endorsement**”). A copy of the Penalty Endorsement is attached hereto as **Appendix “I”**.

8. With respect to the Sale Process, the Deadline Extension Order approved and authorized:

(a) approved and authorized an extension to the Deadline (as defined herein) from January 11, 2021 to February 26, 2021; and

(b) approved and authorized that subject to any order of the Court, the dates and deadlines contemplated in the Sale Process may be further extended by the Receiver for a total period no greater than four (4) weeks (up to March 26, 2021), in its sole

discretion acting reasonably, all with a view of maximizing the value of the assets and business of Turuss.

9. Information regarding the receivership proceedings has been posted to the Receiver's case website at [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss) (the "**Website**").

#### **PURPOSES OF THIS REPORT**

10. The purpose of this the Receiver's fourth report (the "**Fourth Report**") is to provide the Court with information regarding:
- (a) the Receiver's activities since the time of the filing of the Supplement to the Third Report;
  - (b) an update on the status of the Sale Process;
  - (c) an update on the negotiations with Bruce Power and its offer to expand the terms of the lease between Turuss and Bruce Power dated November 30, 2018, as amended (the "**Bruce Power Lease**");
  - (d) provide the Court with the Receiver's rationale in support of its request for the approval of an extension to the Deadline and Auction Procedures (as defined herein);
  - (e) the Receiver's recommendation for an order, *inter alia*:
    - (i) abridging the time for service of the Motion Record of the Receiver dated March 23, 2021 and validating service thereof;
    - (ii) authorizing the Receiver to further extend the Deadline from March 26, 2021 (currently) to April 16, 2021;
    - (iii) approving the auction procedures, attached as attached as **Appendix "J"** herein (the "**Auction Procedures**");
    - (iv) approving this Fourth Report and the Receiver's activities as described herein;

- (v) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Fourth Report, the fee Affidavit of Jerry Henechowicz sworn March 23, 2021 (the “**Henechowicz Affidavit**”) and the fee Affidavit of Robert Kennedy sworn March 23, 2021 (the “**Kennedy Affidavit**”);
- (vi) approving a sealing order for the Lease Expansion Agreement (as defined herein);
- (vii) approving the Receiver’s interim statement of receipts and disbursements as at March 19, 2021 (the “**R&D**”); and
- (viii) such other matters considered relevant to the Receiver’s administration of this proceeding.

#### **TERMS OF REFERENCE**

11. In preparing this Fourth Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets which includes, but not limited to, the following information (collectively the “**Information**”):
- (a) as provided by Jiang, which includes the Books and Records;
  - (b) as provided by Pillar Capital Corp. and its legal counsel, Gowling WLG (Canada) LLP;
  - (c) obtained in discussions with Prospective Offerors, various parties that were prospective purchasers of the Chesley Property prior to the Appointment Order, and creditors and stakeholders generally;
  - (d) obtained by attending at the Chesley Property;
  - (e) as provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
  - (f) obtained in discussions with Bruce Power;

- (g) as provided by Colliers International Realty Advisors Inc. (“**Colliers**”) in respect of its review and appraisal of the Chesley Property; and
  - (h) as otherwise available to the Receiver and its counsel.
12. Except as described in this Fourth 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 the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
13. All currency references are in Canadian Dollars unless otherwise specified.
14. Capitalized terms not otherwise defined herein shall have the meaning ascribed to that term pursuant to the Sale Process.

#### **ACTIVITIES TO DATE**

15. The following are the Receiver’s activities since filing the Supplement to the Third Report:
- (a) updating the Website, as necessary;
  - (b) coordinating the delivery of the Books and Records from Jiang;
  - (c) coordinating and confirming a new insurance policy for the Chesley Property from the insurance broker, from Mitchell & Abbott Group;
  - (d) continuing the implementation of the Sale Process;
  - (e) collecting rents and other amounts due from Bruce Power and paying the operating expenses of the Chesley Property;
  - (f) attending to various discussions with Prospective Offerors and responding to all due diligence inquiries as well as conducting inspections of the Chesley Property;
  - (g) updating Prospective Offerors via data room notices regarding the Sale Process and matters relating to the Lease Expansion Agreement;
  - (h) preparing all necessary annual employee filings for the Company’s former employees and others retained by the Receiver;



- (i) attending to numerous discussions and meetings with Bruce Power regarding the Lease Expansion Agreement;
- (j) reviewing the loan and security documentation in connection with the second position charge registered against title to the Chesley Property;
- (k) amending and updating the service list; and
- (l) preparing this Fourth Report.

### **Lease Expansion Agreement**

16. As set out in the Third Report, the Receiver was negotiating an expansion to the Bruce Power Lease which, among other things, proposed to expand the leasable area from approximately 156,000 sq. ft. to the fully available 349,000 sq. ft. of the main industrial building located on the Chesley Property. The Receiver consulted with Colliers regarding the impact on the market value of Chesley Property if it was fully leased to Bruce Power. Colliers advised that in concluding a lease for the entire space, in its opinion and subject to the customary assumptions and qualifications, the market value of the Chesley Property would increase.
17. The Receiver sought the Deadline Extension Order to, among other things, facilitate the required timeframe to negotiate a potential amendment to the Bruce Power Lease. At that time, the Receiver notified the Prospective Offerors of the negotiations between the Receiver and Bruce Power and the initial extension to the Deadline.
18. Just prior to February 26, 2021, the Receiver extended the Deadline to March 19, 2021, as the Receiver was still negotiating the terms of a lease amendment with Bruce Power. The Deadline was further extended by the Receiver to March 26, 2021 to allow additional time to finalize a lease amendment with Bruce Power.
19. The Receiver and Bruce Power have now concluded a Lease Expansion, Extending and Amending agreement dated March 23, 2021 (the “**Lease Expansion Agreement**”). The Lease Expansion Agreement, among other things, increases the leased space to approximately 349,000 sq. ft. to effectively encompass the entire industrial facility located

on the Chesley Property, including a small building on the opposite side of the street to the main industrial building. In addition, approximately 5 acres of vacant land not utilized is being removed from Bruce Power's occupancy. A copy of the Lease Expansion Agreement is being filed by the Receiver as **Confidential Appendix "A"**, subject to the request for a sealing order.

20. The Receiver has now made the Lease Expansion Agreement available in the Sale Process data room for Prospective Offerors to review and assess as part of the due diligence process.

## **PROPOSED DEADLINE EXTENSION AND AUCTION PROCEDURES**

### **Update on the Sale Process**

21. In response to the Receiver's implementation of the Sales Process, to-date fifty-eight (58) Prospective Offerors executed an NDA with the Receiver and utilized the online dataroom. Twelve (12) of these parties have conducted on site due diligence tours of the Chesley Property and had discussions with the Receiver regarding the Sale Process timeline and additional due diligence requirements.

### **Deadline Extension**

22. As noted in the Receiver's prior reports, the extensions were required in order to address prior Ontario government COVID-19 lockdown orders, and concurrently allow a period of time for the Receiver to negotiate the Lease Expansion Agreement.
23. The Receiver is recommending and requesting a further extension to the Deadline from March 26, 2021 to April 16, 2021 in order to allow Prospective Offerors a sufficient period to time to evaluate the Chesley Property and the new operating metrics resulting from the completion of the Lease Expansion Agreement. Prospective Offerors have also advised the Receiver that, in order to complete their due diligence, they require additional time to review the details of the Lease Expansion Agreement. The Receiver further notes that the COVID-19 lockdown orders have relaxed such that site visits and other diligence requests can be facilitated by the Receiver, if requested.

24. The Receiver is of the view that the proposed extension is reasonable and appropriate in the circumstances.

### **Auction Procedures**

25. The Receiver is also recommending that the Court approve the Auction Procedures, which shall supplement the Sale Process to incorporate and authorize the Receiver to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the Chesley Property.
26. A summary of the Auction Procedures provide for the following key components:
- (a) The Receiver and its advisors shall direct and preside over the Auction;
  - (b) The Auction will be held via Zoom video conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten business days after the Deadline, or such other place and time as the Receiver may advise;
  - (c) Only a selected offeror is eligible to participate in the Auction (a “**Selected Offeror**”). The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid (“**Lead Bid**”) by 5:00pm (Eastern Time) two (2) business days before the date scheduled for the Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction, and only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction;
  - (d) Bidding at the Auction shall be conducted in rounds and include an opening bid (“**Opening Bid**”), with the terms of the Opening Bid provided to all participating Selected Offerors at the Auction. The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the

Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction;

- (e) The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid, including, among other things, the following:
  - (i) the amount and nature of the consideration;
  - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
  - (iii) the Receiver's assessment of the certainty of the Selected Offeror to close the proposed transaction;
  - (iv) the likelihood, extent and impact of any potential delays in closing;
  - (v) the net economic effect of any changes from the Opening Bid of the previous round; and
  - (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the "**Bid Assessment Criteria**");
- (f) Any bid made after the Opening Bid shall be considered an "**Overbid**". Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**", pluralized as "**Minimum Overbid Increments**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments. An Overbid must comply with certain requirements, as discussed in the Auction Procedures, and a Selected Offeror may submit no more than one (1) Overbid per round;

- (g) At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid. If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid) fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction;
- (h) The Receiver reserves the right to make one or more adjournments in the Auction. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction;
- (i) During the Auction, the Auction Procedures provide for certain Overbid-related disclosure to Selected Offerors that are participating in the Auction;
- (j) The Auction shall be closed after the Receiver has: (A) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (B) identified the Successful Offer and the Back-Up Bid (as defined in the Auction Procedures) and advised the Selected Offerors participating in the Auction of such determination. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid (as defined in the Auction Procedures), relevant documentation will be finalized.
- (k) After the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the transaction and vesting in and to the Successful Offeror Turuss’ interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) days after Court approval.

27. Given the level of interest in the Chesley Property, the Receiver anticipates receiving multiple bids on or prior to the Deadline. The Receiver believes that the Auction (if necessary) will provide a fair, transparent and efficient mechanism to select a transaction that produces the best result for all stakeholders, in the circumstances.

#### **APPROVAL OF SEALING ORDER**

28. The information contained in the Lease Expansion Agreement contains confidential information and will only be reviewed by those entities with access to the confidential data room as part of the Sale Process, namely, the Prospective Offerors. Providing a sealing order aligns with the Sale Process, and is fair and reasonable in the circumstances.

#### **APPROVAL OF FEES AND DISBURSEMENTS**

##### **Receiver's Fees and Disbursements**

29. The Receiver has issued one invoices covering its fees and disbursements for the period from December 23, 2020 to February 28, 2021 totaling \$ 68,757.45, comprising fees of \$60,426.10, disbursements of \$421.20 and applicable HST of \$7,910.15. Attached as **Appendix "K"** is the Henechowicz Affidavit describing the aforementioned fees and disbursements of the Receiver. The Receiver requests that the Court approve the Receiver's fees and disbursements given that they are reasonable and justified in the circumstances.

##### **Legal Fees and Disbursements**

30. Dentons has issued three invoices ("**Dentons Accounts**") covering its fees and disbursements for the period of December 31, 2020 to February 28, 2021 totaling \$224,149.78, inclusive of HST. Attached as **Appendix "L"** is the Kennedy Affidavit describing the aforementioned fees and disbursements of Dentons and attaching the Dentons Accounts.
31. It is the Receiver's opinion that the fees and disbursements of Dentons, and the activities described in the dockets in support of the Dentons accounts, as set out in the Kennedy Affidavit are reasonable and justified in the circumstances, and accurately reflect the work

done on behalf of the Receiver by Dentons. The Receiver requests that the Court approve the fees and disbursements of Dentons.

#### **INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

32. Attached hereto as **Appendix "M"** is the Receiver's R&D. The R&D reflects net receipts over disbursements of \$66,860.64. The Receiver requests that the Court approve the Receiver's R&D.

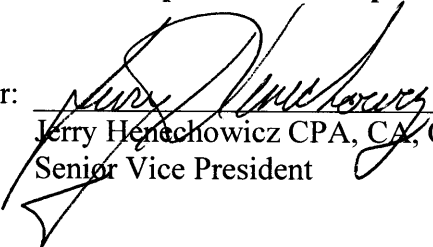
#### **CONCLUSION AND RECOMMENDATION**

33. Based on the foregoing and as outlined in this Fourth Report, the Receiver respectfully requests that this Court issue an order as per paragraph 10(e), above.

All of which is respectfully submitted this 23<sup>rd</sup> day of March 2021.

**MNP Ltd, in its capacity as the Court-  
appointed Receiver and Manager of  
Turuss (Canada) Industry Co., Ltd. and  
not in its personal or corporate capacity**

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

  
Jerry Henschowicz CPA, CA, CIRP, LIT  
Senior Vice President

Appendix “A”  
to the Fourth Report of the Receiver



Court File No. CV-20-00646729-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST



THE HONOURABLE

MR. JUSTICE HAINEY

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)

FRIDAY, THE 18TH

DAY OF SEPTEMBER, 2020

PILLAR CAPITAL CORP.

Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Respondent

**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. ("MNP") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic,

ON READING the affidavit of Steve Dizep sworn September 4, 2020 and the Exhibits thereto, the pre-filing report of the proposed Receiver dated September 15, 2020, and the exhibits thereto (collectively, the "Pre-Filing Report"), and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, those other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Angelica Wilamowicz sworn September 10, 2020, and on reading the consent of MNP to act as the Receiver.

## APPOINTMENT

1. 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 and all proceeds thereof (collectively, the "Property"), including but not limited to the lands and premises listed in Schedule "A" hereto (the "Real Property").

## RECEIVER'S POWERS

2. 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, real estate brokers, 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;

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- (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;

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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 as against the Real 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.



### **DISTRIBUTION OF RENTAL REVENUE**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to distribute to the Applicant leasing revenue generated from the Real Property, either in whole or in part, up to the amount of the total indebtedness owing to the Applicant, subject to the Applicant entering into the Reimbursement Agreement (as defined in the Pre-Filing Report), substantially in the form attached to the Pre-Filing Report.

### **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

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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

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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.

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.

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 \$750,000 (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.

22. 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 "B" 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 with the following URL <https://mnpdebt.ca/en/corporate/corporate-engagements/Turuss>.

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



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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 is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtor's bankruptcy.

28. 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.

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 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.

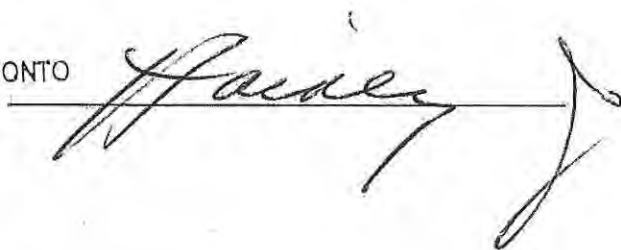
32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

SEP 21 2020

TOR\_LAWA 1044253616

PER / PAR:

## SCHEDULE "A"

## DESCRIPTION OF REAL PROPERTY

The lands and premises municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario and legally described as:

- PIN 33183-0177 (LT): PT PARKLT T, U PL 217 PT 6 ,7 3R7734; MUNICIPALITY OF ARRAN-ELDERSLIE
- PIN 33183-0178 (LT): LT 13-34, 36-47, 50-61, 65-76, 80-91, 96-101 PL 310; MCGAW ST, HIGH ST PL 310 S/T & T/W R376714; PT PARKLT T, U PL 217 & PT RIVER ST PL 310 CLOSED BY CH7716, PT 1 & 5 3R7740, PT 1, 2, 4 3R7734; PT FAIRVIEW AV, RIVER ST PL 310 PT 1, 2, 4 3R4763, PT 11 3R7734 CLOSED BY R374503, PT 1, 2, 3 3R6870 CLOSED BY R339205, PT 6, 7 3R4763 CLOSED BY CH7716; PT LANE PL 310 CLOSED BY CH7716, BTN LT 13 TO 22 PL 310; LANE LYING NORTHERLY OF LT 23 TO 32, PL 310; PT LANE PL 310 LYING EASTERLY AND ABUTTING LT 32 TO 34, PL 310 CLOSED BY R374503 PT 7, 8, 9 3R7740; LANE PL 310 BTN HIGH ST AND MCGRAW ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN RIVER ST AND HIGH ST EXTENDING FROM QUEEN ST TO FAIRVIEW AV; LANE PL 310 BTN LT 40 TO 43, 54 TO 57, 69 TO 72, 84 TO 87, 100 & 101 PL 310, CLOSED BY R374503; LANE PL 310 BTN LT 100 & 101; PT LORNE ST PL 310 PT 3 3R7740, S/T R377152, PT 9, 10 3R7734, S/T R375072, CLOSED BY R374503; S/T R278375, R324241, R356491, R356492, R380920, R380921; MUNICIPALITY OF ARRAN-ELDERSLIE

## SCHEDULE "B"

## RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Tutuss (Canada) Industry Co., Ltd. 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 (Commercial List) (the "Court") dated the 18th day of September, 2020 (the "Order") made in an action having Court file number CV-20-00646729-00CL, 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 to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

- 2 -

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:



PILLAR CAPITAL CORP.

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.

Applicants  
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

Respondent

ONTARIO

SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RECEIVERSHIP ORDER

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

1 First Canadian Place

100 King Street West, Suite 1600

Toronto ON M5X 1G5

Tel: 416-862-7525

Fax: 416-862-7661

Thomas Gertner (LSO# 67756S)

Tel: 416-369-4618

[thomas.gertner@gowlingwlg.com](mailto:thomas.gertner@gowlingwlg.com)

Solicitors for the Applicant





Court File Number: CV-20-00646729

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Pillar Capital Corp  
Plaintiff(s)

AND

Taurus (Canada) Treasury  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

(1) Order to go on the terms of the attached.

Honey J

September 18, 2020

\_\_\_\_\_ Date

\_\_\_\_\_ Judge's Signature

Additional Pages \_\_\_\_\_

Appendix “B”  
to the Fourth Report of the Receiver

Court File No. CV-20-00646729-00CL

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

**BETWEEN:**

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

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

**FIRST REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTIES OF TURUSS (CANADA) INDUSTRY CO., LTD.**

**OCTOBER 21, 2020**

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## APPENDICES

**Appendix “A”** – Appointment Order, Dated September 18, 2020

**Appendix “B”** – Pre-Filing Report of the Proposed Receiver

**Appendix “C”** – Sale Process and Bidding Procedures

## INTRODUCTION AND PURPOSE

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 18, 2020 (the “**Appointment Order**”), MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd (“**Turuss**” or the “**Company**”). A copy of the Appointment Order is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep dated sworn September 4, 2020 (the “**Dizep Affidavit**”) and included in the Application Record dated September 4, 2020.
3. The Company’s primary asset is a 340,000 square foot industrial building located on 34 acres of land located at 60 Industrial Park Road, Chesley, Ontario (the “**Property**”). A substantial portion of the Property is now leased to Bruce Power LP (“**Bruce Power**”).
4. The purpose of this First Report to the Court (the “**First Report**”) is to:
  - (a) update the Court with respect to the Receiver’s activities since the date of its appointment, and seek approval for those activities;
  - (b) summarize the contemplated solicitation and marketing process to be conducted by the Receiver for the Property (the “**Sale Process**”); and
  - (c) provide the Court with the Receiver’s recommendation for an Order, *inter alia*,:
    - (i) approving the First Report and the Receiver’s activities;
    - (ii) authorizing and directing the Receiver to carry out the Sale Process; and
    - (iii) such other relief as this Court may seem just.

**TERMS OF REFERENCE**

5. In preparing this Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets, including the information provided as follows (collectively the “**Information**”):
- (a) provided by Pillar Capital Corp. (“**Pillar**”) and its legal counsel, Gowling WLG (Canada) LLP;
  - (b) obtained by attending at the Property;
  - (c) provided by the only known employee of Turuss, who has been retained by the Receiver on a contract basis;
  - (d) provided by the Property Manager (as defined below) who reports to the Receiver, including financial information supplied by the Property Manager;
  - (e) provided by CBRE Limited (“**CBRE**”) and Colliers International (“**Colliers**”), that provided marketing and listing proposals for the Property;
  - (f) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order; and
  - (g) as otherwise available to the Receiver and its counsel.
6. Except as describe in this First 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 the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
7. All currency references are in Canadian Dollars unless otherwise specified.

## BACKGROUND

8. As at the date of the Appointment Order, Turuss was indebted to Pillar in the amount of approximately \$2,032,000, plus any accrued interest, fees and costs. As referenced in the Pre-Filing Report (as defined herein), Pillar is the senior secured creditor of Turuss.
9. Turuss initially operated a hardwood flooring manufacturing, import and distribution business from the Property (the “**Flooring Business**”). Upon ceasing the Flooring Business, approximately 162,000 square feet of the Property was leased to Bruce Power. Bruce Power continues to occupy the Property in accordance with the governing lease agreement (as amended) dated November 30, 2018, entered into between Turuss and Bruce Power (the “**Bruce Power Lease**”).
10. Certain equipment and inventory related to the Flooring Business, which included wood handling, flooring manufacturing and lifting equipment (the “**Remaining Assets**”) are located in the unleased portion of the Property.
11. Additional information about the Company is contained in the Receiver’s pre-filing report to the Court as the proposed Receiver, dated September 15, 2020 (the “**Pre-Filing Report**”). A copy of the Pre-Filing Report is attached as **Appendix “B”**, without appendices.

## ACTIVITIES OF THE RECEIVER

12. Since the date of its appointment, the Receiver has, *inter alia*:
  - (a) secured and taken possession of the Property, and transferred accounts for utilities and all other applicable service accounts into the Receiver’s name;
  - (b) arranged for insurance coverage in respect of the Property;
  - (c) issued the notices required pursuant to Sections 245 and 246 of the *Bankruptcy and Insolvency Act* to the known creditors of Turuss and forwarded to the Office of the Superintendent of Bankruptcy;

- (d) established a website for these Receivership proceedings, [www.mnpdebt.ca/turuss](http://www.mnpdebt.ca/turuss);
- (e) delivered correspondence to the sole officer/director of Turuss for the delivery of the Turuss books and records;
- (f) filed with Service Canada an application under the *Wage Earner Protection Program Act* (“**WEPPA**”) for the benefit of the former employee;
- (g) calculated the WEPPA claims of the former employee of Turuss and communicated with them. As noted above, the Receiver entered into a short-term contract with the former employee of Turuss, as a daily on-site supervisor and maintenance manager;
- (h) contacted Canada Revenue Agency (“**CRA**”) to obtain information regarding any statutory obligations and other amounts due to CRA that might have priority to the Applicant;
- (i) issued two Receiver’s Certificates to Pillar in the total amount of \$475,000 in order to fund the Receiver’s initial expenses associated with the maintenance of the Property, and to pay all outstanding realty taxes in the amount of approximately \$375,000;
- (j) entered into a property management agreement with Richmond Advisory Services Inc. (“**Richmond**” or the “**Property Manager**”) as property manager to assist with the management of the Property including the receipt of the rental income from Bruce Power and the payment of the expenses associated with the maintenance of the Property;
- (k) met with Bruce Power, as the sole tenant of the Property, and subsequently negotiated into a lease amendment to the Bruce Power Lease addressing, among other things, an expansion of the leased space by Bruce Power;
- (l) consulted with commercial realtors in relation to the sale of the Property;
- (m) obtained two liquidation proposals for the Remaining Assets; and



- (n) entered negotiations for the terms of a Liquidation Agreement for the Remaining Assets to be conducted by Leveredge Asset Solutions Inc., the proceeds of which are not expected to exceed the limitation on the sale of assets by the Appointment Order in the amount of \$250,000 for any single transaction or \$500,000 for the aggregate of all transactions.

## **SALE PROCESS**

- 13. The Appointment Order, among other things, authorizes the Receiver to market and sell the Property.
- 14. With respect to a marketing and solicitation strategy for the Property, the Receiver consulted with two commercial real estate firms with respect to a marketing and listing proposal. The Receiver also considered implementing a marketing and solicitation process with the support of MNP LLP's internal corporate finance group that has the necessary commercial real estate experience to actively market and solicit interest in the Property.
- 15. After considering the approaches above, the Receiver has determined that the most reasonable and commercially efficient approach to market and solicit interest in the Property would be to have the Receiver implement the Sale Process. As part of this assessment, the Receiver considered the preliminary fee estimates provided by the commercial real estate firms and the potential cost savings available to the receivership estate if the Receiver conducted the process.
- 16. The Receiver has developed the proposed Sale Process to solicit bids by a set bid deadline. The Receiver is of the view that the proposed Sale Process balances the need to have a sale accomplished in a reasonable timeframe to limit the carrying costs associated with the Property with the desire to properly expose the Property to the marketplace to maximize recoveries for the stakeholders.
- 17. The Receiver seeks Court approval for the Sale Process. A copy of the Sale Process, including a bidding procedure, is attached to this Report as **Appendix "C"**.

18. In summary, the Sale Process would commence upon the issuance by this Court of an order approving the Sale Process (the “**Commencement Date**”) and be conducted on the following timeline (capitalized terms are as defined in the Sale Process):

Event		Timeline
1	Receiver to prepare the list of Interested Parties, the Teaser, the NDA, the Data Room, CIM, APS, and draft advertisements	10 days, commencing on October 29 <sup>th</sup> , 2020
2	Publish notice of the Sale Process in a nationally circulated newspaper	During the week of November 9, 2020 and again during the week of November 30, 2020
3	Publish notice of the Sale Process on the Receiver’s website and through the Insolvency Insider e-mail publication	Commencing on November 9, 2020
4	Distribute Teaser and the NDA to those identified as Interested Parties	Commencing on November 9, 2020
5	Commence distribution of CIM and providing data room access to Prospective Offerors, after receiving executed copy of NDA (subject to the Receiver’s discretion)	Commencing on November 9, 2020
6	Plan and provide tours of the Property	From November 16, 2020 to January 8, 2020
7	Discussion with Prospective Offerors to provide updates and to address any reasonable diligence queries	From November 23, 2020 to January 8, 2020
8	Deadline for submission of Offers	January 11, 2021 at 5:00 PM (Toronto Time)
9	Acceptance of Successful Offer(s)	Up to 10 days after the submission deadline

10	Court motion to approve Successful Offer(s)	As soon as possible after acceptance
11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021

19. Although the Sale Process establishes a bid deadline, the Receiver also seeks the flexibility to be able to accept any bid received any time, terminate the proposed Sale Process at any time and immediately enter into discussions with a bidder with a view of finalizing the transaction contemplated by such bid.
20. The Sale Process also provides for the comparison of multiple offers inherently maximizing sale value. The Receiver's proposed Sale Process will also set to limit the due diligence period required by prospective purchasers during which time the property would be essentially "off the market", if being sold by a real estate broker.
21. The Receiver is satisfied that the Sale Process represents a commercially reasonable and efficient process which allows for sufficient time for the Property to be exposed to the market in order to maximize the value of the Property. The Sale Process is supported by Pillar.

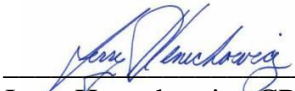
## CONCLUSION

22. The Receiver is satisfied that the proposed Sale Process represents the most efficient and fair process to be administered in the circumstances that will sufficiently expose the Property for sale to the marketplace and generate the maximum values. Furthermore, the Receiver's recommendation is supported by the Company's senior secured lender, Pillar.

23. Based on the foregoing, the Receiver respectfully requests that the Court make an order granting the relief detailed in paragraph 4(c) of this Report.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver and Manager of  
Turuss (Canada) Industry Co., Ltd.  
and not in its personal or corporate capacity**

Per:

  
\_\_\_\_\_  
Jerry Henechowicz CPA, CA, CIRP, LIT  
Senior Vice President

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**FIRST REPORT OF THE RECEIVER**

**DENTONS CANADA LLP**

77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario M5K 0A1

**Robert Kennedy** (LSO #474070)

Tel: (416) 367-6756

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*Lawyers for the Receiver*

Appendix “C”  
to the Fourth Report of the Receiver

Court File No. CV-20-00646729-00CL

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

THE HONOURABLE  
JUSTICE CAVANAGH

)

)

)

THURSDAY, THE 29th  
DAY OF OCTOBER, 2020



BETWEEN:

**PILLAR CAPITAL CORP.**

Applicant

and

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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

**SALE PROCESS ORDER**

**THIS MOTION**, made by MNP Ltd., in its capacity as Court appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industrial Co., Ltd. (“**Turuss**”) for an order approving the sale process, set out in **Schedule “A”** hereto (the “**Sale Process**”), was heard this day via videoconference due to the COVID-19 pandemic.

**ON READING** the First Report of the Receiver dated October 21, 2020 (the “**First Report**”), and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Amanda Campbell sworn October 22, 2020 filed:

**SERVICE**

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

**RECEIVER'S ACTIVITIES**

2. **THIS COURT ORDERS** that the First Report is approved and the activities of the Receiver as described therein.

**SALE PROCESS**

3. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the property and assets of Turuss.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

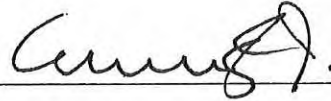
5. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).



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GENERAL

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



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ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

OCT 30 2020

PER / PAR:



Schedule "A" – Sale Process

**Turuss (Canada) Industry Co., Ltd.**  
**Sale Process**

**Purpose**

1. The proposed sale process (the "**Sale Process**") for Turuss (Canada) Industry Co., Ltd. ("**Turuss**") for sale of its assets and business (collectively, the "**Property**") would be conducted by MNP Ltd. in its capacity as court-appointed receiver and manager (the "**Receiver**") with the input and assistance of Dentons Canada LLP (the "**Legal Counsel**"), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Offeror.

**Sale Process Procedures**

5. The Receiver, in conjunction with MNP LLP's real estate and corporate finance groups will compile a list of prospective purchasers (together with any other party expressing an interest in the Property, the "**Interested Parties**"). The Receiver will make reasonable efforts to canvass the interest (if any) in the Property, of all Interested Parties.
6. The sale of the Property will be on an "*as is, where is*" basis without representations or warranties of any kind, nature or description by the Receiver, or any of their respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Offer (as defined herein), and approved by the Court. By submitting a bid, each Prospective Offeror (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Offer and approved by the Court.

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7. The Receiver will distribute to Interested Parties an interest solicitation letter ("**Teaser**") which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement ("**NDA**") will also be distributed to the Interested Parties. Interested Parties will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Interested Party has a *bona fide* interest in the purchase of the Property (hereinafter referred to as a "**Prospective Offeror**"). All NDA's shall enure to the benefit of any purchaser of the Property.
8. The Receiver will provide to each Prospective Offeror: (i) a confidential information memorandum ("**CIM**") prepared with information available to the Receiver, (ii) access to a secure electronic data room (the "**Data Room**") established by the Receiver with information and documentation in the possession of the Receiver (which will include certain relevant and customary financial, operational and other information regarding the Property), and (iii) a proposed form of agreement of purchase and sale with the Receiver named as vendor (the "**APS**").
9. The Receiver will also facilitate, due diligence by Prospective Offerors, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 8 above, the Receiver shall have the right to deny or limit any Prospective Offeror's access to confidential information at any time, which may include denying access to confidential information, if in the Receiver's reasonably held view such Prospective Offeror is not likely to be serious about submitting an offer for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

### Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

	Event	Timeline
1	Receiver to prepare the list of Interested Parties, the Teaser, the NDA, the Data Room, CIM, APS, and draft advertisements	10 days, commencing on October 29 <sup>th</sup> , 2020

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2	Publish notice of the sale in a nationally circulated newspaper	During the week of November 9, 2020 and again during the week of November 30, 2020
3	Publish notice of the sale on the Receiver's website and through the Insolvency Insider e-mail publication	Commencing on November 9, 2020
4	Distribute Teaser and the NDA to those identified as Interested Parties	Commencing on November 9, 2020
5	Commence distribution of CIM and providing data room access to Prospective Offerors, after receiving executed copy of NDA (subject to the Receiver's discretion as outlined herein)	Commencing on November 9, 2020
6	Plan and provide tours of the Property	From November 16, 2020 to January 8, 2020
7	Discussion with Prospective Offerors to provide updates and to resolve their queries	From November 23, 2020 to January 8, 2020
8	Deadline for submission of Offers	January 11, 2021 at 5:00 PM (Toronto Time) (the "Deadline")
9	Acceptance of Successful Offer(s)	Up to 10 days after the Deadline
10	Court motion to approve Successful Offer(s)	Following selection of Successful Offer(s)
11	Complete transaction(s)	Within 5 days after Court Approval, expected to be no later than February 12, 2021



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13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver for a total period no greater than (3) weeks, in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

#### Submission of Offers

14. The Receiver shall seek binding offers and accompanying materials from Prospective Offerors (a "**Binding Offer**") in accordance with the timeline set out above that provides for:
- (a) delivery of the Binding Offer by the Prospective Offeror on or before the Deadline;
  - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Offer and the complete terms of such participation, evidence of corporate authority, and proof of such offeror's financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
  - (c) a binding offer capable of acceptance and irrevocable 15 days after the Deadline;
  - (d) all Binding Offers are to be accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Offer;
  - (e) an agreement in the form of the APS, with any changes contained in the Binding Offer blacklined against the Receiver's form of APS;
  - (f) includes an acknowledgement and representation that the Prospective Offeror: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;
  - (g) no conditions based upon: (i) the outcome of any further due diligence, (ii) obtaining financing, or (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction and vesting title in and to the Prospective Offeror.

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15. Each offer submitted in accordance with paragraph 14 above shall be a "**Qualified Offer**" and each such offeror a "**Qualified Offeror**", as determined by the Receiver.
16. The Receiver may determine whether to entertain Binding Offers for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Offers to be a Qualified Offer.

#### **Post-Offer Deadline Procedure**

17. If one or more Qualified Offers are received the Receiver may:
  - (a) accept one (or more, if for distinct transactions) Qualified Offer(s) (the "**Successful Offer**") and each Qualified Offeror making the Successful Offer(s) being a "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s); or
  - (b) continue negotiations with a selected number of Qualified Offerors (collectively, "**Selected Offerors**") with a view to finalizing one or more agreements with one or more Selected Offerors.
18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Offer and any selection of the Successful Offer(s) and the Selected Offeror(s) shall be entirely in the discretion of the Receiver, in consultation with the Legal Counsel. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all Binding Offers, including Qualified Offers.
19. A Binding Offer may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Offer being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Offer being determined shall result in the forfeiture of such Prospective Offeror's deposit as liquidated damages and not as a penalty.
20. No one, including any Interested Parties, Prospective Offerors, Qualified Offerors or Successful Offerors, shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such persons shall be responsible for their own fees and costs of any kind, including those relating to any due diligence they may have performed, and any offers they each may make.
21. In the event a Qualified Offeror is not selected as a Successful Offeror, the Deposit shall be returned to the Qualified Offeror as soon as reasonably practicable.

**Other Terms**

22. If a Successful Offeror breaches its obligations under the terms of its offer, and if the Receiver chooses not to proceed with the Successful Offeror, any Deposit submitted in connection with the Successful Offer shall be forfeited to the Receiver as liquidated damages and not as a penalty.
23. The Receiver may: (a) determine which Qualified Offer, if any, is the highest or otherwise best offer, (b) reject at any time before the issuance and entry of an order approving a Successful Offer, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
24. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Interested Parties, Prospective Offerors, Qualified Offerors or Successful Offers, Turuss, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a bid, each Prospective Offeror shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
25. Following the selection of the Successful Offer(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court (the "**Approval Motion**") for an order, substantially in the form of the Approval and Vesting Order attached to the APS, and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer(s) and vest the Turuss interest in the Property to the Successful Offeror(s).
26. Following the granting of any Approval and Vesting Order by the Court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer in accordance with the timeline set out above.
27. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Offers will be received, the Receiver, may terminate the Sale Process.
28. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SALE PROCESS ORDER**

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*Lawyers for the Receiver*





**Loberto, Daniel**

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**From:** Cavanagh, Justice Peter (SCJ) <Peter.Cavanagh@scj-csj.ca>  
**Sent:** Thursday, October 29, 2020 3:56 PM  
**To:** Kennedy, Robert; Loberto, Daniel  
**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List  
**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co., Ltd. (CV-20-00646729-00CL)  
**Attachments:** Counsel Slip - Pillar v. Turuss - October 29 2020.docx; CV-20-00646729-00CL\_Pillar Capital v. Turess.pdf

Endorsement:

Order to go as asked. The signed order is attached. Mr. Loberto is asked to send the endorsement and order to other parties.

Cavanagh, J.

Appendix “D”  
to the Fourth Report of the Receiver

Court File No. CV-20-00646729-00CL

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

**BETWEEN:**

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

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

**SECOND REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTIES OF TURUSS (CANADA) INDUSTRY CO., LTD.**

**NOVEMBER 9, 2020**

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## APPENDICES

**Appendix “A”** – Appointment Order, dated September 18, 2020

**Appendix “B”** – First Report of the Receiver

**Appendix “C”** – Sale Process Order, dated October 29, 2020

**Appendix “D”** – Letter from Dentons Canada LLP to Yang Jiang, dated October 5, 2020

**Appendix “E”** – Email from Dentons Canada LLP to Yang Jiang, dated October 30, 2020

**Appendix “F”** – Email from the Receiver to Yang Jiang, dated November 5, 2020

**Appendix “G”** – DSF E-mail

**Appendix “H”** – Emix Statement of Claim

## INTRODUCTION AND PURPOSE

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep dated sworn September 4, 2020 (the “**Dizep Affidavit**”) and included in the Application Record dated September 4, 2020.
3. On October 21, 2020, the Receiver filed its first report to Court (the “**First Report**”) in support of its motion returnable October 29, 2020 seeking *inter alia* an order authorizing the Receiver to complete a specified sales process for the Company’s principal asset being a commercial rental property located at 60 Industrial Park Drive, Chesley, Ontario (the “**Chesley Property**”). A copy of the First Report (without appendices) is attached as **Appendix “B”**.
4. On October 29, 2020, the Court issued an order authorizing the Receiver to complete the sale process for the Chesley Property set out in the First Report (the “**Sale Process Order**”), a copy of which is attached as **Appendix “C”**.
5. The purpose of this Receiver’s second report to the Court (the “**Second Report**”) is to provide the Court with information regarding:
  - (a) the Receiver’s attempts to obtain the Company’s books and records and the Receiver’s communications with the Company’s principal and sole director, Ms. Yang Jiang (“**Jiang**”), generally;
  - (b) the Receiver’s findings regarding Fortune Gate Timber Products Inc. (“**Fortune Gate**”), hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd. (“**Elite**”) and Vidar Design Flooring (“**Vidar**”), all of which appear to be related to the Company and/or Jiang and appear

to be carrying on aspects of the Company's business (collectively, the "**Flooring Entities**"); and

- (c) the Receiver's recommendation for an Order, *inter alia*:
  - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic books and records of Turuss and the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order,;
  - (ii) requiring Jiang to attend for an examination under oath by the Receiver on 3 business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities, both before and following the Appointment Order; and
  - (iii) such other matters considered relevant to the Receiver's administration of this proceeding.

## TERMS OF REFERENCE

6. In preparing this Second Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets, including the information provided as follows (collectively the "**Information**"):

- (a) provided by Pillar Capital Corp. ("**Pillar**") and its legal counsel, Gowling WLG (Canada) LLP;
- (b) obtained by attending at the Chesley Property;
- (c) provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
- (d) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order;
- (e) as provided by The Manufacturers Life Insurance Company ("**Manulife**");

- (f) obtained by attending at two locations identified as being leased by Turuss (Canada) Industry Co., Ltd o/a Total Hardwood Flooring from Emix Ltd. (“**Emix**”), as follows: (i) Total Hardwood Flooring at 1099 Kingston Rd E., Pickering Ontario (“**Total Hardwood Pickering**”), and (ii) an unmarked unit in a retail plaza at 2600 John Street, Suite 206, Markham, Ontario (“**Total Hardwood Markham**”);
- (g) obtained by an employee of Total Hardwood Pickering; and
- (h) as otherwise available to the Receiver and its counsel.

7. Except as describe in this Second 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 the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

8. All currency references are in Canadian Dollars unless otherwise specified.

#### **REQUESTS TO OBTAIN ACCESS TO THE COMPANY’S BOOKS AND RECORDS**

9. Shortly after its appointment, the Receiver attended at the Chesley Property and met with Jamie Hingston (“**Hingston**”), the on-site property maintenance manager and the only former employee of Turuss known to the Receiver. Hingston advised that, to his knowledge, all of the Company’s books and records of Turuss were kept and maintained by Jiang at another location.

10. On October 5, 2020, Dentons Canada LLP (“**Dentons**”), counsel to the Receiver sent a notice to Jiang demanding the production by Jiang of all books and records related to Turuss in accordance with the provisions of the Appointment Order. A copy of the notice dated October 5, 2020 is attached as **Appendix “D”**.

11. After receiving no response from Jiang, Dentons sent another e-mail correspondence to Jiang on October 30, 2020 (the “**October 30 Email**”). Jiang replied on the same date requesting contact information for the Receiver, which were provided by Dentons shortly thereafter. A copy of the October 30, Email and Jiang’s response is attached as **Appendix “E”**.



12. On November 5, 2020, the Receiver sent an e-mail (the “**November 5 Email**”) to Jiang again requesting delivery of the Company’s books and records. As detailed below, the Receiver had since become aware that Turuss may have had additional business operations, and/or interests in other corporations. Therefore, in addition to requesting access to the books and records of Turuss, the Receiver requested that Jiang provide all details of any business or other operations of Turuss that were conducted or continuing other than at the Chesley Property. A copy of November 5 Email including Jiang response is attached as **Appendix “F”**.

13. As of the issuance of this Second Report, Jiang has failed to provide any of the books and records of the Turuss, or any information with respect of any additional operations of the Company or any interest that Turuss may have in the Flooring Entities, despite the Receiver’s repeated requests.

#### Total Hardwood Flooring

14. On the evening of November 3, 2020, the Receiver received an e-mail from Oren Chaimovitch of Devry Smith Frank LLP (the “**DSF E-mail**”) as counsel to Emix, landlord of Total Hardwood Pickering. The DSF E-mail indicated that a lease exists as between Turuss (Canada) Industry Co., Ltd. o/a Total Hardwood Flooring, as tenant, and Emix, as landlord and Fortune Gate as indemnifier of the Turuss obligations under the lease. The DSF E-mail further advised that Turuss was in default and had mistakenly issued a Statement of Claim against Turuss (given the stay of proceedings contained in the Appointment Order) with respect to the default of the lease (the “**Emix Statement of Claim**”) since Emix just recently became aware of the Receiver’s appointment. Attached as **Appendices “G”** and “**H**” is the DSF E-mail and Emix Statement of Claim, respectively.

15. Prior to the receipt of the DSF E-Mail, the Receiver was not made aware of any interest of Turuss in any other business activity generally, other than related to the Chesley Property. More specifically, the Receiver had no knowledge of the existence and operations of Total Hardwood Flooring, nor any knowledge of any existing lease agreements in relation to Total Hardwood Pickering.

16. On November 5, 2020, the Receiver spoke with Mr. Chaimovitch and advised that the Receiver was investigating these previously unknown locations of Turuss and would advise of its intentions regarding same as soon as possible.

17. The Receiver attended at the Total Hardwood Pickering and the Total Hardwood Markham on November 4, 2020.

18. The Total Hardwood Pickering is a retail storefront for the sale of hardwood and laminate flooring. An employee was present, Courtney Rutledge (“**Rutledge**”), who identified himself as the sole employee at Total Hardwood Pickering. Rutledge noted to the Receiver that Total Hardwood Flooring operates an additional location in Barrie, Ontario, however, although the two share a name and a website, the two locations are not owned or controlled by the same entity. Rutledge discussed some of the product offerings with the Receiver and of note was that the main product offered by Total Hardwood Flooring was engineered hardwood flooring produced by Vidar Design Flooring (“**Vidar**”).

19. While attending at the Total Hardwood Markham, the Receiver noted that there was no exterior signage present and that the leased unit, while containing office furniture and other contents, did not appear to be occupied.

20. The Receiver’s search of Total Hardwood Flooring’s website, [www.totalhardwoodflooring.com](http://www.totalhardwoodflooring.com), indicated that an additional location exists at 131 Saunders Road, Barrie, Ontario (the “**Total Hardwood Barrie**”).

21. On November 6, 2020, the Receiver attended at the Total Hardwood Barrie. Similar to Total Hardwood Pickering, the store was open and sells hardwood and laminate flooring products. Only one employee was present, Chris Garratt (“**Garratt**”). Garratt advised the Receiver that he was the only employee at Total Hardwood Barrie and that while Total Hardwood Barrie and Total Hardwood Pickering share a website and trade name, that they are owned and operated by separate entities.

22. The specifics of the operating structure outlined by Rutledge and Garratt are unknown by the Receiver.

Fortune Gate Timber Products Inc.

23. The Receiver took possession large equipment that was previously used by Turuss (the “**Snow Removal Equipment**”) located at the Chesley Location. An Ontario *Personal Property Security Act* search conducted on Fortune Gate reveals that the Snow Removal Equipment is owned by Fortune Gate. A corporate a search of Fortune Gate dated September 23, 2020, lists Jiang as the sole director with a registered address at 1775 Sismet Road, Unit 2, Mississauga, Ontario (the “**Mississauga Location**”).

24. The Emix Statement of Claim identifies Fortune Gate as the indemnifier of Turuss’ lease obligations for the Total Hardwood Pickering location.

Elite International Forest Ltd.

25. In its initial meeting with the Company’s only known employee Hingston, the onsite property manager, Hingston advised that Turuss had provided him with group health benefits through Manulife (the “**Manulife Plan**”).

26. The Receiver contacted Manulife to arrange continuing coverage for Hingston as a condition of his employment by the Receiver. Manulife confirmed that the Manulife Plan had 13 active members and would not continue coverage solely for Hingston. Included in the list of active members was Rutledge. The Receiver was able to make alternative coverage arrangements for Hingston and terminated the Manulife Plan on October 2, 2020.

27. The Receiver was contacted on November 6, 2020 by Steven Li, an employee of Elite located in Vancouver, British Columbia, to inquire as to why the Receiver had terminated the group benefits plan for employees of Elite. On the same date, the Receiver was contacted by a representative of Manulife’s in-house legal counsel inquiring as to the relationship as between Turuss and Elite.

28. It is unclear as to what relationship exists as between Turuss and Elite, however it is apparent that Turuss maintained the Manulife Plan for employees of various other entities, including Elite and Total Hardwood Flooring.

29. A search of Vidar's website, [www.vidarflooring.com](http://www.vidarflooring.com), states that Vidar is the flagship flooring brand under Elite. Further, the Vidar website shows that Vidar's Ontario office is the same as Fortune Gate's registered address, specifically the Mississauga Location.

## **CONCLUSION AND RECOMMENDATION**

30. Despite the Receiver's repeated requests for the delivery of the Turuss books and records, Jiang has failed to respond to the Receiver and deliver the books records in accordance with the Appointment Order. In addition, following the Receiver's investigations into the operations of Turuss, it appears Jiang is continuing certain aspects of the Turuss' business as Total Hardwood Flooring. Furthermore, the relationships and potentially interconnected operations of the Flooring Entities is unclear and might be being concealed by Jiang.

31. Based on the above and the lack of cooperation and information provided by Jiang, the Receiver has concerns that there may be additional assets owned by Turuss, and/or operations being conducted by Jiang in the name of Turuss to which liabilities may be incurred by Turuss, of which the Receiver is currently unaware. The issues outlined above have the potential to prejudice the receivership administration and the various stakeholders in these proceedings.

32. Additionally, the Receiver cannot discharge its duties as Receiver without production of all of the books and records. The failure on the part of Jiang to provide the books and records necessitates the Receiver expending additional time and resources seeking out the information from third parties, thereby increasing the costs of the receivership for all of the Company's stakeholders.

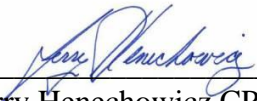
33. The books and records are urgently required, especially since it appears that Jiang is continuing to operate Turuss at different locations throughout Ontario.

34. Further, any additional delay with respect to the production of the books and records may impact the Receiver's ability to effectively conduct the previously approved sale process in respect of the Chesley Property. Many of the documents and information requested by the Receiver may need to be available to all potential purchasers for the purposes of conducting due diligence in respect of Turuss and the Chesley Property.

35. Jiang is the sole director and officer of the Company. The books and records of the Company are, or should be, within her possession and control. The Receiver is of the view that the relief sought is both appropriate and necessary in light of the difficulty it has faced to date in obtaining even the most basic financial information and records in respect of the Company's business.

36. Accordingly, the Receiver is respectfully requesting that this Court issue an Order granting the relief set out in paragraph 5 of this Second Report.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver and Manager of  
Turuss (Canada) Industry Co., Ltd.  
and not in its personal or corporate capacity**

Per:   
\_\_\_\_\_  
Jerry Henechowicz CPA, CA, CIRP, LIT  
Senior Vice President

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SECOND REPORT OF THE RECEIVER**

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*Lawyers for the Receiver*

Appendix “E”  
to the Fourth Report of the Receiver

Court File No. CV-20-00646729-00CL

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



THE HONOURABLE )

JUSTICE GILMORE )

BETWEEN: )

TUESDAY, THE 10th

DAY OF NOVEMBER, 2020

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

APPLICATION UNDER SUBSECTION 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  
(Document Production)**

**THIS MOTION**, made by MNP Ltd., in its capacity as the court appointed receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (the “**Debtor**”), appointed pursuant to the Order of the Honourable Justice Hainey, dated September 18, 2020 (the “**Receivership Order**”), for delivery of all physical and electronic books and records of the Debtor and related entities, and granting related relief, was heard this day by judicial videoconference via Zoom due to the COVID-19 pandemic.



**ON READING** the Second Report of the Receiver, dated November 9, 2020 (the “**Second Report**”), and on hearing the submissions of counsel for the Receiver and Yang Jiang (“**Ms. Jiang**”) on behalf of the Debtor:

### **SERVICE**

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and Motion Record is hereby abridged and validated and this Motion is properly returnable today.

### **DOCUMENT PRODUCTION**

2. **THIS COURT ORDERS AND DIRECTS** Ms. Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic books and records of the Debtor, and Fortune Gate Timber Products Inc. (“**Fortune Gate**”), hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd. (“**Elite**”) and Vidar Design Flooring (“**Vidar**”), all of which appear to be related to the Debtor and/or Ms. Jiang and appear to be carrying on aspects of the Debtor’s business (collectively, the “**Flooring Entities**”), including a complete accounting of all activities conducted by Total Hardwood. For greater certainty, the physical and electronic books and records include, but are not limited to, the following:

- (a) all contracts, correspondence and leases with tenants and landlords;
- (b) all bank statements and correspondence, including from September 1, 2019 onwards;
- (c) all financial statements (internally and externally prepared), including a full accounting of business conducted by the Debtor since the appointment of the Receiver;
- (d) copies of all annual income tax returns;
- (e) copies of all provincial sales tax returns;
- (f) creditor listing, including names of creditors and amounts owed to all secured creditors, unsecured creditors, utilities providers, government agencies and others;

- (g) employee information including T-4 documentation for each individual employee and summaries filed for 2018 and 2019, records of employment, and any correspondence with the Canada Revenue Agency and any assessments and statements thereof;
- (h) copies of any trust examination and assessment notices by the Canada Revenue Agency;
- (i) Harmonized Sales Tax filings including any correspondence with the Canada Revenue Agency and any assessments and statements thereof;
- (j) all payroll records, including individual pay stubs and the summaries for all of 2019 and 2020;
- (k) all benefit plan information;
- (l) access to any digital accounting software used by the Debtor (or access to a backup thereof);
- (m) access to all documentation and information with respect to all business and operations of the Debtor related to the industrial building and associated lands municipally known as 60 Queen Street North / 60 Industrial Park Road, Chesley, Ontario (collectively, the “**Industrial Facility**”), and the Flooring Entities;
- (n) all related party transaction documentation;
- (o) an accounting in respect of all amounts, including rent, received from Bruce Power L.P. with respect to the Industrial Facility; and
- (p) such other physical and electronic books and records as the Receiver consider necessary, acting reasonably.

3. **THIS COURT ORDERS AND DIRECTS** Ms. Jiang to attend for an examination under oath by the Receiver on 3 business days notice regarding the operations of the Debtor and Total Hardwood as well as the Debtor’s relationship to and interests in the Flooring Entities.

#### **RECEIVER’S ACTIVITIES AND REPORT**

4. **THIS COURT ORDERS** that the Second Report and the activities and conduct of the Receiver reported therein be and are hereby approved.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

*C. [Signature]*

NOV 10 2020

*[Signature]*

**PILLAR CAPITAL CORP.**

**-and-**

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ORDER  
(Document Production)**

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*Lawyers for the Receiver*



**Loberto, Daniel**

---

**From:** Gilmore, Madam Justice Cory (SCJ) <Cory.Gilmore@scj-csj.ca>  
**Sent:** Tuesday, November 10, 2020 2:19 PM  
**To:** Loberto, Daniel; Kennedy, Robert; 'michael.litwack@mnp.ca';  
'jerry.henechowicz@mnp.ca'  
**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List  
**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co. Ltd. - Court File No.  
CV-20-00646729-00CL  
**Attachments:** Document Production Order of Justice Gilmore - November 10th 2020.pdf

Counsel: See my endorsement below.

**Endorsement of Gilmore, J.**

This is the Receiver's motion requiring Ms. Jiang on behalf of the Debtor to deliver all physical and electronic books and records of the Debtor and certain other entities which appear to be related to the Debtor and/or Ms. Jiang, and to require Ms. Jiang to attend for an examination under oath by the Receiver.

Ms. Jiang attended the motion without counsel. She explained that she had started to provide the information requested and understood that she must continue to produce all records. She also understood the request to attend an examination and was willing to cooperate.

She submitted that both Vidar and Elite are suppliers and not related entities but this can be explored more fully during her examination.

Given all of the above, I have signed the Receiver's proposed Order which is in effect immediately.

*C. Gilmore, J.*

*November 10, 2020*

**Madam Justice Cory A. Gilmore**  
**Ontario Superior Court of Justice**  
**361 University Avenue**  
**4<sup>th</sup> Floor**  
**Toronto, Ontario**  
**M5G 1T3**

**cory.gilmore@scj-csj.ca**

Appendix “F”  
to the Fourth Report of the Receiver

Court File No. CV-20-00646729-00CL

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

**BETWEEN:**

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

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

**THIRD REPORT OF MNP LTD. AS RECEIVER AND MANAGER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTIES OF TURUSS (CANADA) INDUSTRY CO., LTD.**

**JANUARY 5, 2021**

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## APPENDICES

<b>Appendix “A” – Appointment Order, Dated September 18, 2020</b>
<b>Appendix “B” – Receiver’s First Report, Dated October 21, 2020</b>
<b>Appendix “C” – Sales Process Order, Dated October 29, 2020</b>
<b>Appendix “D” – Receiver’s Second Report, Dated November 9, 2020</b>
<b>Appendix “E” – Document Production Order, Dated November 10, 2020</b>
<b>Appendix “F” – Correspondence dated November 17, 2020 and December 2, 2020</b>
<b>Appendix “G” – Newspaper Advertisements, Dated November 10, 2020 and December 1, 2020 and December 3, 2020</b>
<b>Appendix “H” – Fee Affidavit of the Receiver, sworn January 5, 2021</b>
<b>Appendix “I” – Fee Affidavit of the Receiver’s Counsel, sworn January 5, 2021</b>
<b>Appendix “J” – Receiver’s Interim Statement of Receipts and Disbursements</b>



## INTRODUCTION AND PURPOSE

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties (the “**Property**”) of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). A copy of the Appointment Order is attached as **Appendix “A”**.
2. The circumstances leading to the appointment of the Receiver are set out in the affidavit of Steve Dizep dated sworn September 4, 2020 (the “**Dizep Affidavit**”), and included in the Application Record dated September 4, 2020.
3. The Company is a federally incorporated entity that manufactures, imports and distributes hardwood flooring. Jiang (as defined herein) is the sole officer and director of the Company. The Property primarily consists of a 340,000 sq. ft. commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”), with a majority portion of the Chesley Property being leased to Bruce Power (as defined herein).
4. On October 21, 2020, the Receiver filed its first report to Court (the “**First Report**”) in support of its motion seeking, *inter alia*, an order authorizing the Receiver to complete a specified sales process (the “**Sale Process**”) for the Chesley Property. A copy of the First Report (without appendices) is attached as **Appendix “B”**.
5. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the sale process for the Chesley Property as set out in the First Report (the “**Sale Process Order**”). A copy of the Sale Process Order is attached as **Appendix “C”**.
6. On November 9, 2020, Receiver’s filed its second report to the Court (the “**Second Report**”) to provide the Court with information regarding:
  - (a) the Receiver’s attempts to obtain the Company’s books and records (the “**Books and Records**”) and the Receiver’s communications with the Company’s sole officer and director, Ms. Yang Jiang (“**Jiang**”), generally;

- (b) the Receiver's findings regarding Fortune Gate Timber Products Inc. ("**Fortune Gate**"), hardwood flooring stores operating as Total Hardwood Flooring ("**Total Hardwood**"), Elite International Forest Ltd. ("**Elite**") and Vidar Design Flooring ("**Vidar**"), all of which appear to be related to the Company and/or Jiang and appear to be carrying on aspects of the Company's business (collectively, the "**Flooring Entities**"); and
- (c) seeking an Order, *inter alia*:
  - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of Turuss and those of the Flooring Entities (including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order);
  - (ii) requiring Jiang to attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities, both before and following the Appointment Order; and
  - (iii) such other matters considered relevant to the Receiver's administration of this proceeding.

A copy of the Second Report is attached hereto as **Appendix "D"**.

- 7. On November 10, 2020, the Court issued the order sought by the Receiver (the "**Document Production Order**") directing Jiang to, among other things:
  - (a) deliver to the Receiver on or before November 13, 2020, all physical and electronic books and records of the Company as well as those related to the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood; and

- (b) attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities.

A copy of the Document Production Order is attached hereto as **Appendix "E"**.

## **PURPOSES OF THIS REPORT**

- 8. The purpose of this the Receiver's third report (the "**Third Report**") is to provide the Court with information regarding:
  - (a) the Receiver's activities since the time of the filing of the Second Report;
  - (b) the Receiver's attempts to obtain the Books and Records and Jiang's responses to the Receiver's requests as well as her non-compliance with the Document Production Order, generally;
  - (c) an update on the status of the Sale Process and Bruce Power's (as defined herein) offer to expand the terms of the existing lease;
  - (d) the Receiver's recommendation for an Order, *inter alia*:
    - (i) finding that Jiang is in contempt of the Document Production Order;
    - (ii) directing Jiang to pay the Receiver's costs of the within motion on a full indemnity basis or, in the alternative, a substantial indemnity basis;
    - (iii) authorizing the Receiver to extend the offer deadline of January 11, 2021, as contemplated and set forth in the sale process approved by the Sale Process Order (the "**Sale Process**"), to February 26, 2021 (the "**Amended Deadline**");
    - (iv) approving this Third Report and the Receiver's activities as described herein;

- (v) approving the Receiver's fees and disbursements, including the fees and disbursements of the Receiver's independent counsel, Dentons Canada LLP ("**Dentons**");
- (vi) approving the Receiver's interim statement of receipts and disbursements dated December 29, 2020 (the "**R&D**"); and
- (vii) such other matters considered relevant to the Receiver's administration of this proceeding.

### TERMS OF REFERENCE

9. In preparing this Third Report, the Receiver has relied on unaudited financial and other information regarding the Company and its assets, including the information provided as follows (collectively the "**Information**"):
- (a) provided by Pillar Capital Corp. ("**Pillar**") and its legal counsel, Gowling WLG (Canada) LLP;
  - (b) obtained by attending at the Chesley Property;
  - (c) provided by a former employee of Turuss, who has been retained by the Receiver on a contract basis;
  - (d) as set out in the Dizep Affidavit, filed in connection with the application for the Appointment Order;
  - (e) as provided by The Manufacturers Life Insurance Company;
  - (f) obtained by attending at the locations of the Flooring Entities and provided by the personnel at those locations;
  - (g) obtained in discussions with Bruce Power LP ("**Bruce Power**"), the Company's sole tenant at the Chesley Property pursuant to a lease dated November 30, 2018, as amended (the "**Bruce Power Lease**");

- (h) discussions and other communications with various parties that were prospective purchasers of the Chesley Property, prior to the Appointment Order;
  - (i) provided by Colliers (as defined herein) in respect of its review and appraisal of the Chesley Property; and
  - (j) as otherwise available to the Receiver and its counsel.
10. Except as described in this Third 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 the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
11. All currency references are in Canadian Dollars unless otherwise specified.

#### **REQUESTS TO OBTAIN ACCESS TO THE BOOKS AND RECORDS**

12. Between October 5, 2020 and November 5, 2020, the Receiver repeatedly requested the Books and Records from Jiang. Below is a summary of those communications:
- (a) On October 5, 2020, the Receiver, via its counsel Dentons, delivered correspondence to Jiang (the “**Letter**”). As part of this Letter, the Receiver stated to Jiang that the Receiver has not been able to locate the Books and Records and demanded that Jiang to immediately deliver the Books and Records to the Receiver. In addition to the foregoing, the Receiver requested all information relating to all the subsidiaries of the Company (including Total Hardwood) (collectively, the “**Turuss Enterprise**”), and any information relating to any other operating locations for the Turuss Enterprise;
  - (b) On October 30, 2020, the Receiver sent a follow-up email to Jiang asking for Jiang to deliver the Books and Records to the Receiver as soon as possible, in addition to again requesting all information relating to the Turuss Enterprise, and any information relating to any other operating locations for the Turuss Enterprise;

- (c) On November 5, 2020, the Receiver sent a second follow-up email to Jiang, asking for Jiang to immediately provide the Receiver with the Books and Records including, but not limited to the following:
- (i) Bank statements;
  - (ii) Financial statements (internally and externally prepared);
  - (iii) Copies of annual income tax returns;
  - (iv) Copies of provincial sales tax returns;
  - (v) Copies of any trust examination and assessment notices by the Canada Revenue Agency (the “CRA”);
  - (vi) Payroll records;
  - (vii) Employee information, such as T-4 documentation and records of employment; and
  - (viii) Access to, or a backup of, any digital accounting software used by the Company (collectively, the “Urgent Records”).
13. The Receiver had also become aware of the Company / Jiang operating from separate locations, and requested from Jiang:
- (a) On November 5, 2020, details of all business and operations of the Company conducted outside the Chesley Property; and
  - (b) On November 6, 2020, an accounting of all business and operations that were conducted by Total Hardwood, as well as an explanation as to the relationship between the Company, Fortune Gate Timber Products Inc. and Elite International Forest Ltd.
14. Further details regarding the communications between the Receiver and Jiang are set out in the Second Report, attached as **Appendix “D”**.

15. Prior to the motion for the Document Production Order, on November 9, 2020, Jiang provided limited books and records of Turuss. The information provided generally consisted of bank statements from a limited time period, financial statements internally-prepared and in draft form, copies of T2s and T4s, CRA records, an attempted approach to explain at a very high level the business activity of the Company and the Flooring Entities, and a note that Jiang was in the process of updating the Turuss digital accounting records, maintained through Quickbooks (the “**Quickbooks Files**”), which required an additional two days.
16. On November 10, 2020, the Document Production Order was issued by the Court. Jiang was present at the motion for the Document Production Order.
17. Immediately after the issuance of the Document Production Order, the Receiver sent an email to Jiang to coordinate a virtual meeting for the purpose of discussing the delivery of the Books and Records as well as the relationship of Turuss with the various Flooring Entities.
18. The Receiver and Jiang met virtually on November 10, 2020 (the “**November 10<sup>th</sup> Meeting**”) and discussed the following:
  - (a) The identification of bank accounts held by Turuss and the Flooring Entities;
  - (b) Employee matters, specifically with respect to the number of employees and payroll details;
  - (c) In progress orders relating to Total Hardwood (Pickering location only, as the Barrie location is owned and operated by a separate entity);
  - (d) The relationship as between Turuss and the Flooring Entities; and
  - (e) The timing as to when Jiang would provide the Receiver with the Books and Records as required by the Document Production Order including, but not limited to, the Urgent Records.

19. During the November 10<sup>th</sup> Meeting, Jiang advised the Receiver that she was still in the process of bringing the Quickbooks Files up to date and that the digital records would be provided within another two days.
20. While Jiang attended a virtual meeting with the Receiver after the Document Production Order and subsequently provided the Receiver with invoices, receipts, and sales orders pertaining to Total Hardwood and suppliers, along with a summary of this documentation, Jiang did not produce all Books and Records of the Company and the Flooring Entities, or a complete accounting of all activities conducted by Total Hardwood, by November 13, 2020 (the Court imposed deadline). The complete Books and Records have still not been obtained despite further requests by the Receiver and the Receiver's counsel, Dentons, on November 13, November 17, and December 2, 2020. One response was received from Jiang, but no further information or documentation pertaining to the Company or the Flooring Entities was provided. A copy of the November 17, 2020 and December 2, 2020 correspondence is attached hereto as **Appendix "F"**.

#### **RECOMMENDATION REGARDING PRODUCTION OF BOOKS AND RECORDS**

21. In addition to many of the physical and electronic Books and Records listed in the Document Production Order, the Receiver has not received access to the Quickbooks Files.
22. From the outset of this proceeding, Jiang has wilfully and deliberately not complied with Orders of this Court.
23. Given the lack of compliance with Orders of this Court, specifically the Document Production Order, and the history of Jiang's unwillingness to satisfy the Receiver's requests for Books and Records, the Receiver asks that this Honourable Court find Jiang in contempt of the Document Production Order.
24. The Receiver cannot discharge its duties as Receiver without the Books and Records and in particular the Urgent Records and Quickbook Files. The failure on the part of Jiang to deliver the Books and Records necessitates the Receiver expending additional time and resources seeking out the information from third parties, thereby increasing the costs of the receivership for all of the Company's stakeholders.



25. The Books and Records are urgently required, especially since:
- (a) it appears that Jiang was attempting to continue to operate aspects of Turuss' business at different locations throughout Ontario;
  - (b) the Receiver understands the CRA may have potential deemed trust claims for unremitted employee source deductions and HST. Without access to the Books and Records, the Receiver and CRA may not be able to accurately assess these potential priority liabilities; and
  - (c) there are various charges due from Bruce Power that relate to lease periods prior to the Appointment Order. The Books and Records are required to accurately reconcile these charges and expenses due pursuant to the Bruce Power Lease.
26. Further, the Books and Records are required to support the Sale Process currently being implemented by the Receiver. Many of the documents and information requested by the Receiver may need to be available to all qualified purchasers for the purposes of conducting due diligence in respect of Turuss and the Chesley Property.
27. Given that Jiang is the sole officer and director of the Company, the Books and Records are, or should be, within her possession and control. The Receiver is of the view that the relief sought is both appropriate and necessary in light of the difficulty it has faced to date in obtaining even the most basic financial information and records in respect of the Company's business and affairs.

#### **EXTENSION OF SALE PROCESS BID DEADLINE**

28. In accordance with the Sale Process Order, the Receiver implemented the Sale Process, and in particular, has taken the following steps:
- (a) distribution via email of a brief interest solicitation letter to prospective purchasers.  
The distribution list included:
    - (i) prospective purchasers identified by Colliers;

- (ii) prospective purchasers that had previously expressed interest in the Chesley Property;
  - (iii) real estate developers and investors;
  - (iv) representatives from various established real estate brokerages;
  - (v) all MNP LLP partners and senior managers across Ontario and Quebec; and to other parties known to the Receiver that, in the Receiver's opinion, might have an interest in the opportunity.
- (b) advertised the sale opportunity in the *Globe and Mail Newspaper* (National Edition – Real Estate – Commercial Investments section) on November 10<sup>th</sup> and December 1<sup>st</sup> and December 3<sup>rd</sup> of 2020<sup>1</sup>. Copies of the advertisements are attached hereto as **Appendix “G”**;
- (c) prepared a Confidential Information Memorandum (“**CIM**”), containing terms of sale, a template form of offer, and a standard form of Agreement of Purchase Sale prepared by the Receiver's counsel, along with instructions for submitting same;
- (d) preparation of a confidentiality and non-disclosure agreement (“**NDA**”) and creation of a secure online data room, populated and updated with information and documentation relating to or in respect of the Chesley Property, accessible by any interested person who signed the NDA; and
- (e) facilitated due diligence efforts by prospective purchasers, including numerous in-person meetings and telephone conversations with prospective purchasers and the conducting tours of the Chesley Property.

29. In early October 2020, Bruce Power advised the Receiver that they wished to lease an additional 31,000 sq. ft. of available office space (the “**Office Space**”) at the Chesley Property. During the negotiation of the fifth lease amendment to the Bruce Power Lease (the “**Fifth Lease Amendment**”), Bruce Power advised that, in addition to the Office

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<sup>1</sup> The Sale Process Order only required the Receiver to place an advertisement in the *Globe and Mail* on two occasions, however, the *Globe and Mail* provided a third advertisement at no additional charge to the Receiver, which was placed on December 3<sup>rd</sup>, 2020.

- Space, that they intended to offer to negotiate a new lease for the entire 340,000 sq. ft. of leasable space at the Chesley Property.
30. On December 4, 2020, the Receiver negotiated a sixth lease amendment with Bruce Power that included providing Bruce Power with an additional 15,700 square feet of leased space as well as an option to December 21, 2020 to lease the entire 340,000 sq. ft.
  31. The Receiver consulted with Colliers International Realty Advisors Inc. (“**Colliers**”) regarding the impact on the market value of Chesley Property if it was fully leased to Bruce Power. Colliers advised that in concluding a lease for the entire space, in its opinion and subject to the customary assumptions and qualifications, the market value of the Chesley Property would increase.
  32. Based on the above and given the foregoing, the Receiver is now in the process of negotiating a new lease for the entirety of the Chesley Property. The Receiver is hopeful complete a new agreement with Bruce Power in the immediate future.
  33. With respect to the Sale Process, the Receiver notified the qualified bidders that have access to the data room that the Receiver was in the process of negotiating an expansion of the lease with Bruce Power Lease and that an extension to the bid deadline may occur prior to the current deadline of January 11, 2021.
  34. Effective December 26, 2020, the Government of Ontario issued an updated COVID-19 lockdown order (the “**December Lockdown Order**”) that prevents prospective purchasers from completing due diligence by way of site tours / visits at the Chesley Property until such lockdown orders are lifted.
  35. The combined impact of a revised lease described above that will result in a market value increase for the Chesley Property and the December Lockdown Order requires that the existing bid deadline be extended to the Amended Deadline. Doing so would allow existing prospective purchasers, and potentially new prospective purchasers, to evaluate the Chesley Property that more accurately reflects its operating metrics and allow for complete on-site due diligence.

## PROFESSIONAL FEES AND DISBURSEMENTS

### *Receiver's Fees and Disbursements*

36. The Receiver has issued two invoices covering its fees and disbursements for the period from August 6, 2020 to December 21, 2020 totalling \$145,950.00, exclusive of HST. Attached as **Appendix "H"** is the affidavit of Jerry Henechowicz sworn January 5, 2021 describing the aforementioned fees and disbursements of the Receiver.

### *Legal Fees and Disbursements*

37. Dentons has issued three invoices ("**Dentons Accounts**") covering its fees and disbursements for the period of August 31, 2020 to November 30, 2020 totalling \$129,555.28, exclusive of HST. Attached as **Appendix "I"** is the affidavit of Robert Kennedy sworn January 5, 2021 describing the aforementioned fees and disbursements of Dentons and attaching the Dentons Accounts.
38. It is the Receiver's opinion that the fees and disbursements of Dentons, and the activities described in the dockets in support of the Dentons accounts, as set out in the affidavit of Robert Kennedy are fair and reasonable and justified in the circumstances, and accurately reflect the work done on behalf of the Receiver by Dentons.

## RECEIPTS AND DISBURSEMENTS

39. The R&D reports net interim receipts over disbursements, as at December 29, 2020, of \$67,781.70. Attached is a copy of the R&D as **Appendix "J"**.
40. The Receiver respectfully requests that this Honourable Court approve the R&D.


**CONCLUSION AND RECOMMENDATION**

41. Based on the foregoing and as outlined in this Third Report, the Receiver respectfully requests that this Court issue an Order as per paragraph 8(d), above.

All of which is respectfully submitted this 5<sup>th</sup> day of January 2021.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver and Manager of  
Turuss (Canada) Industry Co., Ltd.  
and not in its personal or corporate capacity**

Per:

  
\_\_\_\_\_  
Jerry Henechowicz CPA, CA, CIRP, LIT  
Senior Vice President

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**THIRD REPORT OF THE RECEIVER**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
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Toronto, Ontario M5K 0A1

**Robert Kennedy** (LSO #474070)  
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[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

**Daniel Loberto** (LSO # 79632Q)  
Tel: (416) 863-4760  
[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

*Lawyers for the Receiver*

Appendix “G”  
to the Fourth Report of the Receiver

Court File No.: CV-20-00646729-00CL

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

THE HONOURABLE

)

MONDAY, THE 11<sup>th</sup>

JUSTICE GILMORE

)

DAY OF JANUARY, 2021

)

BETWEEN:



**PILLAR CAPITAL CORP.**

Applicant

– and –

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

APPLICATION UNDER SUBSECTION 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., in its capacity as the court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (the “**Debtor**”), for an order:

- (a) abridging the time for service of the Notice of Motion dated January 5, 2021 (the “**Notice of Motion**”), Motion Record of the Receiver dated January 5, 2021 (the “**Motion Record**”), Factum of the Receiver and corresponding Brief of Authorities dated January 7, 2021 (the “**Factum**”), and the Third Report of the Receiver dated January 5, 2020 (the “**Third Report**”), and validating service, so



that this Motion is properly returnable today, and dispensing with further service thereof;

- (b) finding Yang Jiang (“**Jiang**”) in contempt of the Order of the Honourable Justice Gilmore, dated November 10, 2020 (the “**Document Production Order**”);
- (c) approving and authorizing an extension to the offer deadline set forth in the Order of the Honourable Justice Cavanagh dated October 29, 2020 (the “**Sale Process Order**”), from January 11, 2021 to February 26, 2021;
- (d) approving and authorizing that subject to any Order of this Honourable Court, the dates and deadlines contemplated in the Sale Process (as defined herein) may be further extended by the Receiver for a total period no greater than four (4) weeks, in its sole discretion acting reasonably, all with a view of maximizing the value of the assets and business of the Debtor;
- (e) approving the Third Report and the activities of the Receiver as set out therein;
- (f) approving the Receiver’s interim statement of receipts and disbursements dated December 29, 2020 (the “**R&D Statement**”);
- (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (“**Dentons**”), as set out in the Third Report, fee affidavit of Jerry Henechowicz dated January 5, 2021 and the fee affidavit of Robert Kennedy dated January 5, 2021 (collectively, the “**Fee Affidavits**”); and
- (h) such other relief as the Receiver may request and this Honourable Court may deem just;

was heard this day by judicial videoconference via Zoom due to the COVID-19 pandemic.

**ON READING** the Motion Record, the Third Report, including the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, and any such other counsel as were

present, no other parties appearing although validly served as evidenced by the Affidavit of Amanda Campbell, sworn January 6, 2021 filed:

### **SERVICE**

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

### **JIANG CONTEMPT**

2. **THIS COURT ORDERS AND DECLARES** that Jiang is in contempt of the Document Production Order.

3. **THIS COURT ORDERS AND DIRECTS** Jiang to pay the Receiver's costs of the within motion in the amount of \$2,500.

4. **THIS COURT ORDERS** that a hearing has been scheduled on January 21, 2021 at 11:30am (30 minutes) for the purposes of determining the penalty for the within contempt finding.

### **RECEIVER'S ACTIVITIES**

5. **THIS COURT ORDERS** that the Third Report, together with the activities and conduct of the Receiver reported therein, be and are hereby approved.

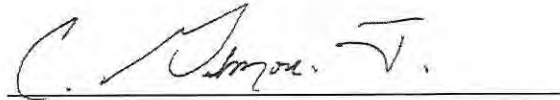
6. **THIS COURT ORDERS** that the R&D Statement is hereby approved.

7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Third Report and the Fee Affidavits, are hereby approved.

**SALE PROCESS EXTENSION**

8. **THIS COURT ORDERS** that the Deadline, as defined and contemplated in the sale process (the “Sale Process”) approved by the Sale Process Order, be extended from January 11, 2021 to February 26, 2021.

9. **THIS COURT ORDERS** that, subject to any Order of this Honourable Court, the dates and deadlines contemplated in the Sale Process may be further extended by the Receiver for a total period no greater than four (4) weeks, in its sole discretion acting reasonably, all with a view of maximizing the value of the assets and business of the Debtor.



ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JAN 12 2021

PER / PAR:



PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

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*Lawyers for the Receiver*



**Campbell, Amanda**

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**From:** Gilmore, Madam Justice Cory (SCJ) <Cory.Gilmore@scj-csj.ca>

**Sent:** Monday, January 11, 2021 1:40 PM

**To:** Loberto, Daniel <daniel.loberto@dentons.com>; Kennedy, Robert <robert.kennedy@dentons.com>; 'thomas.gertner@gowlingwlg.com' <thomas.gertner@gowlingwlg.com>; 'jerry.henechowicz@mdp.ca' <jerry.henechowicz@mdp.ca>; 'michael.litwack@mdp.ca' <michael.litwack@mdp.ca>; Diane.Winters@justice.gc.ca; Crawford, Leslie A. (MOF) <Leslie.Crawford@ontario.ca>; yzhang@askitlaw.com; oren.chaimovitch@devrylaw.ca; Ruzbeh Hosseini <rhosseini@cambridgellp.com>

**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co. - Court File No. CV-20-00646729-00CL

Counsel: See my endorsement below:

**Endorsement of Gilmore, J.**

This was the Receiver's motion for various relief including a contempt finding against Yang Yiang with respect to my Order of November 10, 2020, approving an extension of the offer deadline in the Order of Justice Cavanaugh dated

October 29, 2020, approving the Third Report of the Receiver and approving the fees and disbursements of the Receiver and its legal counsel.

Ms. Yiang did not attend today's motion despite being properly served. She attended in person, and without counsel, on November 10, 2020 and agreed to produce the books and records requested by the Receiver. Ms. Yiang met with the Receiver's counsel by Zoom on November 13, 2020 and later provided some of the documents requested. Shortly thereafter, she informed counsel that her back was bothering her and could not provide the remaining documents. Nothing has been heard from Ms. Yiang since despite follow up attempts.

I find that Ms. Yiang has deliberately failed to comply with my Order requiring her to produce all books and records by November 13, 2020. Further, the disclosure provided was insufficient to permit the Receiver to schedule the examination set out in the November 10, 2020 Order. The result is that the Receiver is unable to complete all of its work under the Appointment Order.

It is clear that Ms. Yiang received a copy of my Order, understood it and made some attempt to comply with it but then stopped communicating with the Receiver's counsel. I find that Ms. Yiang is in contempt of my November 10, 2020 Order. She will have an opportunity to purge her contempt between now and the return date of this matter on **January 21, 2021 at 11:30 a.m. for 30 minutes**. If Ms. Yiang does not purge her contempt by January 21, 2021 I will entertain submissions with respect to penalties related to my contempt finding.

The balance of the relief sought by the Receiver is not opposed.

The attached signed Order is in effect immediately.

A copy of this endorsement is to be provided to Ms. Yiang by email forthwith.

January 11, 2021



**Madam Justice Cory A. Gilmore**  
**Ontario Superior Court of Justice**  
**361 University Avenue**  
**4<sup>th</sup> Floor**  
**Toronto, Ontario**  
**M5G 1T3**

[cory.gilmore@scj-csj.ca](mailto:cory.gilmore@scj-csj.ca)

Appendix “H”  
to the Fourth Report of the Receiver



Court File No. CV-20-00646729-00CL

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

**BETWEEN:**

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Respondent

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

**SUPPLEMENT TO THE THIRD REPORT OF MNP LTD. AS RECEIVER AND  
MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF TURUSS  
(CANADA) INDUSTRY CO., LTD.**

**JANUARY 20, 2021**

**INTRODUCTION**

1. On September 18, 2020, MNP Ltd. (“**MNP**”) was appointed as the receiver and manager (the “**Receiver**”) without security, of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**” or the “**Company**”) by order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).

2. On October 21, 2020, the Receiver filed its first report to the Court (the “**First Report**”) in support of its motion seeking, *inter alia*, an order authorizing the Receiver to complete a specified sales process (the “**Sale Process**”) for the 340,000 sq. ft. commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”).
3. On October 29, 2020, the Court issued an order authorizing the Receiver to implement the Sale Process for the Chesley Property as set out in the First Report.
4. On November 9, 2020, the Receiver filed its second report to the Court (the “**Second Report**”) to provide the Court with information regarding:
  - (a) the Receiver’s attempts to obtain the Company’s books and records (the “**Books and Records**”) and the Receiver’s communications with the Company’s sole officer and director, Ms. Yang Jiang (“**Jiang**”), generally;
  - (b) the Receiver’s findings regarding Fortune Gate Timber Products Inc., hardwood flooring stores operating as Total Hardwood Flooring (“**Total Hardwood**”), Elite International Forest Ltd., and Vidar Design Flooring, all of which appear to be related to the Company and/or Jiang and appear to be carrying on aspects of the Company’s business (collectively, the “**Flooring Entities**”); and
  - (c) seeking an Order, *inter alia*:
    - (i) directing Jiang to deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of Turuss and those of the Flooring Entities (including a complete accounting of all activities conducted by Total Hardwood up to and including the date of the Appointment Order);
    - (ii) requiring Jiang to attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company’s relationship to and interests in

the Flooring Entities, both before and following the Appointment Order;  
and

(iii) such other matters considered relevant to the Receiver's administration of this proceeding.

5. On November 10, 2020, the Court issued the order sought by the Receiver (the "**Document Production Order**") directing Jiang to, among other things:
  - (a) deliver to the Receiver on or before November 13, 2020, all physical and electronic Books and Records of the Company as well as those related to the Flooring Entities, including a complete accounting of all activities conducted by Total Hardwood; and
  - (b) attend for an examination under oath by the Receiver on three business days notice regarding the operations of the Company and Total Hardwood as well as the Company's relationship to and interests in the Flooring Entities.
6. On January 5, 2021, the Receiver filed its third report (the "**Third Report**") to the Court to provide the Court with information regarding:
  - (a) the Receiver's activities since the time of the filing of the Second Report;
  - (b) the Receiver's attempts to obtain the Books and Records and Jiang's responses to the Receiver's requests as well as her non-compliance with the Document Production Order, generally;
  - (c) an update on the status of the Sale Process and Bruce Power L.P.'s (the Chesley Property's sole tenant) offer to expand the terms of the existing lease;
  - (d) the Receiver's recommendation to extend the bid deadline set out in the Court approved Sale Process; and
  - (e) the Receiver's recommendation for an Order, among other requests, finding that Jiang is in contempt of the Document Production Order.

7. On January 11, 2021, the Court issued the order sought by the Receiver (the “**Contempt Order**”) which, among other things, found Jiang in contempt of the Document Production Order. Jiang was not present at the motion for the Contempt Order.

#### **PURPOSE**

8. The Receiver has prepared this supplement to the Third Report as an update to the Court on the following:
  - (a) the activities of the Receiver and the Receiver’s attempts to contact Jiang since the Contempt Order; and
  - (b) the Receiver’s recommendation for the penalty given to Jiang at the penalty hearing held by the Court on January 21<sup>st</sup>, 2021 (the “**Penalty Hearing**”).

#### **THE RECEIVER’S ATTEMPTS TO CONTACT JIANG SINCE THE CONTEMPT ORDER**

9. Since the Contempt Order, the Receiver and its counsel, Dentons Canada LLP, have undertaken the following activities with respect to Jiang:
  - (a) served Jiang and the e-service list with the Contempt Order and corresponding Endorsement of Justice Gilmore dated January 11, 2021 on January 11, 2021;
  - (b) followed up with Jiang via email regarding the Contempt Order and Penalty Hearing on January 18, 2021, January 19, 2021, and January 20, 2021;
  - (c) circulated the Court’s Zoom meeting details for the Penalty Hearing to the e-service list, which includes Jiang, on January 19, 2021; and

(d) called Jiang on January 20, 2021, with no response.

#### **RECEIVER'S RECOMMENDATION REGARDING PENALTY TO JIANG**

10. The Receiver respectfully recommends that the Court order the arrest and imprisonment of Jiang and issue a corresponding warrant of committal. The Receiver requests that the Court order the arrest and imprisonment of Jiang up and until Jiang appears before this Honourable Court to address the finding of contempt as set out in the Contempt Order, and with the Court's assistance, grant further Order(s) to facilitate Jiang's production and immediate delivery of all physical and electronic Books and Records of the Company, as previously required and detailed in the Document Production Order.
11. From the outset of this proceeding, Jiang has wilfully and deliberately failed to comply with Orders of the Court. Jiang did not attend the most recent motion for the Contempt Order on January 11, 2021, therefore creating significant doubt that Jiang will attend future court dates or comply with the Document Production Order voluntarily.
12. The Receiver is of the belief that Jiang's arrest and imprisonment is necessary and in the interests of justice as it will serve to assist and advance the production of the Books and Records of the Company (as well as those related to the Flooring Entities), together with a complete accounting of all activities conducted by Total Hardwood. This, in turn, will significantly help the Receiver discharge its duties under the receivership.
13. The failure on the part of Jiang to comply with the Document Production Order has necessitated the Receiver to expend additional time and resources to seek out the information from third parties, which has increased the costs of the receivership for all of

the Company's stakeholders. In addition, the documents required from Jiang in the Document Production Order are used to support the Sale Process, and thus their immediate production is vital for the Receiver to administer the Sale Process.

All of which is respectfully submitted this 20<sup>th</sup> day of January, 2021.

**MNP Ltd.,  
Solely in its capacity as Court-appointed Receiver  
of Turuss (Canada) Industry Co., Ltd.**

Per:



Jerry Henechowicz, CIRP, LIT, CPA, CA  
Senior Vice-President

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SUPPLEMENT TO THE THIRD REPORT OF THE  
RECEIVER**

**DENTONS CANADA LLP**  
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Toronto, Ontario M5K 0A1

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**Daniel Loberto** (LSO # 79632Q)  
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[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

*Lawyers for the Receiver*

Appendix “I”  
to the Fourth Report of the Receiver



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**From:** Gilmore, Madam Justice Cory (SCJ) <Cory.Gilmore@scj-csj.ca>

**Sent:** Thursday, January 21, 2021 2:51 PM

**To:** Loberto, Daniel <daniel.loberto@dentons.com>; Kennedy, Robert <robert.kennedy@dentons.com>; jiangyang818@gmail.com

**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>

**Subject:** Pillar Capital Corp. v. Turuss (Canada) Industry Co. Ltd. (CV-20-00646729-00CL)

#### **Endorsement of Gilmore, J.**

Today was scheduled for a penalty hearing in relation to my finding of contempt against Mr. Yang Yiang on January 11, 2021. Ms. Yiang appeared today. She explained that did not appear on January 11, 2021 because she and five members of her family contracted COVID. She has taken several weeks to recover and is only now able to deal with this issue. In the course of discussions, Ms. Yiang agreed to produce certain material as set out below as well as her updated contact information. The Receiver has agreed to delay seeking a penalty for contempt given Ms. Yiang's agreement to cooperate.

Given all of the above, I make the following orders:

1. Ms. Yiang to produce to the Receiver and/or its counsel as directed all of her electronic Quickbook records for the Respondent company, the Flooring entities and Total Hardwood within 48 hours including all required logins, passwords and administrative codes.
2. Ms. Yiang to make available for courier pick up all paper records of the Respondent company, the Flooring entities and Total Hardwood including but not limited to banking, loan, financial and corporate paper records. The pick up to occur on Monday January 25, 2021 by 5:00 p.m.
3. Ms. Yiang confirms that she may be reached by telephone at 416 880 4375. Her address remains the same as in the address for service – 9 Highview Crescent, Richmond Hill, L4B 2T6. Her email address is [jiangyang818@gmail.com](mailto:jiangyang818@gmail.com).
4. Costs may be addressed at the return of this matter.
5. **A further conference to be held during the week of February 1<sup>st</sup> or February 8, 2021 if required. Counsel to contact the Trial Coordinator for a 30 minute time slot.**

January 21, 2021



**Madam Justice Cory A. Gilmore**  
**Ontario Superior Court of Justice**  
**361 University Avenue**  
**4<sup>th</sup> Floor**  
**Toronto, Ontario**  
**M5G 1T3**

[cory.gilmore@scj-csj.ca](mailto:cory.gilmore@scj-csj.ca)

Appendix “J”  
to the Fourth Report of the Receiver

## AUCTION PROCEDURES (March 23, 2021)

The Receiver may determine to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”) as part of the sale process (the “**Sale Process**”) approved by the Order of Justice Cavanagh dated October 29, 2020. The Receiver will notify the Selected Offerors that the Auction will be held via Zoom Video Conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten (10) business days after the Deadline, or such other place and time as the Receiver may advise.

Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Process.

The Auction shall be conducted in accordance with the following procedures:

1. Participation At The Auction. Only a Selected Offeror is eligible to participate in the Auction. The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid received on or before the Deadline (“**Lead Bid**”) by 5:00 p.m. (Eastern Time) two (2) business days before the date scheduled for the Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction.
2. Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. Bidding at the Auction shall include an opening bid (“**Opening Bid**”). The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. In each round, a Selected Offeror may submit no more than one Overbid. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
3. Receiver Shall Conduct The Auction. The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Selected Offerors at the Auction. The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid including, among other things, the following:
  - a. (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Receiver’s assessment of the certainty of the Selected Offeror to close the proposed transaction; (iv) the likelihood, extent and impact of any potential delays in closing;

(v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the “**Bid Assessment Criteria**”).

All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and/or best Overbid shall be fully disclosed to all other Selected Offerors that are participating in the Auction and have bid in a corresponding Auction round. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

4. Terms of Overbids. An “**Overbid**” (pluralized as “**Overbids**”) is any bid made at the Auction subsequent to the Receiver’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Selected Offeror must comply with the following conditions:
- a. *Minimum Overbid Increment:* Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”, pluralized as “**Minimum Overbid Increments**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments (if applicable).
  - b. *The Bid Requirements apply:* Except as modified herein, an Overbid must comply with the requirements outlined at paragraph 14 of the Sale Process (the “**Bid Requirements**”) provided, however, that the Deadline shall not apply and that any Overbid made by a Selected Offeror remains irrevocable and binding on the Selected Offeror and open for acceptance as the next highest and/or best bid, as determined by the Receiver (the “**Back-up Bid**”) until the closing of the bid accepted by the Receiver (the “**Successful Offer**”, and the Selected Offeror providing the Successful Offer as the “**Successful Offeror**”). In addition, the Overbid must include a provision stating that any mortgage being assumed in lieu of cash is being done with the prior written consent of the relevant mortgagee (a copy of which consent shall be provided with the bid).
  - c. *Announcing Overbids:* At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
  - d. *Consideration of Overbids:* The Receiver reserves the right to make one or more adjournments in the Auction to, among other things:

- i. allow individual Selected Offerors to consider how they wish to proceed during a bidding round;
    - ii. consider and determine the current highest and/or best Overbid at any given time during the Auction; and,
    - iii. give Selected Offerors the opportunity to provide the Receiver with such additional evidence as it may require that the Selected Offerors has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Selected Offeror, and the Receiver may allow a Selected Offeror to make technical clarifying changes to its Overbid following such discussions as between them.
  - e. *Failure to Bid*: If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid), fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction.
5. Additional Procedures. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding provided that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Selected Offerors.
  6. Closing the Auction. The Auction shall be closed after the Receiver has: (i) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identified the Successful Offer and the Back-Up Bid and advised the Selected Offerors participating in the Auction of such determination.
  7. Finalizing Documentation. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid, the Selected Offeror shall provide the Receiver with such further deposit monies (as necessary), and shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Offer or Back-Up Bid.

8. Completion of Transaction. Following the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer and transaction, and vest in and to the Successful Offeror the Turuss interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) business days following the granting of the Approval and Vesting Order.

Appendix “K”  
to the Fourth Report of the Receiver



Court File No.: CV-20-00646729-00CL

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

B E T W E E N:

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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 JERRY HENECHOWICZ**

(Sworn March 23, 2021)

I, Jerry Henechowicz, of the City of Markham, in the Province of Ontario, **MAKE****OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice President and a licensed Trustee with MNP Ltd. the Court-appointed receiver and manager (the “**Receiver**”) of Turuss (Canada) Industry Co., Ltd. (the “**Company**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver was appointed, without security, of the assets, property and undertaking of the Company by Order of the Court dated September 18, 2020.

-2-

3. The Receiver has prepared Statements of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period December 22, 2020 to February 28, 2021. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the Statements of Account.
4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$508.21.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Receiver and its accounts.

**SWORN** by Jerry Henechowicz of the City of Markham in the Province of Ontario, before me at the City of Markham in the Province of Ontario on March 23, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.




---

A Commissioner for Taking Affidavits, etc.




---

**JERRY HENECHOWICZ**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me

This 23<sup>rd</sup> day of March, 2021

A handwritten signature in blue ink, appearing to be "D. S.", written over a light blue rectangular background.

Commissioner for taking Affidavits, etc

**RECEIVERSHIP OF TURUSS (CANADA) CO. LTD.  
SUMMARY OF STATEMENTS OF ACCOUNT OF  
MNP LTD IN ITS CAPACITY AS COURT APPOINTED LIQUIDATOR  
FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>MNP INVOICE</b>	<b>DATE</b>	<b>HOURS</b>	<b>FEES</b>	<b>DISBURSEMENTS</b>	<b>HST</b>	<b>TOTAL</b>
9687800	22-Mar-2021	118.90	\$ 60,426.10	\$ 421.20	\$ 7,910.15	\$ 68,757.45
		<b>118.90</b>	<b>\$ 60,426.10</b>	<b>\$ 421.20</b>	<b>\$ 7,910.15</b>	<b>\$ 68,757.45</b>

Average Hourly Rate \$ 508.21

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me

This 23<sup>rd</sup> day of March, 2021

A handwritten signature in blue ink, appearing to be "D. Henechowicz", written over a light blue rectangular background.

Commissioner for taking Affidavits, etc



## Invoice

Invoice Number : 9687800

Client Number : 0835555

Invoice Date : Mar 22 2021

Invoice Terms : Due Upon Receipt

Turuss (Canada) Industry Co., Ltd.  
 c/o MNP Ltd.  
 300-111 Richmond Street West  
 Toronto, ON M5H 2G4

### For Professional Services Rendered :

Professional services as Court Appointed Receiver of Turuss (Canada) Industry Co., Ltd. for the period December 22, 2020 to February 28, 2021 as set out on the attached time and billing summary. 60,847.30

Harmonized Sales Tax : 7,910.15

Total (CAD) : 68,757.45

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

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

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

## MNP LTD

## COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD

## FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
22-Dec-2020	Jerry Henechowicz	2.10	Call with Richmond Advisors to review rent and extra billings to Bruce Power, follow up emails to Richmond, emails with Bruce Power on status of Lease, emails from Jamie Hingston on maintenance, review of rent receipts and disbursements
22-Dec-2020	Jessie Hue	.40	Banking, prepare receipt voucher and remote deposit.
22-Dec-2020	Jessie Hue	.20	WEPP notice of employee denial, emailed M. Litwack.
22-Dec-2020	Michael Litwack	1.50	Emails and calls w/ interested parties; Emails re benefits program; Meeting w/ Richmond Advisory; Preparation of schedule for breakdown of property taxes; Emails re Hydro One; Emails re building assessment.
22-Dec-2020	Trina Burningham	.20	Saved 1 NDA to directory; Updated tracker; Granted access to Data Room.
23-Dec-2020	Jerry Henechowicz	1.10	Preparation for and conference call with Jamie Hingston on repair requests by Bruce Power, drafting of Notice to be posted in Data Room, call with prospective purchaser
23-Dec-2020	Michael Litwack	1.00	Review, revised and posted notice to interested parties; Meeting w/ J Henechowicz and J Hingston; Review of building assessment report draft; Prepared payroll for J Hingston.
24-Dec-2020	Jerry Henechowicz	1.10	Update with appraiser re revised lease terms, call regarding system repairs, arranging payments to Pillar at month end
24-Dec-2020	Michael Litwack	.20	Email re site tours
27-Dec-2020	Jerry Henechowicz	1.10	review of expenses and authorizing various repairs, preliminary review of draft amended lease
29-Dec-2020	Jerry Henechowicz	.50	Call with Colliers re updating appraisal, review of payments to Pillar and review of deposit by Richmond
29-Dec-2020	Jessie Hue	.90	Prepare wire transfer to Pillar, prepare wire requisition and wire instructions, posting in Ascend and wire fee transfer.
30-Dec-2020	Jerry Henechowicz	.70	Receipt and review of updated appraisal based on full space rental and forwarding same to Pillar and counsel, issuance of payroll to Jamie Hingston
02-Jan-2021	Jerry Henechowicz	3.00	Drafting of report to Court
03-Jan-2021	Jerry Henechowicz	2.70	3rd Report drafting
04-Jan-2021	Jerry Henechowicz	1.10	Updating of report
04-Jan-2021	Michael Litwack	3.10	Review and revision to Third report to court; Emails re newspaper advertisements; Responses to interested parties with questions regarding amended lease, site tours and bid deadlines; Emails re invoice to be paid; Emails re gas leak; Reviewing NDAs, saving adding to tracking schedule and providing access to data room
04-Jan-2021	Trina Burningham	.25	Posted service list to MNP debt webpage per J. Henechowicz.
05-Jan-2021	Jerry Henechowicz	1.70	Finalization and service of report, calls and emails with Property manager, review of cost billings
05-Jan-2021	Jessie Hue	.50	Banking, prepare receipt voucher for Bruce poser and confirm payments on invoices.

**MNP LTD**  
**COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD**

**FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
05-Jan-2021	Trina Burningham	.25	Saved 1 NDA to directory; Updated tracking sheet; Granted data room access.
05-Jan-2021	Trina Burningham	.25	Duplicate NDA forwarded by M. Litwack; Verified client info was the same; Resent data room invite to client.
06-Jan-2021	Jerry Henechowicz	1.10	Preparation for and discussion with Bruce Power on final negotiations of renewed lease,
06-Jan-2021	Jessie Hue	.30	Banking prepare receipt voucher for insurance refund and emailed J. Henechowicz remote deposit slip.
06-Jan-2021	Trina Burningham	.25	Uploaded document to MNPdebt webpage per J. Henechowicz.
07-Jan-2021	Jerry Henechowicz	1.30	Planning meeting with property manager, sending of Receiver's Certificate, review and sending of building condition assessment
07-Jan-2021	Trina Burningham	.50	Spoke with Akhil about posting documents to Firmex; Uploaded document to Firmex per J. Henechowicz.
08-Jan-2021	Jerry Henechowicz	.30	Update call with on site property manager
08-Jan-2021	Trina Burningham	.50	Uploaded documents to the MNPdebt webpage per J. Henechowicz.
11-Jan-2021	Jerry Henechowicz	1.10	Calls from prospective purchaser, update call with Gowlings on potential Pillar making stalking horse bid, follow up on Court attendance and positing of order to MNP website
11-Jan-2021	Matthew Lem	1.00	Review of report in advance of court attendance; attendance at virtual court hearing for Contempt and Sales process Extension Motion; update to J. Henechowicz;
11-Jan-2021	Trina Burningham	.50	Uploaded document to the MNPdebt webpage and to Firmex Data Room per J. Henechowicz.
12-Jan-2021	Jerry Henechowicz	1.30	Multiple calls from prospective purchasers, review of utility bills, review of account payments
12-Jan-2021	Trina Burningham	.25	Saved NDA to directory; Updated tracking sheet; Granted data room access.
12-Jan-2021	Trina Burningham	.25	Saved NDA to directory; Updated tracking sheet; Granted data room access.
13-Jan-2021	Sheldon Title	.30	bank rec, assist Sheila on banking related issues
14-Jan-2021	Jerry Henechowicz	1.40	Update calls with Multiple creditors
14-Jan-2021	Patricia Ball	.10	process cheque requisition
14-Jan-2021	Matthew Lem	.60	Discussion with J. Henechowicz; attend to request payment for CRA and prepare associated enclosure letter.
15-Jan-2021	Jerry Henechowicz	1.10	Review of operating expenses and emails with Bruce Power on lease, related issues
15-Jan-2021	Jim Guo	.30	chq & mailing
17-Jan-2021	Jerry Henechowicz	1.00	Reviewing receipts and disbursements and operational expenses
18-Jan-2021	Jerry Henechowicz	1.40	Obtaining all expenses to be paid, call with Bruce Power, email re Jiang contempt action, review of insurance



**MNP LTD**  
**COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD**

**FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
18-Jan-2021	Jessie Hue	1.70	Banking, posting for AR in Nov and Dec. Prepare the bank rec for Dec and Jan. Prepare receipt vouchers and posting in Quicken and Ascend of the advance of secured creditor.
18-Jan-2021	Trina Burningham	.25	Saved NDA to directory; Updated tracking sheet; Granted data room access.
19-Jan-2021	Jerry Henechowicz	1.70	Review of expenses and arranging for payment of same, call s with prospective purchasers
19-Jan-2021	Trina Burningham	.25	Saved NDA to directory; Updated tracking sheet; Granted data room access.
20-Jan-2021	Jerry Henechowicz	1.50	Update call with Pillar and Dentons on status of file, review and update to supplemental to 3rd report, emails with Jiang and Dentons on attendance, call with prospective purchaser on proposed offer, review and payment of operating expenses
20-Jan-2021	Patricia Ball	.50	input cheque requisitions
20-Jan-2021	Jim Guo	.40	chq req
21-Jan-2021	Jerry Henechowicz	1.30	Preparation for and court attendance for Jiang Contempt motion, additional follow up and review of endorsement, Call with prospective purchaser, calls with Heating gas suppliers
21-Jan-2021	Trina Burningham	.25	Uploaded documents provided by J. Henechowicz to MNPdebt webpage; Saved documents to directory.
22-Jan-2021	Jerry Henechowicz	.40	Call from prospective purchaser, arranging courier for Jiang physical records and quarantine of same.
24-Jan-2021	Jerry Henechowicz	1.00	Update to all operations and payment files
25-Jan-2021	Jerry Henechowicz	1.70	Arranging expense payments, calls and emails related to lease renewal, call with Bruce Power, preparation and sending of update re bid deadline
25-Jan-2021	Sheldon Title	.10	approve insurance payment
25-Jan-2021	Jessie Hue	1.40	Banking, prepare EFT requisition, prepare wire instructions and postings.
25-Jan-2021	Trina Burningham	1.00	Documents received from J. Henechowicz and added to MNPdebt webpage; Previous service lists removed from webpage; Teaser added to assets page; Fixed article title on webpage; Updated contact information.
26-Jan-2021	Jerry Henechowicz	.90	Review and update to lease amendments, update with Dentons, calls with prospective purchasers, review of additional rent charges
26-Jan-2021	Jessie Hue	.40	Banking, Prepare cheque req and mailing of payment.
26-Jan-2021	Jessie Hue	.30	Banking, dealing with McDougall Energy.
26-Jan-2021	Trina Burningham	1.00	Email blast of Offer Deadline extension as per J. Henechowicz.
27-Jan-2021	Jerry Henechowicz	.80	Calls with prospective purchasers, payment of operating expenses
27-Jan-2021	Jessie Hue	.70	Banking, prepare cheque reqs and prepare courtier to Stumph.
27-Jan-2021	Trina Burningham	1.50	Call with C. Dally re: data room access and walkthrough of accessing site; Emailed C. Dally documents from Data Room; Call with C. Dally re: email file too

**MNP LTD**  
**COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD**

**FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
27-Jan-2021	Trina Burningham	.25	Access to data room granted per J. Henechowicz;
28-Jan-2021	Jerry Henechowicz	1.10	Updaters with Jamie on site, receipt and review of offer, update with Richmond Advisory, follow up with Bruce power on various property improvements
28-Jan-2021	Jessie Hue	.70	Banking, posting of AR and prepare receipt voucher, prepare bank rec to activity to January 27 and email J. Henechowicz bank rec.
29-Jan-2021	Jerry Henechowicz	1.20	Call with Dentons and follow up regarding offers received and next steps in sale process, approval of various payments, review of lease update from Bruce Power and arranging follow up meeting, follow up emails to prospective purchasers, receipt and review of initial information from Jiang
29-Jan-2021	Jessie Hue	1.00	Banking, prepare EFT requisition, wire instructions and email request for dual authorization, posting of wire in Ascend and transfer the wire to the retainer and posting in Quicken.
29-Jan-2021	Trina Burningham	1.00	Invite to R. Sacks resent; Touchbase with R. Sacks re: access and email not coming through;
30-Jan-2021	Jerry Henechowicz	.50	File update
01-Feb-2021	Jerry Henechowicz	1.50	Calls and emails with Bruce power on lease for full property, calls with prospective purchasers, approval of bill payments
01-Feb-2021	Patricia Ball	.20	Enter cheque requisition
01-Feb-2021	Jessie Hue	.70	Banking prepare EFT requisition form and instructions, email for approval and posting in Ascend. Prepare wire transfer and posting in Quicken,
01-Feb-2021	Trina Burningham	.25	NDA received from J. Henechowicz; Saved document to directory and updated tracker; Provided access via Firmex website.
01-Feb-2021	Trina Burningham	.40	Bank Cheque Requisition drafted and emailed for approval; Approved copy saved to directory and emailed to P. Ball for deposit.
01-Feb-2021	Trina Burningham	.50	Access granted to individual per J. Henechowicz; Access re-sent to R. Sacks per J. Henechowicz.
01-Feb-2021	Trina Burningham	.50	Access granted to individual per J. Henechowicz; Access re-sent to R. Sacks per J. Henechowicz.
02-Feb-2021	Jerry Henechowicz	2.10	Multiple emails and calls with prospective purchasers, approval of operating expenses, call with Pillar, receipt and review of Westmount offer, sending same to Pillar and counsel
02-Feb-2021	Jessie Hue	1.40	Review of banking and wire sent on Janu 29, reissued the wire and prepare the requisition and postings.
02-Feb-2021	Jessie Hue	.30	Prepare cheque req for M E I.
02-Feb-2021	Jessie Hue	.40	Prepare cheque requisition and email J. Henechowicz for approval.
03-Feb-2021	Jerry Henechowicz	.80	Emails re fire protection, call with Dentons to review terms of lease amendment
03-Feb-2021	Trina Burningham	.75	Touchbase with C. Dally re: data room access; Emailed documents individually to C. Dally
03-Feb-2021	Trina Burningham	.25	NDA received from J. Henechowicz; Saved document to directory and updated tracker; Provided access via Firmex website.
04-Feb-2021	Jerry Henechowicz	1.10	Preparation for and calls related to lease expansion

**MNP LTD**  
**COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD**

**FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
04-Feb-2021	Trina Burningham	.25	NDA received from J. Henechowicz reviewed; Partial info saved to directory; Emailed J. Henechowicz re: missing info on NDA.
05-Feb-2021	Jerry Henechowicz	1.00	On-going negotiation of lease expansion and payment of expenses
08-Feb-2021	Jerry Henechowicz	2.10	Review and payment of operating expenses, calls with prospective purchasers, email to Jiang re second mortgage
09-Feb-2021	Jerry Henechowicz	.80	Class and emails from prospective purchasers, discussion with Robert Kennedy on Stalking Horse Process, update on billings with Richmond
09-Feb-2021	Patricia Ball	.20	process cheque requisition
09-Feb-2021	Jim Guo	.40	chq req
10-Feb-2021	Jerry Henechowicz	1.10	Sending of emails to prospective purchases, email on status with Jamie, review of legal billings
10-Feb-2021	Saul Judelman	.25	QBO
11-Feb-2021	Jerry Henechowicz	1.20	Calls with prospective purchasers and Pillar, update with on site property manager
11-Feb-2021	Parth Patel	1.70	Restored QB file (took longer as server was slow) - pulled FS comparatives 2020 to 2015 - compiled reports
12-Feb-2021	Jerry Henechowicz	1.10	Calls with on site property manager, call with Bruce Power on lease status, review of proposed improvements, sending of plans to proposed general contractors
16-Feb-2021	Jerry Henechowicz	.80	Call with Bruce power to review scope and timelines for tenant improve improvements
16-Feb-2021	Trina Burningham	.50	Bank Cheque Requisition drafted and emailed to J. Henechowicz for approval.
18-Feb-2021	Jerry Henechowicz	1.10	call with Dentons to review lease extension agreement, multiple calls and emails with potential purchasers
19-Feb-2021	Jerry Henechowicz	1.10	Emails and calls related to lease extension, review of utility billings, calls and emails from prospective purchasers
19-Feb-2021	Jim Guo	.20	chq req
19-Feb-2021	Trina Burningham	.25	Saved NDAs to directory, updated tracker and provided access to data room.
21-Feb-2021	Jerry Henechowicz	1.00	Review of rent and utility billings
22-Feb-2021	Jerry Henechowicz	3.10	Update calls re lease extension, operating expense payments, review of lease payments, travel, preparation for site visit
22-Feb-2021	Jim Guo	.30	chq req
22-Feb-2021	June Kim	.20	Tulip intake, planning
22-Feb-2021	Alex Young	.50	T4 prep
23-Feb-2021	Jerry Henechowicz	6.50	Travel to and from Chesley, on site meetings with Bruce Power, property manager, property tours with prospective purchasers, arranging CAM and related audit
23-Feb-2021	Adam Yeoman	1.00	review of leases and cam charges
24-Feb-2021	Jerry Henechowicz	6.00	Travel to site and back, on site meetings with Bruce Power business team, conference call re lease amendment, on site meeting with potential contractor.
24-Feb-2021	Matthew Lem	.20	Discussion with J., Henechowicz re Bruce Power leasehold improvements.

**MNP LTD**  
**COURT APPOINTED RECEIVER OF TURUSS (CANADA) INDUSTRY CO., LTD**

**FOR THE PERIOD DECEMBER 22, 2020 TO FEBRUARY 28, 2021**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DESCRIPTION</b>
24-Feb-2021	Trina Burningham	.25	Received NDA from J. Henechowicz and uploaded to Firmex website; Granted Data Room access; Copy of NDA saved to directory;
25-Feb-2021	Jerry Henechowicz	1.00	Preparation for and call with Dentons to review options
25-Feb-2021	Patricia Ball	.10	Jan bank rec
25-Feb-2021	Sheldon Title	.40	call with Henechowicz on sale process/lease extension
25-Feb-2021	Trina Burningham	.50	Notice of extension emailed out; Notice uploaded to data room.
25-Feb-2021	June Kim	1.00	T4 review, corrections, and finalization
25-Feb-2021	Adam Yeoman	4.00	lease audit
26-Feb-2021	Jerry Henechowicz	.60	Discussion of lease expansion issue with Sheldon Title, emails with Richmond Advisory,
26-Feb-2021	Patricia Ball	.50	bank rec, banking issues
26-Feb-2021	Sheila Ayer	.50	process TD wire payment
26-Feb-2021	Trina Burningham	.25	Email communications to interested party and J. Henechowicz; Emailed copy of NDA to T. Lang; Emailed copy of NDA to R. Signor
28-Feb-2021	Jerry Henechowicz	1.30	Discussion of sales process options with Sheldon Title
28-Feb-2021	Sheldon Title	1.00	further consideration re: sale process/lease expansion with Jerry

**118.90**

<b>BILLING SUMMARY</b>			
<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>AMOUNT</b>
Adam Yeoman	5.00	350.00	1,750.00
Alex Young	0.50	175.00	87.50
Jerry Henechowicz	72.50	650.00	47,125.00
Jessie Hue	11.30	215.00	2,429.50
Jim Guo	1.60	175.00	280.00
June Kim	1.20	325.00	390.00
Matthew Lem	1.80	585.00	1,053.00
Michael Litwack	5.80	400.00	2,320.00
Parth Patel	1.70	228.00	387.60
Patricia Ball	1.60	195.00	312.00
Saul Judelman	0.25	575.00	143.75
Sheila Ayer	0.50	215.00	107.50
Sheldon Title	1.80	650.00	1,170.00
Trina Burningham	13.35	215.00	2,870.25
<b>Total</b>	<b>118.90</b>		<b>60,426.10</b>
<b>DISBURSEMENTS</b>			
TRAVEL			421.20
			<b>421.20</b>
<b>TOTAL FEES AND DISBURSEMENTS</b>			<b>60,847.30</b>

- and -

**PILLAR CAPITAL CORP.**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF JERRY HENECHOWICZ**

**DENTONS CANADA LLP**

77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

**Robert Kennedy** (LSO #474070)

Tel: (416) 367-6756

Fax: (416) 863-4592

[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

**Daniel Loberto** (LSO # 79632Q)

Tel: (416) 863-4760

[daniel.loberto@dentons.com](mailto:daniel.loberto@dentons.com)

*Lawyers for the Receiver*

Appendix “L”  
to the Fourth Report of the Receiver

Court File No.: CV-20-00646729-00CL

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

B E T W E E N:

**PILLAR CAPITAL CORP.**

Applicant

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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 ROBERT KENNEDY  
(sworn March 23, 2021)**

I, **ROBERT KENNEDY**, of the City of Pickering, in the Province of Ontario, **SWEAR  
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated September 18, 2020 (the “**Receivership Order**”), MNP Ltd. was appointed receiver of Turuss (Canada) Industry Co., Ltd. in the within proceedings (the “**Receiver**”).
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.

4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.
5. The Dentons fees and disbursements for the period of December 1, 2020 to February 28, 2021 (the “**Fee Period**”), are summarized in the invoices rendered to the Receiver (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoices and that it considers the fees and disbursements as fair and reasonable. Copies of the Invoices, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit "B"** is a schedule summarizing the Invoices, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit "C"** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.



9. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.
10. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

**SWORN** by Robert Kennedy of the City of Pickering in the Province of Ontario, before me at the Town of Markham in the Province of Ontario on March 23, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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A Commissioner for Taking Affidavits, etc.



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**ROBERT KENNEDY**

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 23rd DAY OF MARCH,  
2021.



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A Commissioner for Taking Affidavits, etc.

Dentons Canada LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON, Canada M5K 0A1

T 416 863 4511  
F 416 863 4592

大成 Salans FMC SNR Denton McKenna Long  
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MNP LLP  
111 Richmond Street West  
Suite 300  
Toronto ON M5H 2G4  
Attention: Jerry Henechowicz

**INVOICE # 3554012**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
December 31, 2020	541179-000007	Robert Kennedy

**MNP LLP**  
**Re: Turuss (Canada) Industry Co. Ltd.**

Professional Fees	\$ 41,264.00
Disbursements	78.70
HST (13.0%) on \$41,342.70	<u>5,374.55</u>
<b>Total Amount Due</b>	<b><u>\$ 46,717.25 CAD</u></b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 541179. Please email us at [Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-Dec-20	Daniel Loberto	Review Notice of Motion (Contempt). Draft correspondence to be sent to Yang Jiang.
01-Dec-20	Robert Kennedy	Review revised notice of motion re: contempt. Various correspondence re: motion matters. Correspondence from and to Jerry Henechowicz. Conversation with Jerry Henechowicz. Conference with Daniel Loberto. Correspondence to Mike Litwack. Consider insurance matters.
01-Dec-20	Kenneth Kraft	Discuss contempt motion issues with Rob Kennedy.
02-Dec-20	Daniel Loberto	Draft correspondence to Yang Jiang.
02-Dec-20	Robert Kennedy	Review correspondence to Jiang re: contempt motion. Review sale procedure. Conversation with Jerry Henechowicz re: sale process. Review sale process re: bidding.
03-Dec-20	Daniel Loberto	Review Sale Process re: submission of bids.
03-Dec-20	Robert Kennedy	Conference with Daniel Loberto re: bidding procedures. Review correspondence from Ford Thompson re: lease amendment. Review memo re: sale process.
04-Dec-20	Daniel Loberto	Correspond with Michael Litwack regarding books and records. Revise Notice of Motion (contempt).
04-Dec-20	Robert Kennedy	Review various correspondence re: document disclosure matters. Correspondence to Jerry Henechowicz re: bidding procedures.
07-Dec-20	Daniel Loberto	Revise Notice of Motion and order for contempt motion.
08-Dec-20	Robert Kennedy	Review various correspondence re: document disclosure. Conference with Daniel Loberto. Various correspondence to and from Jerry Henechowicz re: document disclosure. Consider next steps.
10-Dec-20	Robert Kennedy	Review various correspondence re: Bruce Power lease. Consider lease matters and sale process. Conference with Ken Kraft. Review file re: contempt motion. Conference with Daniel Loberto re: administration matters.
10-Dec-20	Kenneth Kraft	[REDACTED]
11-Dec-20	Daniel Loberto	[REDACTED] Draft notes to Robert Kennedy. Attend Conference Call. Draft notice for data room. Correspond with Michael Litwack.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
11-Dec-20	Robert Kennedy	Review correspondence re: Bruce Power lease proposal. Consider next steps and strategy. Conference with Ken Kraft re: administration matters. Conference with Daniel Loberto. Attend conference call re: Bruce Power lease. Conversation with Steve Dizep. Review Colliers appraisal. Review correspondence from Leon Li re: litigation. Review claim.
14-Dec-20	Daniel Loberto	Correspond with Leon Li from Cambridge LLP regarding creditor Dalian Natural Wood Industry Co., Ltd. Review service list. Review notice of motion and order.
14-Dec-20	Robert Kennedy	Conference with Daniel Loberto. Review notice re: diligence. Correspondence to Mike Litwack and Jerry Henechowicz re: sale process matters. Consider contempt motion matters. Various correspondence to and from Jerry Henechowicz.
15-Dec-20	Rina Van Kooten	Receive instructions from Robert Kennedy and subsearch title and report.
15-Dec-20	Daniel Loberto	Review second mortgage documentation provided by Jerry Henechowicz. Review and revise Notice of Motion and Order. Review submissions for contempt motion. Prepare factum.
15-Dec-20	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Review searches. Conference with Daniel Loberto re: contempt motion. Attend to scheduling matters. Review draft contempt order. Conference with Ken Kraft re: contempt motion.
16-Dec-20	Daniel Loberto	Review and revise Notice of Motion and Order. Review submissions for contempt motion. Prepare factum.
16-Dec-20	Robert Kennedy	Review correspondence from Daniel Loberto. Work on contempt motion matters. Correspondence to Mike Litwack re: insurance matters. Attend to motion scheduling. Correspondence to and from Jerry Henechowicz.
16-Dec-20	Kenneth Kraft	Discuss lease appraisal and disclosure issues with Rob Kennedy and consider best way to address matter.
17-Dec-20	Daniel Loberto	Review and revise Notice of Motion and Order. Review submissions for contempt motion. Prepare factum. Review brief of authorities.
17-Dec-20	Robert Kennedy	<span style="background-color: black; color: black;">[REDACTED]</span> Review lease documentation. Conversation with Jerry Henechowicz re: Bruce Power lease. Review sale process. Conference with Ken Kraft re: sale process matters. Review contempt motion materials.
17-Dec-20	Kenneth Kraft	Discussion with Rob Kennedy.
18-Dec-20	Daniel Loberto	Review and revise Notice of Motion and Order. Review submissions for contempt motion. Prepare factum.

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		Review brief of authorities. Draft note to Robert Kennedy.
18-Dec-20	Robert Kennedy	Review various correspondence re: contempt motion. Review motion materials. Consider sale process matters.
19-Dec-20	Robert Kennedy	Review correspondence from commercial list. Review motion materials.
21-Dec-20	Daniel Loberto	Correspond with MNP regarding Third Report of the Receiver. Correspond with Robert Kennedy. Work on factum and order.
21-Dec-20	Robert Kennedy	Review correspondence from Daniel Loberto. Work on motion materials. Correspondence to Jerry Henechowicz re: Bruce power lease.
22-Dec-20	Daniel Loberto	Review correspondence from Yao Zhang. Prepare for conference call with Robert Kennedy and MNP. Attend conference call. Draft data room notice. Revise Notice of Motion, Order, Factum, Brief of Authorities. Correspond with MNP.
22-Dec-20	Robert Kennedy	[REDACTED] Various correspondence to and from Jerry Henechowicz. [REDACTED]
22-Dec-20	Kenneth Kraft	[REDACTED]
23-Dec-20	Robert Kennedy	Work on sale process matters. Review and revise notice re: bidders. Various correspondence to and from Jerry Henechowicz. Work on motion matters.
24-Dec-20	Robert Kennedy	Review correspondence from Ford Thomson. Review draft lease. Review correspondence from Jerry Henechowicz.
28-Dec-20	Robert Kennedy	Review draft lease. Correspondence to and from Sonja Homenuck. Consider sale process matters.
30-Dec-20	Daniel Loberto	Review new lease between Turuss and Bruce Power L.P. Review Notice of Motion, Factum, Order, Brief of Authorities, and Fee Affidavits. Cite up cases in Factum.
30-Dec-20	Robert Kennedy	Review correspondence from Jerry Henechowicz. Review revised appraisal. Consider sale process matters and next steps. Review correspondence from Steve Dizep.
31-Dec-20	Daniel Loberto	Review new lease between Turuss and Bruce Power L.P.

<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Fees</b>
Daniel Loberto	41.5	420.00	17,430.00
Kenneth Kraft	1.2	925.00	1,110.00
Rina Van Kooten	0.4	380.00	152.00
Robert Kennedy	29.7	760.00	22,572.00
<b>Total</b>	<b>72.8</b>		<b>\$41,264.00</b>

**TOTAL PROFESSIONAL FEES** \$ **41,264.00**

**TAXABLE DISBURSEMENTS**

Computerized Title Search \$ 78.70

**TOTAL TAXABLE DISBURSEMENTS** \$ **78.70**

**TOTAL DISBURSEMENTS** 78.70

**TOTAL FEES AND DISBURSEMENTS** \$ **41,342.70**

**TAXES**

HST (13.0%) on Professional Fees of \$41,264.00 \$ 5,364.32

HST (13.0%) on Taxable Disbursements of \$78.70 10.23

**TOTAL TAXES** **5,374.55**

**TOTAL AMOUNT DUE** \$ **46,717.25** CAD

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Attention: Jerry Henechowicz

**INVOICE # 3567766**

GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2021	541179-000007	Robert Kennedy

**MNP LLP**  
**Re: Turuss (Canada) Industry Co. Ltd.**

Professional Fees	\$ 94,613.00
Less: Discount	<u>(3,613.00)</u>
Net Professional Fees	\$ 91,000.00
Disbursements	839.00
HST (13.0%) on \$91,519.00	<u>11,897.47</u>
<b>Total Amount Due</b>	<b><u>\$ 103,736.47 CAD</u></b>

**Payment Options:**

**Cheques:**

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

**Wire Transfer:**

Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324

**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 541179. Please email us at [Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment amount.

**Interac e-Transfer:**

e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.

Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.



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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
03-Jan-21	Daniel Loberto	Correspond with Robert Kennedy regarding notice of motion and order. Amend Notice of Motion and Order.
03-Jan-21	Robert Kennedy	Correspondence to and from Jerry Henechowicz. Conversation with Jerry Henechowicz re: motion matters. Conference with Daniel Loberto re: motion materials. Consider motion matters.
04-Jan-21	Daniel Loberto	Amend Notice of Motion, Order, Factum, and Fee Affidavit. Prepare submissions. Review Third Report.
04-Jan-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz re: insurance matters.
05-Jan-21	Daniel Loberto	Finalize Notice of Motion, Order, Factum, and Fee Affidavit. Prepare submissions. Finalize Third Report. Commission affidavit for Jerry Henechowicz and Robert Kennedy. Correspond with Robert Kennedy and Amanda Campbell.
05-Jan-21	Robert Kennedy	Work on motion materials. Various correspondence to and from Jerry Henechowicz. Various revisions to motion materials. Various conferences with Daniel Loberto re: motion materials and strategy. Review final version of materials.
06-Jan-21	Daniel Loberto	Finalize Factum and Order. Prepare submissions. Correspond with Robert Kennedy. Review lease. Compile mortgage documentation. Attend conference call. Coordinate conference call with Pillar.
06-Jan-21	Robert Kennedy	Work on Bruce Power lease documentation and materials. Various correspondence to and from Jerry Henechowicz. Review correspondence from Ford Thompson. Conference with Daniel Loberto. Correspondence to Jerry Henechowicz re: insurance and administration matters. Work on sale process matters. Attend conference call with representatives of Bruce Power. Conversation with Jerry Henechowicz. Correspondence from and to Steve Dizep. [REDACTED]
07-Jan-21	Daniel Loberto	[REDACTED] Attend Conference call. Revise factum. Interoffice discussions with Robert Kennedy. Compile Second Mortgagee documentation. Serve Factum and Brief of Authorities to judge. Commission affidavit for Amanda Campbell.
07-Jan-21	Robert Kennedy	Review lease documentation. [REDACTED]

Date	Timekeeper	Description of Work
		[REDACTED]
		Conference with Daniel Loberto. Review Pillar term sheet. Conference with Daniel Loberto re: motion matters. Work on factum. Attend conference call with representatives of MNP and Pillar re: receiver's borrowings. Revise factum. Conference with Daniel Loberto re: factum. Work on lease matters.
08-Jan-21	Daniel Loberto	Revise draft order and provide to judge. Review submissions.
08-Jan-21	Sonja Homenuck	Telephone call with Robert Kennedy on lease expansion matter.
08-Jan-21	Robert Kennedy	Various correspondence to and from Jerry Henechowicz. Review motion materials. Review revised Order. Review borrowing certificate and correspondence re: receiver's borrowings. Consider motion matters.
10-Jan-21	Daniel Loberto	Review submissions for motion.
10-Jan-21	Robert Kennedy	Review draft Order. Review receivership order re: service. Consider motion matters. Various correspondence to and from Daniel Loberto re: motion. Review correspondence from Jerry Henechowicz.
11-Jan-21	Daniel Loberto	Prepare for motion. Attend motion. Attend conference call. Correspond with Justice Gilmore.
11-Jan-21	Robert Kennedy	Preparation for motion. Review draft Order. Conference with Daniel Loberto. Correspondence to and from Jerry Henechowicz. Conversation with Jerry Henechowicz. Attend motion. Conference with Daniel Loberto re: Order. Review revised form of Order. Review executed Order and endorsement. Attend conference call with Thomas Gertner re: sale process. Review draft appraisal.
12-Jan-21	Daniel Loberto	Review file details in preparation for penalty hearing. Correspond with Thomas Gertner from Gowlings. Correspond with Robert Kennedy.
12-Jan-21	Sonja Homenuck	Email exchanges with Robert Kennedy on lease expansion matter.
12-Jan-21	Robert Kennedy	Conversation with Steve Dizep. [REDACTED] [REDACTED] Review Contempt Order. Conference with Daniel Loberto. Correspondence to Thomas Gertner. [REDACTED] [REDACTED]
12-Jan-21	Kenneth Kraft	[REDACTED]
13-Jan-21	Sonja Homenuck	Reviewing information provided by Robert Kennedy on

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<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
		lease expansion matter.
13-Jan-21	Robert Kennedy	Correspondence from and to Sonja Homenuk. Work on lease matters. Correspondence from and to Ford Thomson. Correspondence to Jerry Henechowicz re: sale process matters.
14-Jan-21	Robert Kennedy	Review correspondence from Thomas Gertner. [REDACTED]. Correspondence to Thomas Gertner. Various correspondence to and from Jerry Henechowicz. Review second mortgagee loan and security documentation. Conference with Kori Williams and Danijel Augustinovic re: security review. Correspondence to Jerry Henechowicz re: sale process. [REDACTED]
15-Jan-21	Robert Kennedy	Review various correspondence insurance matters. [REDACTED] Conference with Sonja Homenuk.
18-Jan-21	Daniel Loberto	Correspond with Robert Kennedy regarding penalty hearing. Review recent email correspondence. Draft note to Yang Jiang
18-Jan-21	Sonja Homenuk	Providing instructions to Darlene McGee. Commencing review of lease amending agreement. Email exchange with Robert Kennedy.
18-Jan-21	Darlene McGee	Preparing first draft of Lease Amending Agreement.
18-Jan-21	Robert Kennedy	Review various correspondence re: insurance matters. Conference with Sonja Homenuk re: lease amending agreement. Various correspondence to and from Jerry Henechowicz. Correspondence from and to Steve Dizep. Consider contempt motion matters.
19-Jan-21	Daniel Loberto	Draft email to Yang Jiang. Draft Supplement to the Third Report. Revise submissions for motion. Correspond with Robert Kennedy. Correspond with e-service list.
19-Jan-21	Sonja Homenuk	Completing review of lease amending agreement and revising same. Forwarding lease amending agreement to Robert Kennedy.
19-Jan-21	Robert Kennedy	Conference with Daniel Loberto re: contempt motion matters. Review Third Report. Various correspondence to and from Jerry Henechowicz. Work on BP lease matters. Address penalty hearing matters and consider Supplement to Third Report.
20-Jan-21	Daniel Loberto	Review and revise Supplement to the Third Report. Revise submissions for motion. Correspond with Robert Kennedy. Attend conference call. Provide Justice Gilmore the Supplement to the Third Report.
20-Jan-21	Robert Kennedy	Work on motion matters. Correspondence to Yang Jiang. Various conferences with Daniel Loberto re: motion matters. Review draft Receiver's supplement.

Date	Timekeeper	Description of Work
21-Jan-21	Daniel Loberto	[REDACTED] Correspondence to Jerry Henechowicz. Review and revise draft Receiver's supplement. Consider motion matters. Correspond with Robert Kennedy. Prepare for, and attend, penalty hearing. [REDACTED] [REDACTED]
21-Jan-21	Robert Kennedy	Preparation for Court attendance. Review and revise Warrant of Committal. Review and revise draft Order. Various conferences with Daniel Loberto re: motion matters. Attend motion. Conversation with Jerry Henechowicz re: motion matters and BP lease expansion. Review and work on lease expansion agreement. Correspondence to Sonja Homenuk. [REDACTED]
22-Jan-21	Daniel Loberto	Correspond with Tina Li and Leon Li to update service list. [REDACTED] [REDACTED]
22-Jan-21	Sonja Homenuck	Telephone call with Jerry Henechowicz and Robert Kennedy on comments on draft lease amending agreement.
22-Jan-21	Robert Kennedy	Review Justice Gilmore endorsement. Review correspondence from Jerry Henechowicz. Correspondence to Yang Jiang. Work on BP lease amendment. [REDACTED] Attend conference call re: BP lease amendment.
23-Jan-21	Daniel Loberto	[REDACTED] [REDACTED]
24-Jan-21	Sonja Homenuck	Revising lease amending agreement and forwarding to Jerry Henechowicz.
25-Jan-21	Rennie Ali	Receiving email instructions from Danijel Augustinovic and ordering updated parcel registers and instruments and ON and AB PPSA searches with respect to Turuss (Canada) Industry Co. Ltd. Various correspondence regarding same.
25-Jan-21	Daniel Loberto	[REDACTED] [REDACTED]
25-Jan-21	Sonja Homenuck	Telephone call on lease amending agreement with Jerry Henechowicz, Robert Kennedy and Daniel Loberto.

Date	Timekeeper	Description of Work
		Revising lease amending agreement for comments and forwarding to Jerry Henechowicz with comments on revisions.
25-Jan-21	Danijel Augustinovic	Review security. Prepare security review letter. Various correspondence regarding same.
25-Jan-21	Robert Kennedy	Work on BP lease matters. Review revised lease amendment agreement. Review head lease. Review CIM. [REDACTED] Conference with Daniel Loberto.
26-Jan-21	Daniel Loberto	[REDACTED] Correspond with Amanda Campbell regarding service list. Review Endorsement of Justice Gilmore regarding Yang Jiang.
26-Jan-21	Sonja Homenuck	Email to Ford Thompson attaching lease amending agreement with comments. Email exchange with Ford Thompson on approach. Email to Jerry Henechowicz on same.
26-Jan-21	Kori Williams	Telephone discussions with Danijel Augustinovic. Review security report and comment on same.
26-Jan-21	Danijel Augustinovic	Review and revise security review letter. Various correspondence regarding same.
26-Jan-21	Robert Kennedy	Work on BP lease matters. Review revised lease amendment. Various correspondence to and from Jerry Henechowicz. Conference with Sonja Homenuck re: lease amendment. [REDACTED]. Conversation with Daniel Augustinovic re: security review.
27-Jan-21	Robert Kennedy	[REDACTED]
28-Jan-21	Daniel Loberto	Correspond with Robert Kennedy regarding Yang Jiang and production of books and records. Correspond with Jerry Henechowicz.
28-Jan-21	Robert Kennedy	Work on BP lease matters. [REDACTED] Review correspondence from Jerry Henechowicz. [REDACTED] Conference with Daniel Loberto re: document disclosure. [REDACTED].
28-Jan-21	Kenneth Kraft	[REDACTED]
29-Jan-21	Daniel Loberto	[REDACTED] Email correspondence with Robert Kennedy and Jerry Henechowicz. Attend conference call. [REDACTED]

Date	Timekeeper	Description of Work
29-Jan-21	Robert Kennedy	[REDACTED] Conversation with Jerry Henechowicz re: administration matters. [REDACTED] [REDACTED] Conversation with Ford Thomson. Conversation with Steve Dizep. Correspondence to Jerry Henechowicz.

Timekeeper	Hours	Rate	Fees
Daniel Loberto	62.1	460.00	28,566.00
Danijel Augustinovic	5.4	620.00	3,348.00
Darlene McGee	2.9	350.00	1,015.00
Kenneth Kraft	0.6	990.00	594.00
Kori Williams	0.9	735.00	661.50
Rennie Ali	0.6	230.00	138.00
Robert Kennedy	68.7	835.00	57,364.50
Sonja Homenuck	3.8	770.00	2,926.00
<b>Total</b>	<b>145.0</b>		<b>\$94,613.00</b>

<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 94,613.00</b>
<b>Less: Discount</b>	<b>(3,613.00)</b>
<b>NET PROFESSIONAL FEES</b>	<b>\$ 91,000.00</b>

**TAXABLE DISBURSEMENTS**

Computerized Title Search	\$ 120.15
Library Computer Research	338.00
Searches	60.85

<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 519.00</b>
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**NON-TAXABLE DISBURSEMENTS**

Filing Fee*	\$ 320.00
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<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	<b>\$ 320.00</b>
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<b>TOTAL DISBURSEMENTS</b>	<b>839.00</b>
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<b>TOTAL FEES AND DISBURSEMENTS</b>	<b>\$ 91,839.00</b>
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**TAXES**

HST (13.0%) on Professional Fees of \$91,000.00	\$ 11,830.00
HST (13.0%) on Taxable Disbursements of \$519.00	67.47

<b>TOTAL TAXES</b>	<b>11,897.47</b>
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<b>TOTAL AMOUNT DUE</b>	<b>\$ 103,736.47 CAD</b>
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MNP LLP  
111 Richmond Street West  
Suite 300  
Toronto ON M5H 2G4  
Attention: Jerry Henechowicz**INVOICE # 3571814**GST/HST # R121996078  
QST # 1086862448 TQ 0001

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
February 28, 2021	541179-000007	Robert Kennedy

MNP LLP  
Re: Turuss (Canada) Industry Co. Ltd.

Professional Fees	\$ 66,094.50
Less: Discount	<u>(1,094.50)</u>
Net Professional Fees	\$ 65,000.00
Disbursements	217.75
HST (13.0%) on \$65,217.75	<u>8,478.31</u>
<b>Total Amount Due</b>	<b><u>\$ 73,696.06 CAD</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Credit Card:**

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_ Expiry Date: \_\_\_\_\_ Card Verification Code (CVC): \_\_\_\_\_

Amount: \_\_\_\_\_ Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 541179. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Interac e-Transfer:**e-Transfer funds to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number in  
message. Please use matter number referenced on your invoice as the password.  
Alternatively, send password to [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) in separate email.Please email us at [AR.Canada@dentons.com](mailto:AR.Canada@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

<b>Date</b>	<b>Timekeeper</b>	<b>Description of Work</b>
01-Feb-21	Robert Kennedy	Various correspondence to and from Ford Thomson. [REDACTED]
02-Feb-21	Daniel Loberto	Email correspondence with Robert Kennedy and Jerry Henechowicz regarding Yang Jiang document production.
02-Feb-21	Robert Kennedy	Review various correspondence re: books and records. Review correspondence from Jerry Henechowicz. [REDACTED]
03-Feb-21	Daniel Loberto	[REDACTED] Correspond with Jerry Henechowicz regarding Yang Jiang document production. [REDACTED] [REDACTED]
03-Feb-21	Sonja Homenuck	Conference call with Jerry Henechowicz and Robert Kennedy on lease amendment. Telephone call with Robert Kennedy.
03-Feb-21	Kori Williams	Emails and discussions in connection with security report.
03-Feb-21	Danijel Augustinovic	Review and revise security report.
03-Feb-21	Robert Kennedy	[REDACTED] Attend conference call re: BP lease. Review BP lease amendment. Conference with Sonja Homenuk. Review various correspondence re: BP lease.
04-Feb-21	Daniel Loberto	Review lease expansion correspondence. Review correspondence related to Yang Jiang document production. Draft correspondence to Justice Gilmore regarding Yang Jiang document production. Attend conference call.
04-Feb-21	Sonja Homenuck	Telephone call with Robert Kennedy. Conference call with Bruce Power representatives, Jerry Henechowicz and Robert Kennedy. Email exchange with Jerry Henechowicz.
04-Feb-21	Kori Williams	Follow up emails among Dentons lawyers in connection with status.
04-Feb-21	Robert Kennedy	Review BP lease amendment. Various correspondence to and from Jerry Henechowicz re: books and records. Conference with Sonja Homenuk re: lease amendment.



Date	Timekeeper	Description of Work
		Attend conference with BP re: lease amendment. Review endorsement. Conference with Daniel Loberto. Review draft correspondence to Justice Gilmore. Conversation with Steve Dizep. Consider BP lease amendment issues. Review various correspondence re: BP lease rates. [REDACTED]
08-Feb-21	Daniel Loberto	Circulate conference call details. [REDACTED]. Attend conference call. [REDACTED]
08-Feb-21	Danijel Augustinovic	Review payout amounts. Review charge. Correspondence with Kori Williams regarding same.
08-Feb-21	Robert Kennedy	Conference with Sonja Homenuk. Review BP amendment. Correspondence to Ford Thomson. Various correspondence to and from Jerry Henechowicz. [REDACTED]
09-Feb-21	Daniel Loberto	[REDACTED] Correspond with Robert Kennedy. [REDACTED]
09-Feb-21	Robert Kennedy	Correspondence from and to Ford Thomson. Review BP lease amendment. [REDACTED] Correspondence to Daniel Loberto. [REDACTED]
10-Feb-21	Daniel Loberto	[REDACTED] Correspond with Robert Kennedy.
10-Feb-21	Robert Kennedy	[REDACTED] Various correspondence to and from Jerry Henechowicz. Conference with Daniel Loberto. Review various correspondence from Jerry Henechowicz re: 2nd mortgage matters.
11-Feb-21	Daniel Loberto	Review correspondence from Yang Jiang and Jerry Henechowicz. [REDACTED]
11-Feb-21	Robert Kennedy	Review documentation re: Jiang loan and repayment. [REDACTED] Correspondence to Ford Thomson re: BP lease amendment. [REDACTED]
12-Feb-21	Robert Kennedy	Various correspondence to and from Jerry

Date	Timekeeper	Description of Work
14-Feb-21	Robert Kennedy	Henechowicz. [REDACTED] Conversation with Jerry Henechowicz.
16-Feb-21	Daniel Loberto	[REDACTED] Correspond with Robert Kennedy. Correspond with the court to request a motion to amend the sale process. Prepare commercial list form. Compare lease expansion, extending, and amending agreements. [REDACTED]
16-Feb-21	Robert Kennedy	Various correspondence to and from Ford Thompson. Review and work on BP lease amendment. Review correspondence from Steve Dizep re: [REDACTED] [REDACTED]
17-Feb-21	Daniel Loberto	Correspond with Robert Kennedy regarding date for motion to amend sale process. Correspond with Court and coordinate motion to amend sale process. Draft commercial list form. [REDACTED] Review and revise Lease Expansion, Extending and Amending Agreement. [REDACTED]
17-Feb-21	Robert Kennedy	Work on BP lease amendment. Various correspondence to and from Jerry Henechowicz. Attend to motion scheduling. Conference with Daniel Loberto re: sale process matters.
18-Feb-21	Daniel Loberto	Prepare for conference call. Attend conference call. [REDACTED]
18-Feb-21	Sonja Homenuck	Reviewing edits to lease amending agreement. Conference call with Jerry Henechowicz, Robert Kennedy and Daniel Loberto. Telephone call with Robert Kennedy. Revising lease amending agreement.
18-Feb-21	Robert Kennedy	Review BP lease comments. Attend conference call regarding BP amendment. Conference with Sonja Homenuck regarding BP amendment matters. [REDACTED] [REDACTED] Correspondence to Jerry Henechowicz regarding BP lease matters. Review BP lease. Review correspondence from Ford Thomson. Conversation with Ford Thomson. Consider BP lease matters.
19-Feb-21	Daniel Loberto	[REDACTED]
19-Feb-21	Adrian Miedema	Emails from and to our Sonja Homenuck. [REDACTED]
19-Feb-21	Sonja Homenuck	Email exchanges with Robert Kennedy.
19-Feb-21	Robert Kennedy	Review correspondence from Sonja Homenuck.

Date	Timekeeper	Description of Work
		Correspondence to Jerry Henechowicz and Sonja Homenuk re: discussion with BP. [REDACTED] [REDACTED] Conference with Sonja Homenuk. [REDACTED] Consider BP lease amendment matters. [REDACTED]
22-Feb-21	Daniel Loberto	Revise calendar details for motion to amend sale process. Attend conference call.
22-Feb-21	Michael Cain	[REDACTED]
22-Feb-21	Sonja Homenuk	[REDACTED] Conference call with Ford Thompson, Jerry Henechowicz, Robert Kennedy and Daniel Loberto. Telephone call with Robert Kennedy.
22-Feb-21	Robert Kennedy	Review correspondence from Daniel Loberto. [REDACTED] [REDACTED] Review correspondence from Sonja Homenuk. Review revised BP lease amendment. Attend conference call re: BP amendment. Conference with Sonja Homenuk re: BP amendment. [REDACTED]
23-Feb-21	Daniel Loberto	Review various correspondence from Ford Thomson. Correspond with Robert Kennedy regarding notice to bidders. Circulate dial-in for conference call. Correspond with Bruce Power.
23-Feb-21	Sonja Homenuk	Reviewing lengthy email from Ford Thompson. Email exchanges with Robert Kennedy.
23-Feb-21	Robert Kennedy	Conversation with Jerry Henechowicz [REDACTED] [REDACTED] Review correspondence from Ford Thomson re: lease amendment comments. Review correspondence from Sonja Homenuk. Work on lease amendment. Various correspondence to and from Ford Thomson. Conversation with Sonja Homenuk. Conversation with Jerry Henechowicz.
24-Feb-21	Daniel Loberto	Circulate dial-in for conference call. Attend conference call.
24-Feb-21	Sonja Homenuk	Conference call with Ford Thompson and Robert Kennedy. Telephone call and email exchanges with Robert Kennedy.
24-Feb-21	Kori Williams	[REDACTED] Discuss same with Danijel Augustinovic.
24-Feb-21	Robert Kennedy	Conference with Daniel Loberto. Review BP lease

Date	Timekeeper	Description of Work
		amendment. Review correspondence from Jerry Henechowicz. Attend conference call re: BP lease matters. Conference with Sonja Homenuck. Conversation with Jerry Henechowicz re: BP lease amendment and strategy. [REDACTED] [REDACTED] Consider BP lease amendment matters and strategy. Conference with Sonja Homenuck re: improvement project. [REDACTED]
25-Feb-21	Daniel Loberto	Review Jerry Henechowicz correspondence. Circulate dial-in for conference call. Attend conference call.
25-Feb-21	Daniel Loberto	Interoffice discussion with Robert Kennedy. Draft strategy email to Robert Kennedy and Sonja Homenuck.
25-Feb-21	Sonja Homenuck	Conference call with Jerry Henechowicz, Robert Kennedy and Daniel Loberto on lease amendments and approach. Telephone call with Robert Kennedy.
25-Feb-21	Robert Kennedy	[REDACTED] Conference with Sonja Homenuck re: BP lease amendment matters. Conference with Daniel Loberto re: strategy.
26-Feb-21	Daniel Loberto	[REDACTED] Review Robert and Sonja correspondence. Correspond with Jerry Henechowicz regarding MNP options going forward.
26-Feb-21	Robert Kennedy	Review correspondence from Daniel Loberto. Consider BP lease amendment matters. [REDACTED] [REDACTED] Review correspondence from Sonja Homenuck. Various correspondence to and from Jerry Henechowicz.

Timekeeper	Hours	Rate	Fees
Adrian Miedema	0.2	910.00	182.00
Daniel Loberto	35.0	460.00	16,100.00
Danijel Augustinovic	5.4	620.00	3,348.00
Kori Williams	1.4	735.00	1,029.00
Michael Cain	2.2	285.00	627.00
Robert Kennedy	47.3	835.00	39,495.50
Sonja Homenuck	6.9	770.00	5,313.00
<b>Total</b>	<b>98.4</b>		<b>\$66,094.50</b>

**TOTAL PROFESSIONAL FEES**  
Less: Discount

**\$ 66,094.50**  
(1,094.50)

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<b>NET PROFESSIONAL FEES</b>		<b>\$ 65,000.00</b>
<b>TAXABLE DISBURSEMENTS</b>		
Library Computer Research	\$ 215.25	
Photocopy & Printing Charges	<u>2.50</u>	
<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 217.75</b>	
<b>TOTAL DISBURSEMENTS</b>		<u><b>217.75</b></u>
<b>TOTAL FEES AND DISBURSEMENTS</b>		<b>\$ 65,217.75</b>
<b>TAXES</b>		
HST (13.0%) on Professional Fees of \$65,000.00	\$ 8,450.00	
HST (13.0%) on Taxable Disbursements of \$217.75	<u>28.31</u>	
<b>TOTAL TAXES</b>		<u><b>8,478.31</b></u>
<b>TOTAL AMOUNT DUE</b>		<u><b>\$ 73,696.06 CAD</b></u>

THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 23rd DAY OF MARCH,  
2021.



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A Commissioner for Taking Affidavits, etc.

**EXHIBIT "B"**

**Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP**

**The Period from December 1, 2020 to February 28, 2021**

<b>Date</b>	<b>Invoice No.</b>	<b>Fees</b>	<b>Discount</b>	<b>Disbursements</b>	<b>Taxes(HST)</b>	<b>Hours</b>	<b>Average Rate</b>	<b>Total</b>
December 31, 2020	3554012	41,264.00	0.00	78.70	5,374.55	72.8	621.25	46,717.25
January 31, 2021	3567766	94,613.00	-3,613.00	839.00	11,897.47	145.0	623.75	103,736.47
February 28, 2021	3571814	66,094.50	-1,094.50	217.75	8,478.31	98.4	659.29	73,696.06
<b>TOTALS:</b>		\$201,971.50	(\$4,707.50)	\$1,135.45	\$25,750.33	316.2	\$ 634.76	\$224,149.78

THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY  
SWORN BEFORE ME THIS 23rd DAY OF MARCH,  
2021.

A handwritten signature in blue ink, appearing to be "D. S.", is written over a horizontal line.

A Commissioner for Taking Affidavits, etc.



**EXHIBIT "C"****Billing Rates of Dentons Canada LLP**

For the period December 1, 2020 to February 28, 2021

	<b><u>2020 Standard Rate</u></b>	<b><u>2021 Standard Rate</u></b>	<b><u>Year of Call</u></b>
Kenneth Kraft	\$925	\$990	1991
Adrian Miedema	N/A	\$910	1997
Sonja Homenuck	N/A	\$770	2000
Robert Kennedy	\$760	\$835	2002
Kori Williams	N/A	\$735	2008
Danijel Augustinovic	N/A	\$620	2015
Daniel Loberto	\$420	\$460	2020
Michael Cain	N/A	\$285	Articling Student
Rina Van Kooten	\$380	N/A	Law Clerk
Darlene McGee	N/A	\$350	Law Clerk
Rennie Ali	N/A	\$230	Law Clerk

**PILLAR CAPITAL CORP.**

- and -

**TURUSS (CANADA) INDUSTRY CO., LTD.**

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ROBERT KENNEDY**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

**Robert Kennedy** (LSO #474070)  
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*Lawyers for the Receiver*

Appendix “M”  
to the Fourth Report of the Receiver

**Turuss (Canada) Industry Co., Ltd.**  
**Interim Statement of Receipts and Disbursements**  
**For the Period Ended March 19, 2021**

**Receipts**

Advances from secured creditor	\$ 597,500.00
Rental Income	441,972.37
Sale of assets	230,000.00
HST collected	56,944.06
	<u>1,326,416.43</u>

**Disbursements**

Municipal realty tax arrears	346,070.04
Utilities	189,800.49
Payment to secured creditors	145,740.80
Insurance	120,021.04
Receiver fees and disbursements	108,266.50
Legal fees and disbursements	77,875.78
HST paid	66,029.86
Interest on secured creditor advances	47,808.67
Wages and benefits	44,684.16
Appraisal and environmental assessment	41,750.00
Repairs and maintenance	26,808.86
Security	25,347.69
License fees & dues	8,742.50
Advertisements re:sale process	4,746.60
Office costs	2,505.07
Property manager fees	2,250.00
Travel	571.81
Bank charges	524.38
Filing fees	71.54
	<u>1,259,615.79</u>
<b>Excess of Cash Receipts over Disbursements</b>	<u><b>\$ 66,800.64</b></u>

**CONFIDENTIAL APPENDIX “A”**  
to the Fourth Report of the Receiver

**REDACTED**

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**FOURTH REPORT OF THE RECEIVER**

**DENTONS CANADA LLP**  
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Toronto, Ontario M5K 0A1

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*Lawyers for the Receiver*

# TAB 3



Court File No. CV-20-00646729-00CL

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

THE HONOURABLE	)	FRIDAY, THE 26th
	)	
JUSTICE HAINEY	)	DAY OF MARCH, 2021

BETWEEN:

**PILLAR CAPITAL CORP.**

Applicant

-and-

**TURUSS (CANADA) INDUSTRY CO., LTD.**

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

**APPROVAL ORDER  
(Auction Procedures)**

**THIS MOTION**, made by MNP Ltd., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Turuss (Canada) Industry Co., Ltd. (“**Turuss**”) for an order:

- (a) abridging the time for service of the Motion Record of the Receiver dated March 23, 2021 (the “**Motion Record**”) and validating service thereof;
- (b) authorizing the Receiver to extend the offer deadline (the “**Deadline**”) contemplated and set forth in the sale process (the “**Sale Process**”) approved by the order of Justice Cavanagh dated October 29, 2020 from March 26, 2021 to April 16, 2021;
- (c) approving the auction procedures, as set out in **Schedule “A”** hereto (the “**Auction Procedures**”);

- (d) approving a sealing order for the lease expansion, extending and amending agreement between Turuss and Bruce Power L.P., contained in the **Confidential Appendix “A”** to the Fourth Report;
- (e) approving the fourth report of the Receiver dated March 23, 2021 to the Court (the **“Fourth Report”**), and the activities of the Receiver as described therein;
- (f) approving the Receiver’s interim statement of receipts and disbursements dated March 19, 2021 (the **“R&D Statement”**);
- (g) approving the fees and disbursements of the Receiver and its legal counsel, Dentons Canada LLP (**“Dentons”**), as set out in the Fourth Report, fee affidavit of Jerry Henechowicz sworn March 23, 2021 (**“Henechowicz Affidavit”**) and the fee affidavit of Robert Kennedy sworn March 23, 2021 (**“Kennedy Affidavit”**), and together with the Henechowicz Affidavit, the **“Fee Affidavits”**);
- (h) such other matters considered relevant to the Receiver’s administration of this proceeding.

was heard this day judicial videoconference via Zoom due to the COVID-19 pandemic.

**ON READING** the Motion Record, and on hearing the submissions of counsel for the Receiver, and any such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Amanda Campbell sworn March 23, 2021, filed:

**SERVICE**

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

**DEADLINE EXTENSION**

3. **THIS COURT ORDERS** that the Deadline be and is hereby extended from March 26, 2021 to April 16, 2021.

**AUCTION PROCEDURES**

4. **THIS COURT ORDERS** that the Auction Procedures be and is hereby approved and shall supplement the Sale Process. The Receiver is hereby authorized to implement the Auction Procedures, in its discretion. In the event that there is any conflict between any provision contained in the Sale Process and the Auction Procedures, the terms of the Auction Procedures shall prevail and govern.

**SEALING ORDER**

5. **THIS COURT ORDERS** that **Confidential Appendix "A"** to the Fourth Report shall be sealed and kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title to these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

**RECEIVER'S ACTIVITIES**

6. **THIS COURT ORDERS** that the Fourth Report, and the activities of the Receiver as described therein, is hereby approved.

7. **THIS COURT ORDERS** that the R&D Statement is hereby approved.

**FEES AND DISBURSEMENTS**

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the Fourth Report and the Fee Affidavits, are hereby approved.

**GENERAL**

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this court for advice and directions on the discharge of its duties and powers hereunder.

**Schedule “A” – Auction Procedures**

## AUCTION PROCEDURES (March 23, 2021)

The Receiver may determine to conduct an auction (the “**Auction**”) if it receives one or more Qualified Offers for the commercial property located at 60 Industrial Park Road, Chesley, Ontario (the “**Chesley Property**”) as part of the sale process (the “**Sale Process**”) approved by the Order of Justice Cavanagh dated October 29, 2020. The Receiver will notify the Selected Offerors that the Auction will be held via Zoom Video Conference at 10:00 a.m. (Eastern Time) on a date that is determined by the Receiver, provided that that is not later than ten (10) business days after the Deadline, or such other place and time as the Receiver may advise.

Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Process.

The Auction shall be conducted in accordance with the following procedures:

1. Participation At The Auction. Only a Selected Offeror is eligible to participate in the Auction. The Receiver shall provide all Selected Offerors with the amount of the bid that the Receiver believes constitutes the highest and/or best bid received on or before the Deadline (“**Lead Bid**”) by 5:00 p.m. (Eastern Time) two (2) business days before the date scheduled for the Auction. Each Selected Offeror must inform the Receiver whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Selected Offerors, the Receiver, Turuss and their respective counsel and other advisors shall be permitted to attend the Auction.
2. Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. Bidding at the Auction shall include an opening bid (“**Opening Bid**”). The Lead Bid shall constitute the Opening Bid for the first round and the highest and/or best Overbid (as defined herein) at the end of each round shall constitute the Opening Bid for the following round. In each round, a Selected Offeror may submit no more than one Overbid. Any Selected Offeror who bids in a round (including the Selected Offeror that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
3. Receiver Shall Conduct The Auction. The Receiver and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Receiver shall provide the terms of the Opening Bid to all participating Selected Offerors at the Auction. The determination of which bid from a Selected Offeror constitutes the Opening Bid for each round shall take into account any factors that the Receiver reasonably deems relevant to the value of the bid including, among other things, the following:
  - a. (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Receiver’s assessment of the certainty of the Selected Offeror to close the proposed transaction; (iv) the likelihood, extent and impact of any potential delays in closing;

(v) the net economic effect of any changes from the Opening Bid of the previous round, and (vi) such other considerations as the Receiver deems relevant in its reasonable business judgment (collectively referred to as the “**Bid Assessment Criteria**”).

All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and/or best Overbid shall be fully disclosed to all other Selected Offerors that are participating in the Auction and have bid in a corresponding Auction round. The Receiver shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

4. Terms of Overbids. An “**Overbid**” (pluralized as “**Overbids**”) is any bid made at the Auction subsequent to the Receiver’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Selected Offeror must comply with the following conditions:
- a. *Minimum Overbid Increment:* Any Overbid shall be made in minimum increments of \$100,000 above the Opening Bid, or such increments as the Receiver may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”, pluralized as “**Minimum Overbid Increments**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment, plus any additional Minimum Overbid Increments (if applicable).
  - b. *The Bid Requirements apply:* Except as modified herein, an Overbid must comply with the requirements outlined at paragraph 14 of the Sale Process (the “**Bid Requirements**”) provided, however, that the Deadline shall not apply and that any Overbid made by a Selected Offeror remains irrevocable and binding on the Selected Offeror and open for acceptance as the next highest and/or best bid, as determined by the Receiver (the “**Back-up Bid**”) until the closing of the bid accepted by the Receiver (the “**Successful Offer**”, and the Selected Offeror providing the Successful Offer as the “**Successful Offeror**”). In addition, the Overbid must include a provision stating that any mortgage being assumed in lieu of cash is being done with the prior written consent of the relevant mortgagee (a copy of which consent shall be provided with the bid).
  - c. *Announcing Overbids:* At the end of each round of bidding, the Receiver shall announce the identity of the Selected Offerors and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
  - d. *Consideration of Overbids:* The Receiver reserves the right to make one or more adjournments in the Auction to, among other things:

- i. allow individual Selected Offerors to consider how they wish to proceed during a bidding round;
    - ii. consider and determine the current highest and/or best Overbid at any given time during the Auction; and,
    - iii. give Selected Offerors the opportunity to provide the Receiver with such additional evidence as it may require that the Selected Offerors has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Receiver may have clarifying discussions with a Selected Offeror, and the Receiver may allow a Selected Offeror to make technical clarifying changes to its Overbid following such discussions as between them.
  - e. *Failure to Bid*: If at the end of any round of bidding a Selected Offeror (other than the Selected Offeror that submitted the Opening Bid), fails to submit an Overbid, then such Selected Offeror shall not be entitled to continue to participate in the next round of the Auction.
5. Additional Procedures. The Receiver may adopt new rules or modify existing rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding provided that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Selected Offerors.
  6. Closing the Auction. The Auction shall be closed after the Receiver has: (i) reviewed the final Overbid of each Selected Offeror on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale; and (ii) identified the Successful Offer and the Back-Up Bid and advised the Selected Offerors participating in the Auction of such determination.
  7. Finalizing Documentation. Promptly following a bid of a Selected Offeror being declared the Successful Offer or the Back-Up Bid, the Selected Offeror shall provide the Receiver with such further deposit monies (as necessary), and shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Offer or Back-Up Bid.

8. Completion of Transaction. Following the selection of the Successful Offer, the Receiver shall bring an Approval Motion for an order, substantially in the form of the approval and vesting order (the “**Approval and Vesting Order**”) attached to the APS, authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Offer and transaction, and vest in and to the Successful Offeror the Turuss interest in the Chesley Property. Following the granting of any Approval and Vesting Order by the court, the Receiver shall take all reasonable steps necessary to complete the transaction set forth in the Successful Offer. The transaction shall be completed within five (5) business days following the granting of the Approval and Vesting Order.



PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL ORDER  
(Auction Procedures)**

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*Lawyers for the Receiver*

PILLAR CAPITAL CORP.  
Applicant

- and -

TURUSS (CANADA) INDUSTRY CO., LTD.  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**  
(returnable March 26, 2021)

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