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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE DUNPHY)

FRIDAY, THE 1ST
DAY OF JUNE, 2018

BETWEEN:

**B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED,
M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS,
and SHEILACO INVESTMENTS INC.**

Applicants

- and -

CHRISTINE DROTOS

Respondent



IN THE MATTER OF 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 AND VESTING ORDER

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as receiver and manager (in such capacity, the “**Receiver**”) without security, of certain assets, undertakings and properties of the Respondent (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Fredric P. Kielburger (the “**Purchaser**”) dated as of the 9th day of May, 2018 and appended to the First Report of the Receiver dated May 23, 2018 (the “**First Report**”), and vesting in the Purchaser the right, title and interest in and to the assets of the Debtor described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the Supplement to the First Report dated May 31, 2018, and on hearing the submissions of counsel for (i) the Receiver, (ii) the Applicant, (iii) 2399029 Ontario Inc., 2457674 Ontario Inc., Terry Wilson, Canada Investment Corporation and Canada Capital Corporation, (iv) Morteza (Ben) Katebian, and (v) counsel for the Purchaser, no

the Affidavit of Troy Wilson, with appendices sworn May 30th & filed.

ADD

Pillar Capital Inc.

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one appearing for any other person on the service list, although properly served as appears from the affidavit of Laura Micoli sworn May 24, 2018, filed:

~~ON READING the First Report and the Supplement to the First Report dated May 31, 2018, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Laura Micoli sworn May 24, 2018, filed:~~ AM

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A hereto** (the "**Receiver's Certificate**"), all of the right, title and interest of the Debtor in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule B hereto** shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice McEwan dated April 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C hereto** (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Titles Division for the Land Registry Office of Toronto (No. 66) at Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the

Purchaser as the owner of the subject real property identified in **Schedule B hereto** (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule C hereto**.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

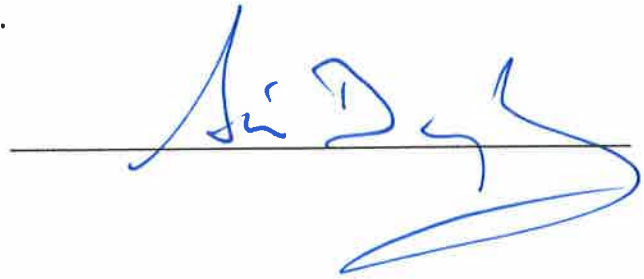
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **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.



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

JUN - 5 2018

PER / PAR:



Schedule A - Form of Receiver's Certificate

Court File No. CV-18-594590-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED,
M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS,
and SHEILACO INVESTMENTS INC.**

Applicants

- and -

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**IN THE MATTER OF 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**

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (the "**Court**") dated April 13, 2018, Rosen Goldberg Inc. was appointed receiver and manager (in such capacity, the "**Receiver**") without security, of certain assets, undertakings and properties of the Respondents (the "**Debtor**")

B. Pursuant to an Order of the Court dated June 1, 2018, the Court approved the agreement of purchase and sale made as of the 9th day of May, 2018 (the "**Sale Agreement**") between the Receiver and Fredric P. Kielburger (the "**Purchaser**") and provided for the vesting in the Purchaser of the right, title and interest of the Debtor in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price

for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 18, 19 and 20 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 18, 19 and 20 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2018.

ROSEN GOLDBERG INC., in its capacity as Court-Appointed Receiver and manager (in such capacity, the "Receiver") without security, of certain assets, undertakings and properties of Christine Drotos and not in its personal or corporate capacity

Per:

Name: Brahm Rosen

Title: President

SCHEDULE "B" - Purchased Assets

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TORONTO

Being all of PIN 06511-0222 (LT)

Land Titles Division for the Land Registry Office of the City of Toronto (No. 66)

SCHEDULE "C"
Claims to be deleted and expunged from title to real property
from PIN 06511-0222 (LT)

1. Instrument No. AT1266787 registered 2006/09/27 – Charge in Favour of Home Trust Company
2. Instrument No. AT1737434 registered 2008/03/20 – Transfer in Favour of Christine Drotos
3. Instrument No. AT1788468 registered 2008/05/27 – Charge in Favour of B & M Handelman Investments Limited, Flordale Holdings Limited, M. Himel Holdings Inc., 1530468 Ontario Ltd., Maxoren Investments Inc. and Sheilaco Investments Inc.
4. Instrument No. AT1917893 registered 2008/10/07 – Charge in Favour of DMS Inc.
5. Instrument No. AT1965090 registered 2008/12/02 – Transfer of Charge in Favour of 2176506 Ontario Inc.
6. Instrument No. AT2148973 registered 2009/08/14 – Charge in Favour of Lorraine Barlow and Gilbert Barlow
7. Instrument No. AT2439382 registered 2010/07/07 – Caution Lnd Bkrupt in Favour of Segal Partners Inc.
8. Instrument No. AT3001170 registered 2012/04/27 – Transfer of Charge in Favour of World Finance Corporation
9. Instrument No. AT3875540 registered 2015/05/05 – Transfer of Charge in Favour of Pillar Capital Corporation
10. Instrument No. AT410615 registered 2015/12/21 – Ct Tax Arrear Canc in Favour of Pillar Capital Corporation
11. Instrument No. AT4749651 registered 2017/12/01 – Transfer of Charge in Favour of Money Gate Mortgage Investment Corporation
12. Instrument No. AT4821129 registered 2018/03/14 – Caution-Land in Favour of B & M Handelman Investments Limited, Flordale Holdings Limited, M. Himel Holdings Inc., 1530468 Ontario Ltd., Maxoren Investments Inc. and Sheilaco Investments Inc.

SCHEDULE "D"
Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.
2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.
3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines) hydro-electric lines, gas mains, water mains, sewers and drainage and other services or for the maintenance, repair or replacement of any adjoining building or lands, including any cost sharing agreement relating thereto, or any right of re-entry reserved by a predecessor in title.
4. Any restrictive covenants and building restrictions affecting the Lands.
5. Any defects of title or encroachments by or onto the Lands, whether by gardens, fences, trees, buildings, foundations, or other structures or things, which may be revealed by any survey or reference plan of the Lands, whether now in existence or not.
6. Utility agreements, and other similar agreements with authorities or private or public utilities affecting the Lands.
7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid vendors of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.
9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.

10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).

11. Instrument No. AT1462939 registered 2007/06/01 – Notice in Favour of City of Toronto

B&M HANDELMAN INVESTMENTS LIMITED, ET AL.

Applicants

and **CHRISTINE DROTOS**

Respondent

Court File No. CV-18-594590-00CL

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

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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