

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

and

**ADVANTAGEWON CAPITAL CORP.**

Respondent

**MOTION RECORD**  
(returnable March 12, 2021)

Date: March 3, 2021

**AIRD & BERLIS LLP**  
Barristers & Solicitors  
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181 Bay Street, Suite 1800  
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*Lawyers for Link & Associates Inc., in its  
capacity as the Court-appointed receiver of  
Advantagewon Capital Inc.*

**TO: ATTACHED SERVICE LIST**

## Index

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**I N D E X**

**Tab    Document**

1.      Amended Notice of Motion

**Schedule to Amended Notice of Motion**

(a)      Draft Order

2.      First Report of the Receiver, dated February 22, 2021

**Appendices to First Report**

(a)      Receivership Order

(b)      Pre-Receivership Report (without appendices)

(c)      Approval and Vesting Order

(d)      Receiver's Vesting Certificate

(e)      Receiver's Section 245/246 Notice and Statement

(f)      Interim Statement of Receipts and Disbursements

(g)      Fee affidavit of Robert G. Link

(h)      Fee Affidavit of Damian Lu

3.      Service List

## Tab 1

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

and

**ADVANTAGEWON CAPITAL CORP.**

Respondent

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

**AMENDED NOTICE OF MOTION**

Link & Associates Inc. (“**Link**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Advantagewon Capital Corp. (the “**Debtor**”), will make a motion to a judge on Friday, March 12, 2021 at 10:00 a.m., or as soon after that time as the motion can be heard, via judicial teleconference at London, Ontario.

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

**THE MOTION IS FOR** an Order, in substantially the form attached hereto as **Schedule “A”**, including, among other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the First Report of the Receiver dated February 22, 2021 and the appendices thereto (collectively, the “**First Report**”) and approving the actions of the Receiver described therein;
- (c) approving the report to the Court of Link, in its capacity as proposed Receiver, dated December 24, 2020 (the “**Pre-Report**”) and approving the actions of Link described therein;
- (d) approving the Receiver’s Interim Statement of Receipts and Disbursements;
- (e) approving the interim professional fees and disbursements of the Receiver and its counsel;
- (f) authorizing and directing the Receiver to file articles of amendment changing the Debtor’s name;
- (g) approving certain distributions of proceeds of sale to the Applicant, FMMC Private Yield Fund Limited Partnership 1 (“**FMLP1**”), and

such further and other relief as counsel may advise and this Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) pursuant to an Order of this Court dated January 18, 2021 (the “**Receivership Order**”), made on the application of FMLP1, Link was appointed as receiver and manager, without security, of the Property of the Debtor;
- (b) pursuant to an Approval and Vesting Order of this Court also dated January 18, 2021 (the “**Approval and Vesting Order**”), the Court (i) approved a sale of the Debtor’s assets to Dorsia Capital (London) Inc. (the “**Purchaser**”) pursuant to an agreement of purchase and sale (the “**Sale Agreement**”) made between the Debtor and the Purchaser prior to the Receivership Order (the “**Transaction**”), and authorized the Receiver to close the Transaction;
- (c) the Transaction was closed on January 28, 2021;

- (d) the Receivership Order directs and empowers the Receiver to report to the Court in respect of these proceedings at such times and intervals as the Receiver may deem appropriate;
- (e) the Receiver has filed with the Court the First Report outlining, among others things, (i) the Receiver's activities since its appointment, (ii) the closing of the Transaction (iii) claims of creditors against the Debtor, (iv) the Receiver's receipts and disbursements and (v) the professional fees of the Receiver and its counsel, and seeks approval of the same;
- (f) FMLP1, as Applicant, filed with the Court the Pre-Report outlining, among other things, the Transaction and the Debtor's marketing and sale process, and the Receiver seeks approval of the same;
- (g) the Receivership Order directs and empowers Link to pass its accounts from time to time, and to include any necessary fees and disbursements of its legal counsel in the passing of its accounts;
- (h) Link and its counsel, Aird & Berlis LLP ("**A&B**"), have accrued fees and expenses in their capacity as Receiver, or counsel thereto, which fees and expenses require the approval of this Court pursuant to the Receivership Order;
- (i) The Sale Agreement required the Debtor to change its name to remove the term "Advantagewon", and the Receiver needs the Court's authorization to file articles of amendment to effect such change;
- (j) the security given by the Debtors to FMLP1 has been vetted and opined on by A&B;
- (k) other than the claims secured by the charges created by the Receivership Order, the Receiver knows of no contractual or statutory claims against the Debtor or its assets ranking higher than the secured claim of FMLP1;

- (l) the Receiver therefore seeks authorization to make an interim distribution of \$3 million to FMLP1, leaving sufficient funds in the Receiver's account as reserves for fees, expenses, and contingency requirements;
- (m) the Receiver also seeks authorization to make further interim distributions to FMLP1 from time to time without further order of the Court, up to the amount of the indebtedness owed by the Debtor to FMLP1, but only to the extent of available funds as reasonably determined by the Receiver after accounting for all expected costs, fees and expenses to administer and complete the receivership;
- (n) the other grounds as set out in the First Report;
- (o) the Receiver's Interim R&D;
- (p) the fee affidavit of Robert G. Link sworn February 22, 2021 (the "**Link Affidavit**");
- (q) the fee affidavit of Damian Lu sworn February 22, 2021 (the "**Lu Affidavit**");
- (r) the terms and conditions of the Receivership Order and, in particular, paragraphs 18, 19 and 27 thereof;
- (s) the terms and conditions of the Approval and Vesting Order and, in particular, paragraphs 2 thereof;
- (t) section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (u) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (v) rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
- (w) the inherent and equitable jurisdiction of this Court; and
- (x) such further and other relief as counsel may advise and this Court may permit.



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

- (a) the First Report;
- (b) the Link Affidavit;
- (c) the Lu Affidavit; and
- (d) such further and other material as counsel may submit and this Court may permit.

Date: March 3, 2021

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*Lawyers for Link & Associates Inc., in its  
capacity as the Court-appointed receiver of  
Advantagewon Capital Inc.*

**TO: ATTACHED SERVICE LIST**

**Tab 1(a)**

**SCHEDULE “A”  
FORM OF ORDER**

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

|                |   |  |
|----------------|---|--|
| THE HONOURABLE | ) | FRIDAY,      THE      12 <sup>TH</sup> |
|                | ) |  |
| JUSTICE <*>    | ) | DAY OF MARCH, 2021                     |

BETWEEN:

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

and

**ADVANTAGEWON CAPITAL CORP.**

Respondent

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

**ORDER**

**THIS MOTION**, made by Link & Associates Inc. (“**LAI**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of all the assets, undertaking and property Advantagewon Capital Corp. (the “**Debtor**”) for an order:

- (a) approving the First Report of the Receiver, dated February 22, 2021 (the “**First Report**”), and the activities of the Receiver described therein;

- (b) approving Link's report to the Court dated December 24, 2020, issued in its capacity as intended Receiver (the "**Pre-Report**"), and the activities of Link described therein;
- (c) approving the Receiver's Receipts and Disbursements;
- (d) approving the interim professional fees and disbursements of the Receiver and its counsel;
- (e) authorizing and directing the Receiver to file articles of amendment changing the Debtor's name; and
- (f) approving certain distributions of proceeds of sale,

was heard this day by judicial teleconference due to the COVID-19 pandemic.

**ON READING** the Report and the exhibits thereto, including the Affidavit of Fees of Robert Link sworn February 22, 2021, filed, and the Affidavit of Fees of Damian Lu sworn February 22, 2021, filed, and on hearing the submissions of counsel for the Receiver, \_\_\_\_\_ and no one appearing for any other person on the service list, although properly served as appears from the affidavit of <\*> sworn February <\*>, 2021, filed:

1. **THIS COURT ORDERS** that the Report and the activities of the Receiver described therein be and are hereby approved.
2. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period to February 22, 2021 be and the same is hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver with respect to the Debtor for the period to January 31, 2021, in the amount of \$55,320.28 (including HST), be and the same are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's legal counsel, Aird & Berlis LLP, for the period to January 30, 2021, in the amount of \$50,662.33 (including HST), be and the same are hereby approved.
5. **THIS COURT ORDERS** that, notwithstanding the provisions of subsection 171(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the Receiver be and is hereby authorized and directed to complete, execute and file articles of amendment for and on behalf of the Debtor and any officer and director of the Debtor (such articles of amendment to be deemed to have been signed by a director or an officer of the Debtor and executed in accordance with the OBCA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of the Debtor to 2400918 Ontario Inc. (and such amendment shall be deemed to have been duly authorized by Section 168 of the OBCA without any shareholder or director resolution approving such amendment being required), and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon a certificate of amendment upon receipt from the Receiver of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Receiver be and is hereby authorized and directed to complete, execute and file for and on behalf of the Debtor and any officer or director of the Debtor, if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.
6. **THIS COURT ORDERS** that the Receiver may make the following distributions to FMMC Private Yield Fund Limited Partnership 1 ("**FMLP1**"), and the same be and are hereby approved:
  - (a) an interim distribution in the amount of \$3,000,000.00; and
  - (b) such subsequent distributions as the Receiver determines are appropriate, up to the amount of the indebtedness owed by the Debtor to FMLP1 and subject to maintaining sufficient reserves to satisfy all expected costs, fees and expenses to administer and complete the receivership.

7. **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 of America 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.
  8. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.
-

**FMMC PRIVATE YIELD FUND LIMITED  
PARTNERSHIP I**

- and -

**ADVANTAGEWON CAPITAL CORP.**

Applicant

Respondent

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceedings commenced at London**

**AMENDED NOTICE OF MOTION**

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*Lawyers for Link & Associates Inc., in its capacity as the Court-appointed receiver of Advantagewon Capital Corp.*

## Tab 2



Court File No. 2003/20

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

-and-

ADVANTAGEWON CAPITAL CORP.

Respondent

APPLICATION UNDER section 243 of the Bankruptcy and Insolvency Act,  
R.S.C. 1985, c B-3, as amended and under section 101 of the Courts of Justice Act, R.S.O. 1990,  
c C.43, as amended.

**FIRST REPORT OF THE RECEIVER**

**LINK & ASSOCIATES INC.**

February 22, 2021

## **INDEX OF APPENDICES**

- A. Order Appointing Receiver dated January 18, 2021
- B. Pre-Receivership Report of the Receiver dated December 24, 2020 (without appendices)
- C. Approval and Vesting Order dated January 18, 2021
- D. Receiver's Certificate dated January 28, 2021
- E. Section 245/246 Notice and Statement of Receiver dated January 26, 2021
- F. Receiver's Interim Statement of Receipts and Disbursements as at February 22, 2021.
- G. Receiver's Fee Affidavit
- H. Fee Affidavit of Counsel to Receiver

## I. INTRODUCTION

1. On January 18, 2021, Link & Associates Inc. (“**Link**”) was appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Advantagewon Capital Corp. (“**Advantagewon**”, or the “**Debtor**”) pursuant to the Order of the Honourable Justice Mitchell (the “**Appointment Order**”) on the application of FMMC Private Yield Fund Limited Partnership 1 (“**FMLP1**”). Attached hereto as “**Appendix A**” is a copy of the Appointment Order.
2. As part of the Application Record of FMLP1, the Receiver filed a pre-appointment report (the “**Pre-Report**”) dated December 24, 2020 in support of the proposed sale. A copy of the Pre-Report, minus its appendices, is attached hereto as “**Appendix B**”.
3. The Pre-Report contained a Confidential Supplemental Report dated December 24, 2020 (the “**Confidential Supplemental Report**”), which, pursuant to the Approval and Vesting Order (as defined in paragraph 6 below) remains under seal and is not appended to this First Report.
4. On or about December 23, 2020, an agreement of purchase and sale (the “**Sale Agreement**”) was entered into between Advantagewon and Dorsia Capital (London) Inc. (the “**Purchaser**”).
5. The Sale Agreement contemplated completion of the sale of the Debtor’s assets to the Purchaser contemplated therein (the “**Transaction**”) by the Receiver, upon its appointment. The Appointment Order authorizes the Receiver to, *inter alia*, sell the property of the Debtor.

6. On January 18, 2021, in conjunction with the Appointment Order, the Court issued an Approval and Vesting Order approving the Transaction and authorizing the Receiver to close the Transaction (the “**Approval and Vesting Order**”).
7. The Approval and Vesting Order also sealed the Confidential Supplemental Report 45 days past the closing date of the Transaction. Attached as **Appendix "C"** is a copy of the Approval and Vesting Order.

### **1.1 Purpose of this Report**

8. The purpose of this report (the “**First Report**”) is to:
  - (a) report on, and seek approval for, the actions, activities, conduct and findings of the Receiver since the date of the Appointment Order to the date of this First Report;
  - (c) provide the Court with confirmation as to the closing of the Transaction; and
  - (d) to seek an Order:
    - i) approving the First Report and the activities of the Receiver described therein;
    - ii) approving the Pre-Report and the activities of Link described therein;
    - iii) approving the Receiver’s Interim R&D (as defined in paragraph 60 below);
    - iv) approving the interim professional fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP (“**A&B**”), as set forward in the fee affidavits filed and attached to this First Report;

- v) authorizing and directing the Receiver to files Articles of Amendment on behalf of the Debtor to change the Debtor's name to 2400918 Ontario Inc.;
- vi) authorizing the Receiver to make an interim distribution of \$3.0 million to FMLP1, the Applicant and first-ranking secured creditor in this proceeding;
- vii) authorizing the Receiver to make further interim distributions to FMLP1 from time to time without further order of the Court, up to the amount of the indebtedness owed by the Debtor to FMLP1, but only to the extent of available funds as reasonably determined by the Receiver after accounting for all expected costs, fees and expenses to administer and complete the receivership; and
- viii) such further and other relief as to this Honourable Court may deem just and appropriate.

## 1.2 Notice to Reader

9. In preparing this First Report and making the comments herein, the Receiver has relied upon information prepared or provided by the Debtor and information from other third-party sources (collectively, the "**Information**"). Certain of the information, recommendations and conclusions contained in this Report may refer to, or is based on, the Information. As the Information has been provided by various third parties, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness.
10. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with

Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

11. Unless otherwise stated, all dollar amounts set out in this Report are expressed in Canadian dollars.

## **II. ACTIVITIES OF THE RECEIVER**

12. Upon its appointment, the Receiver commenced and carried out its duties, as more particularly described below.

### **2.1 Banking and Loan Collections**

13. The Receiver assumed effective control of the Debtor's bank account and continued to monitor and collect the daily electronically remitted loan payments deposited to it. The Receiver opened a separate trust account and transferred accumulated funds from the Debtor's account from time to time.
14. After the closing of the Transaction, as described in greater detail below and as reflected in the Receiver's Interim R&D appended to this First Report, the Receiver promptly turned over to the Purchaser the net proceeds of all loan collections which came into the possession of the Receiver.

## 2.2 Employees

15. The Debtor was current in respect of payroll and source deductions at the date of the Appointment Order.
16. All but one employee was terminated by the Receiver, on behalf of the Debtor, on January 20, 2021. All employees terminated on that date were paid up to and including January 20, 2021.
17. The remaining employee was terminated by the Receiver, on behalf of the Debtor, on February 17, 2021 and has been paid up to and including the date of termination.
18. For all of these terminated employees, the Receiver has processed all of their unsecured claims for termination pay under the Wage Earner Protection Program (“WEPP”).
19. The Purchaser continued the employment of three terminated employees. As such, the Purchaser assumed the years of service for each employee it hired, and the responsibility for any future termination or severance claims as the successor employer and no WEPP applications will be processed for them by the Receiver.
20. Termination pay is not covered by the secured charge of section 81.4 of the Bankruptcy and Insolvency Act and, therefore, the subrogated claim of WEPP for any amounts it pays out for termination pay do not rank ahead of the security held by FMLP1 or any other secured creditor.

### 2.3 Closing of the Transaction

21. The Purchase Price was received by the Receiver in trust on January 25, 2021, in advance of closing, subject to escrow and pending satisfaction or waiver of all closing conditions.
22. On January 28, 2021, all conditions were met, the Transaction was completed, all closing documents executed and exchanged, and the sales proceeds were released from escrow.
23. The Receiver's certificate of completion dated January 28, 2021, was filed with the Court on February 10, 2021. Attached hereto as **Appendix "D"** is a copy of the Receiver's Certificate.

### 2.4 Beacon Holdings Limited

24. As set out in its Pre-Report, from May to October 2017, Beacon Holdings Limited ("**Beacon**") acquired a total of approximately \$4.0 million of performing loans from Advantagewon (the "**Beacon Loans**") at a discount to net book value. Advantagewon continued to service the Beacon Loans for a fee.
25. The Beacon Loans are owned by Beacon. They are not Advantagewon's assets and do not form any part of the assets that were sold.
26. As set out in its Pre-Report, the Receiver did not intend to operate the business or continue to administer the Beacon Loans, and it was noted that Beacon would need to make alternate arrangements for the ongoing administration of the Beacon Loans.
27. Upon its appointment, and in the weeks following, the Receiver delivered up to Beacon all of the available reports and information it had with respect to the Beacon Loans and



has corresponded frequently with Beacon and its staff with respect to same. Any Beacon Loan customer payments or proceeds of vehicle sales that have come into the possession of the Receiver have been promptly deposited into a bank account to which Beacon has direct access.

28. The loans administered by the Debtor, whether on its own behalf or on behalf of Beacon, utilized a third-party software service provider (“**Casitron**”) which houses all of the loan data and is used to manage and track the loans and generates all of the financial reporting. While the loan data is the property of the Debtor (or Beacon in the case of the Beacon Loans), the Casitron database that the data resides on is not.
29. The Purchaser of the Advantagewon assets is not continuing to use Casitron, as it intends to operate on a new system. The Receiver contacted Casitron and confirmed to Casitron that the Beacon Loans were owned by Beacon and the Beacon Loan data was theirs and the Receiver had no interest in it; and furthermore, that if Beacon wished to continue to use their services on whatever terms they found agreeable between them, the Receiver confirmed it had no interest and would bear no responsibility for the cost of same.
30. There have been some issues which have recently arisen with respect to the information requested by Beacon versus what the Receiver has been able to provide. Beacon has recently requested the Receiver provide additional information from the Casitron system which dates back to loan origination (in some cases back to 2015) for the loans it acquired from Advantagewon in 2017.
31. The Receiver is in discussions with Casitron with respect to this request.

32. The Receiver also arranged for the locating, sorting and compiling of all of the physical Beacon Loan files (approximately 1,200 files) and expects to make delivery to Beacon of approximately 24 boxes of files before the end of February, 2021.
33. The Receiver continues to cooperate with Beacon to provide information and assistance to the extent possible. The Receiver has taken, and will take, what it believes are all reasonable steps pertaining to delivering up the Beacon Loans to Beacon.

## **2.5 Landlord and Premises**

34. The Receiver understands that the Purchaser has made new arrangements with the Landlord to continue to occupy the premises. No assignment of lease was requested or required.

## **2.6 Crown Claims for Source Deduction and HST**

35. The Debtor's payroll, payroll remittances, and HST filings were current as at the date of the Appointment Order. The Receiver has kept all filings and remittances current.
36. The 2020 and 2021 T4's and T4 Summary have been filed with CRA.
37. Based upon all available information, there are no expected deemed trust claims for payroll taxes or HST.

## **2.7 Income Tax**

38. The Receiver arranged for the preparation and filing of the Debtor's December 31, 2020 corporate income tax return. The return was filed on February 10, 2021. It reported a net loss of \$2,650,850 for the year.

## 2.8 Statutory Notices and Other Matters

39. The Receiver notified the Insolvency Intake Centre of the Canada Revenue Agency (“**CRA**”) of the Appointment Order via fax on January 21, 2021.
40. The Receiver prepared its statutory Notice and Statement of Receiver pursuant to Sections 245 (1) and 246 (1) of the BIA (the “**245/246 Notice**”) and filed it with the Official Receiver on January 26, 2021. The Official Receiver issued its certificate on January 27, 2021. A copy of the 245/246 Notice that was filed is attached hereto as **Appendix “E”**.
41. The Receiver sent the 245/246 Notice to all known and potential creditors of which it was aware, including CRA for its unsecured \$60,000 Canada Emergency Business Account loan, on January 27, 2021.
42. In addition to the creditors listed on the 245/246 Notice, additional creditors were subsequently notified as the Receiver became aware of them.
43. After its appointment, the Receiver became aware that the Debtor had not registered for Employer Health Tax (EHT) and is taking the necessary steps to ensure all of the Debtor’s statutory obligations with respect to EHT are brought into compliance. Unremitted EHT premiums for 2017 to 2020 are expected to be in the range of \$30,000 and will rank as unsecured claims.
44. In addition to processing payroll, payroll tax and HST remittances, the Receiver also made disbursements to necessary service providers in the administration of the receivership and undertook other various administrative tasks in carrying out its duties.

### III. PROPOSED INTERIM DISTRIBUTION TO FMLP1

45. FMLP1 is the first-ranking secured creditor of the Debtor. As at January 31, 2021, FMLP1 was owed a total of \$3,318,797.51 as set out below.

| <b>Breakdown of FMLP1 Indebtedness as at January 31, 2021</b> |                        |
|---|------------------------|
| Demand Loan - Principal                                       | \$ 3,253,550.00        |
| Legal Fees  | 23,704.89              |
| Interest - January 2021                                       | 41,542.62              |
| <b>Total</b>  | <b>\$ 3,318,797.51</b> |

46. Interest due to FMLP1 for the month of February, 2021 will be slightly less than for the month of January, but when added, will bring the total indebtedness due to FMLP1 to approximately \$3.35 million.
47. The Receiver has obtained an independent legal opinion from A&B which provides that, subject to the usual qualifications and assumptions, the security granted by the Debtor in favour of FMLP1 creates a valid and enforceable duly perfected security interest in all the personal property of the Debtor and the proceeds thereof.
48. The Receiver is not aware, whether from the Debtor's books and records, searches conducted by A&B, responses to the 245/246 Notice or from any other information of any creditor that would rank ahead of FMLP1's claim, other than the claims secured by the charges created in the Appointment Order.
49. There also are no known or expected deemed trusts or other statutory priority interests which may rank ahead of FMLP1.

50. The Receiver currently holds cash balances of approximately \$3.36 million, comprised primarily of the proceeds of sale paid under the Transaction, and cash in bank and loan collections up to the date of closing of the Transaction.
51. The Receiver proposes to make an interim distribution of \$3.0 million to FMLP1 at this time. No party will be prejudiced by the interim distribution.
52. The cash currently held by the Receiver is sufficient to satisfy the proposed interim distribution while maintaining a suitable reserve for fees and expenses, and contingency requirements, pending any further distributions.
53. The Receiver also requests that it be authorized to make further interim distributions to FMLP1 from time to time without further order of the Court, up to the amount of the indebtedness owed by the Debtor to FMLP1, but only to the extent of available funds as reasonably determined by the Receiver after accounting for all expected costs, fees and expenses to administer and complete the receivership.
54. After accounting for current and projected future costs and expenses of the receivership, FMLP1 will not recover the full amount of its indebtedness, including all interest. As such, there are no funds expected to be available for any subordinate secured creditors, or any unsecured creditors.
55. FMLP1 is entitled to the funds in this interim distribution.
56. The Receiver recommends, and FMLP1 supports, this interim distribution.

#### IV. CORPORATE NAME CHANGE

57. Section 9.05 of the Sale Agreement contemplated that the Debtor would change its name to something dissimilar from Advantagewon within 20 days of the closing of the Transaction.
58. The original Approval and Vesting Order inadvertently did not provide for the necessary authorization. The Receiver has advised the Purchaser of its intent to rectify this at its earliest opportunity.
59. The Receiver requests the Court's authorization and direction to execute and file Articles of Amendment on behalf of the Debtor to effect the change of the name of the corporation to 2400918 Ontario Inc.

#### V. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

60. Attached hereto as **Appendix "F"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as at February 22, 2021 (the **"Interim R&D"**).
61. The Interim R&D incorporates all of the receipts and disbursements conducted through the Receiver's trust account at Bank of Nova Scotia, and the operating account of the Debtor domiciled at TD Bank.
62. The purpose for the Receiver maintaining and utilizing the Debtor's TD Bank account was to ensure no disruption to incoming electronic credits such as daily scheduled EFT loan payments received from customers; to ensure prompt receipt of the funds available to the Debtor under the Canada Emergency Wage Subsidy (**"CEWS"**) program that were

available due to its declining revenues; and to facilitate outgoing payments such as payroll and payroll tax remittances.

63. All cash on hand and the net proceeds of all loan payment receipts and the sale of seized vehicles up to the closing of the Transaction are the property of the Receiver and are being utilized primarily to pay the costs of the proceedings including legal and Receiver's fees, payroll and payroll taxes, and all other costs.
64. Cash standing to the credit of either the Debtor or the Receiver as at the date of closing of the Transaction, and any payroll subsidies received under the CEWS program, were specifically excluded from the Transaction. All post-closing loan payment receipts, net of returned payments (i.e. NSF, payment stopped) received on or after the date of closing have been turned over to the Purchaser.
65. The Receiver is aware of a third-party financial institution/payment processor ("**DCR**") that is currently holding \$12,237.29 of funds belonging to the Debtor for a prepaid credit card program. The Purchaser may wish to make use of this program, in which case it can reimburse the Receiver for the cash on hand. Alternatively, the Receiver will take the necessary steps to recover these funds directly from DCR.
66. There are no other expected future receipts, save and except for the funds with DCR noted above, and potentially some modest HST refunds.
67. The Interim R&D shows the proposed \$3.0 million distribution to FMLP1 and remaining cash on hand after making the distribution.

## **VI. PROFESSIONAL FEES**

68. The Receiver seeks approval of its interim fees and disbursements, and those of its legal counsel, A&B.
69. The Receiver's interim accounts for the to January 31, 2021 total \$55,320.28, consisting of professional fees of \$48,956.00 and HST of \$6,364.28 (the “**Receiver's Accounts**”). Attached hereto as **Appendix “G”** is the Affidavit of Robert Link sworn February 22, 2021, incorporating copies of the Receiver's Accounts and a summary of the personnel, hours and hourly rates of the Receiver.
70. The interim accounts of the Receiver's legal counsel, A&B, for the period to January 30, 2021 total \$50,662.33 and consist of fees of \$44,561.50, disbursements of \$282.25 and HST of \$5,818.58 (“**A&B’s Accounts**”). Attached hereto as **Appendix “H”** is the Affidavit of Damian Lu sworn February 22, 2021, incorporating copies of A&B’s Accounts, as well as a summary of the personnel, hours and hourly rates of A&B.

## **VII. RECOMMENDATIONS**

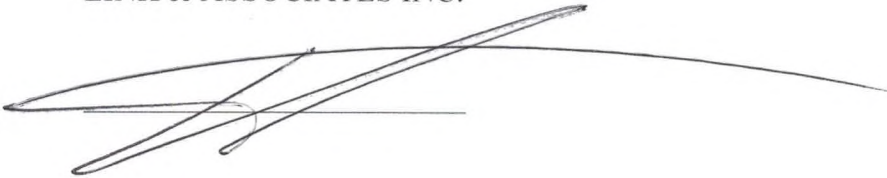
71. As a result of the above, the Receiver recommends that:
  - (a) the Pre-Report, the First Report and the actions, activities, conduct and findings of Link and the Receiver as set out in therein be approved;
  - (b) the Interim R&D be approved;
  - (c) the fees and expenses of the Receiver and A&B be approved;



- (d) the Receiver be authorized to file articles of amendment to change the Debtor's name;
- (e) the interim distribution of \$3.0 million to FMLP1 be authorized; and
- (f) further interim distributions to FMLP1 shall be authorized as set out herein.

Respectfully submitted this 22<sup>nd</sup> day of February, 2021.

LINK & ASSOCIATES INC.

A handwritten signature in dark ink, consisting of several overlapping, fluid strokes that form a stylized, elongated shape.

**Tab 2(a)**

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
JUSTICE MITCHELL

)  
)  
)

Monday The 18th  
~~FRIDAY THE 15<sup>TH</sup>~~  
DAY OF JANUARY, 2021

V E E N:



FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

and

ADVANTAGEWON CAPITAL CORP.

Respondent

APPLICATION UNDER s.243(1) of the Bankruptcy and Insolvency Act and under s. 101 of the Courts of Justice Act

**ORDER  
(appointing Receiver)**

THIS MOTION 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 Link & Associates Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Advantagewon Capital Corp. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Don Bent sworn December 31, 2020 and the exhibits thereto, the pre-receivership Report of Link & Associates Inc. dated December 24, 2020, and the consent of Link & Associates Inc. to act as the Receiver, and on hearing the submissions of counsel,

### **SERVICE**

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

### **APPOINTMENT**

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

### **RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security

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personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

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- (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) apart from the matters in paragraph 3(l) below, 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required.

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- (l) in particular, to complete, with such reasonable and appropriate changes as may be necessary, an asset purchase agreement for the assets and undertaking of the Debtor, as Vendor, and Dorsia Capital (London) Inc., as Purchaser, dated December 23, 2020 and as described in the Pre-Receivership Report, filed;
- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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;
- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and



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- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this



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paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable

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secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the Supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

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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 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 \$200,000 (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 "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Superior Court of Justice website at <https://goo.gl/a6ltWp>) 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.

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

#### **GENERAL**

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



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

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

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the 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.

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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.

A handwritten signature in cursive script, reading "Alison Mitchell", is written over a horizontal line.

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \*

AMOUNT \$ \*

1. THIS IS TO CERTIFY that Link & Associates Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Advantagewon Capital Corp (the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 15<sup>th</sup> day of January, 2021 (the "Order") made in an application having Court file number 2003/20, 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.

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\*, 2021.

Link & Associates Inc., solely in its capacity as  
Receiver of the Property, and not in its personal  
capacity

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

Name: Robert Link

Title: President

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I  
Applicant

-and-

ADVANTAGEWON CAPITAL CORP.  
Respondent

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
LONDON

**RECEIVERSHIP ORDER**

**FOGLER, RUBINOFF LLP**

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Lawyers for the Applicant,  
FMMC Private Yield Fund Limited Partnership I

RCP-E 4C (May 1, 2016)

**Tab 2(b)**

Court File No. 2003/20

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

-and-

ADVANTAGEWON CAPITAL CORP.

Respondent

APPLICATION UNDER section 243 of the Bankruptcy and Insolvency Act,  
R.S.C. 1985, c B-3, as amended and under section 101 of the Courts of Justice Act, R.S.O. 1990,  
c C.43, as amended.

**REPORT OF LINK & ASSOCIATES INC.**  
**PROPOSED RECEIVER**

December 24, 2020

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## I. INTRODUCTION

1. Advantagewon Capital Corp. (“**Advantagewon**” or the “**Company**”) is a London, Ontario-based company which offers consumer finance for automotive repairs.
2. One of the Company’s secured creditors, FMMC Private Yield Fund Limited Partnership 1 (“**FMLP1**”), intends to apply to Court for, among other things, the appointment of Link & Associates Inc. (“**Link**”) as Receiver (the “**Receiver**”) of all of the assets, undertakings and properties of the Company to facilitate the sale of the assets of the business.
3. This report of the proposed Receiver (the “**Report**”) is prepared by Link in anticipation of FMLP1’s application and in support of a proposed sale of Advantagewon’s assets, undertakings and properties (the “**Purchased Assets**”) pursuant to an asset purchase agreement dated December 23, 2020 (the “**APA**”) between Advantagewon and Dorsia Capital (London) Inc. (“**Dorsia**” or the “**Purchaser**”).

### 1.1 Link’s Involvement and Independence

4. Link was contacted by FMLP1 in September 2020 to meet with the Company and to advise on various options that may be available given that Advantagewon was no longer able to source new capital to finance its consumer lending operations.
5. Link met with the Company and FMLP1 on September 15, 2020 to review, discuss and evaluate the Company’s financial position and future business prospects, and what restructuring options may be available to deal with the issues at hand.

6. It was evident that the Company was in financial distress. It was incurring significant monthly operating losses, and its asset base, which consists primarily of consumer loans, was shrinking rapidly as the Company no longer had sufficient capital to make new loans.
7. The Company advised that it had a party interested in acquiring the assets and business, but the discussed price range was less than the amount that would be needed to repay all of the claims of secured creditors which appeared to have an interest in, and to, those assets.
8. Link set out the insolvency options that it believed would be applicable to the situation, and in this case, it was to recommend the appointment of a receiver. Link was subsequently involved in numerous discussions, conference calls, emails and correspondence which led to the negotiation and preparation of a comprehensive APA between the Company and the proposed Purchaser, Dorsia, as set out in greater detail in this Report.
9. Both the Company and FMLP1 have agreed to Link acting as the Receiver, and Link has consented to act as receiver of the Company if so appointed by this Court. As Receiver, Link will ensure that once the proposed sale has closed, the Company's remaining assets (if any) will be realized, and the proceeds distributed in an orderly fashion to the Company's creditors in accordance with their respective entitlement.
10. Link has prepared this Report to assist the Court in its deliberations and in doing so understands the role of an officer of the Court and its obligation to act impartially and objectively. Link's recommendations and conclusions set out in this Report are its own.

They are based upon the inquiries that it has made, including obtaining an independent valuation report, as well as its review and analysis of the information it has obtained from the Company, its stakeholders and advisors.

## **1.2 Purpose of this Report**

11. The purpose of this Report is to assist the Court in its decision to appoint the Receiver and approve the sale as contemplated by the APA (the “**Transaction**”). Specifically, this Report:

- (i) provides background information concerning the Company including its financial performance and current financial position;
- (ii) outlines the issues that caused FMLP1 to bring the receivership application;
- (iii) reports on the efforts undertaken by the Company to seek fresh capital and/or new financing;
- (iv) details the proposed Transaction as set out in the APA;
- (v) provides confirmation of the security interests registered against the Company in favour of the first secured creditor, FMLP1; and
- (vi) recommends that this Court issue an order appointing the Receiver, approving the APA and vesting title in the Purchaser, and directing the Receiver to take such steps and execute such documents as may be necessary or desirable to give effect to the Transaction.

### 1.3 Notice to Reader

12. This Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making its determination whether to approve the appointment of the Receiver, and to approve the proposed Transaction pursuant to the APA, and other relief being sought.
13. In preparing this Report and making the comments herein, the Receiver has relied upon information prepared or provided by the Company and information from other third-party sources (collectively, the “**Information**”).
14. Certain of the information, recommendations and conclusions contained in this Report may refer to, or is based on, the Information. As the Information has been provided by various third parties, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness.
15. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
16. Unless otherwise stated, all dollar amounts set out in this Report are expressed in Canadian dollars.

#### 1.4 Confidential Supplemental Report

17. In the Receiver's judgment, disclosure of some of the documents referred to in this Report would negatively impact the Receiver's ability to carry out its mandate by, among other things, interfering with the integrity of any subsequent sales process in respect of Advantagewon's business or assets if the transaction for which approval is being sought is not completed.
18. In particular, and without limiting the generality of the foregoing, it is the Receiver's judgment that it would impair the Receiver's ability to maximize realization of Advantagewon's assets were any information to be made public concerning the specific details of the APA, the values ascribed to the underlying assets as more particularly set out in the independent valuation report, the details of any previous negotiations with any other parties, the identity of the parties or any of their advisers, or any of them.
19. Accordingly, the Receiver has prepared a confidential supplemental report to this Report (the "**Confidential Supplemental Report**") which the Receiver requests that, subject to any further order of this Court, the Confidential Supplemental Report shall be sealed by this Court, kept confidential and not form part of the public record, but rather 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 of these proceedings and a statement that the contents are subject to a sealing order and that the sealed envelope shall only be opened no less than 45 days following the filing of the Receiver's Certificate.

## II. BACKGROUND

20. 2400918 Ontario Inc. was incorporated in the Province of Ontario on December 19, 2013.
21. On May 23, 2019, the Company filed articles of amendment to change its name to Advantagewon Capital Corp. It previously registered the “Advantagewon” trade name on June 9, 2017.
22. Advantagewon is owned 50% by Mark Wilson (“**Wilson**”) and 50% by Fountain Asset Corp. (“**Fountain**”). Wilson is the founder of the Company. Fountain is an Ontario-based publicly traded investment firm. Its subordinate voting shares are listed on the TSX Venture Exchange. In addition to being a 50% shareholder, Fountain is also a secured creditor.
23. According to a Corporate Profile Report dated November 25, 2020, a copy of which is attached hereto as **Appendix “A”**, the two directors of the Company are Wilson and Jason Ewart (“**Ewart**”).
24. Wilson is the sole officer of the Company and runs the day-to-day business operations. Ewart is the co-founder and former CEO of Fountain. Ewart departed Fountain in October 2017.

### 2.1 Nature of the Business

25. Advantagewon is in the business of making consumer auto repair loans to individuals. It operates from leased premises located at 376 Richmond St. in London, Ontario, and currently employs 16 people.

26. Staff roles consist of salespeople, customer service, clerical, accounting, legal, and collections.
27. Loans are made for terms generally between 18 to 48 months at 27.5%, repayable in monthly blended payments. In addition to interest, the Company charges upfront and other fees which are added to and collected over the term of the loan, resulting in an effective annual interest rate of approximately 45%.
28. Due to the nature of the business, the Company mitigates potential losses by taking security over the vehicle being financed. At times, this requires repossession which leads to the Company holding an inventory of seized vehicles from time to time while the legal process is carried out for the Company to obtain title to, and liquidate, the vehicle.
29. Loan payments are collected electronically from customers via pre-authorized payment. As a sub-prime lender, the Company is subject to higher credit risk where borrowers may be more likely to default.
30. The level of default ranges from a missed payment and follow-up action by company staff to collect overdue payments and bring the loan into good standing, to collection activities being undertaken, to vehicle seizure and/or legal action.
31. Net recovery for each loan is variable and depends upon a number of factors such as default rates, collection and repossession costs, and legal and other fees.



## **2.2 Origin of FMLP1 Loan**

32. FMLP1 commenced its lending relationship with Advantagewon in June 2017. From that date until April 2018, it advanced a total of \$3,380,000, of which \$3,253,550 of principal is still outstanding.
33. At the time of initial loan advance by FMLP1, the issued and outstanding equity shares of the Company were evenly split between Wilson, the Company's founder, and Fountain. Advantagewon was not profitable at this point and would require additional capital to sustain its then-existing level of business, and for future growth.
34. In addition to its equity position, Fountain was also owed approximately \$3 million in the form of term debt. Fountain subordinated its loans to those of FMLP1 as a condition of the FMLP1 loans.
35. As noted above, Ewart departed Fountain in October 2017. It does not appear that further equity support was available from Fountain.
36. In late 2017 the Company began organizing materials and data to share with larger potential new equity-type investors and began meeting with such potential investors shortly thereafter. From that time to present date, Wilson made significant efforts to bring new capital into the Company.
37. On the basis of information provided by the Company and FMLP1, the Receiver has prepared an overview and chronology of these efforts, which is contained within the Confidential Supplemental Report.

38. The best available outcome from this effort is the APA negotiated between Advantagewon and Dorsia for which approval of this Honourable Court is being sought.

### **III. FINANCIAL POSITION**

39. The Company incurred significant losses in 2018 and 2019. It has been unable to obtain a sufficient infusion of capital to reduce its reliance on high-rate debt and to grow its business and achieve profitability.
40. The Company's existing high debt load and earnings history has made attracting investors difficult.
41. As at its most recent fiscal year end December 31, 2019, Advantagewon has an accumulated retained earnings deficit of \$6,845,620. The 2019 audited financial statements are attached hereto as **Appendix "B"**.
42. The audited statements contain an Adverse Audit Opinion and express uncertainty and doubt about the Company's ability to continue as a going concern.
43. As per the audited statements, in fiscal 2019, the Company lost \$2,874,247 on net revenues of \$1,849,418. Comparative figures for fiscal 2018 show that the Company lost \$2,417,527 on net revenues of \$2,978,804.
44. The trend of significant losses has continued throughout fiscal 2020. For the 11 months ending November 30, 2020, the Company is reporting a loss of \$2,682,304 on net revenues of \$1,372,155.

45. The Company's retained earnings deficit is now approaching \$9 million. A copy of the internal reporting for the 11- month period ending November 30, 2020 is attached hereto as **Appendix "C"**.
46. We note that the internal statements have not been reviewed by the external auditor and their presentation differs from those of the audited statements.
47. Interest revenue of \$1,016,256 earned in fiscal 2020 is comparable to 2019 levels, however fiscal 2020 revenue has also been bolstered by a non-recurring Wage Subsidy of \$297,156 made available due to the COVID-19 pandemic.
48. The Company's other revenue sources such as warranty and new loan fees have declined, as has the asset base, given the lack of capital required to make new loans.

### **3.1 Loan Default**

49. Starting in December 2017 the Company started to breach its loan covenants with FMLP1. In August 2018, Advantagewon and FMLP1 entered into a forbearance agreement, which was subsequently extended and amended several times (the **"Forbearance Agreement"**).
50. A key component of the Forbearance Agreement was that the Company had to bring in at least \$200,000 per month of fresh capital to inject into the lending business, with all such fresh capital to be subordinate to FMLP1 to preserve FMLP1's security position while the Company sought a larger equity or quasi-equity partner that could provide the capital base that the Company needed.

51. Wilson was successful in bringing in approximately \$5.7 million, as a combination of secured subordinated debt and unsecured debt, from December 2018 to February 2020, to maintain operations.
52. The vast majority (almost \$4.7 million) of this new funding came from 2312788 Ontario Inc., of which Wilson owns 50%. This capital effectively financed the majority of new loan activity.
53. Since March 2020, the Company has been unable to secure fresh capital of any significance to continue to grow the loan portfolio. As a result, the Company has essentially been living off its monthly loan collections since that time.
54. The Company's asset base is diminishing rapidly while it continues to incur significant monthly operating losses. The situation is not sustainable.
55. On October 26, 2020, FMLP1, in recognition of the rapidly declining asset base and need for action, issued demand for repayment and notice of intention to enforce its security.
56. At the same time, the Company was continuing to negotiate the terms of a potential transaction with Dorsia as set out herein.

### **3.2 Declining Loan Book**

57. The business has three primary revenue sources: i) interest income; ii) fees and servicing revenue; and iii) warranty revenue.
58. Without the ability to make new loans, the Company loses the ability to generate fee revenue, which is a significant source of income.

59. As at November 30, 2020 the gross loan book (the “**Loan Book**”) was approximately \$5.1 million, comprised of 1,167 individual loans.
60. There is also an inventory of repossessed vehicles (in various stages of possession and recovery) of approximately \$87,000.
61. Of the current Loan Book, just under \$2.9 million are classified as performing loans.
62. By way of comparison, at the end of fiscal 2019 the total Loan Book plus vehicle inventory was approximately \$7.1 million with \$4.6 million classified as performing loans.
63. As set out in the table below, the performing loans have reduced by approximately \$1.76 million over the course of the 11 months of the fiscal year to date, which is on average \$160,000 per month.

| Category                    | Audited<br>December 31, 2019 | Internal<br>September 30, 2020 | Internal<br>October 31, 2020 | Internal<br>November 30, 2020 | 11 month<br>(Increase) Decrease |
|-----------------------------|------------------------------|--------------------------------|------------------------------|-------------------------------|---------------------------------|
| Performing Loans            | \$ 4,644,694                 | \$ 3,313,699                   | \$ 3,039,866                 | \$ 2,883,983                  | \$ 1,760,711                    |
| Non-Performing Loans        | 984,062                      | 898,235                        | 871,061                      | 830,474                       | 153,588                         |
| Pending Legal               | 243,820                      | 350,679                        | 350,679                      | 187,491                       | 56,329                          |
| Pending Collections         | 1,118,196                    | 1,297,381                      | 1,322,328                    | 1,197,221                     | (79,025)                        |
| Inventory                   | 3,984                        | 3,984                          | 17,132                       | 17,132                        | (13,148)                        |
| Inventory Pending           | 115,319                      | 83,573                         | 70,425                       | 70,425                        | 44,894                          |
| <b>Total Gross</b>          | <b>\$ 7,110,075</b>          | <b>\$ 5,947,551</b>            | <b>\$ 5,671,491</b>          | <b>\$ 5,186,725</b>           | <b>\$ 1,923,350</b>             |
| <b>Less:</b>                |                              |                                |                              |                               |                                 |
| Allowance for Loan Losses   | (203,504)                    | (203,504)                      | (203,504)                    | (203,504)                     | -                               |
| Black Book Value Adjustment | (244,441)                    | (244,441)                      | (244,441)                    | (244,441)                     | -                               |
| <b>Subtotal Adjustments</b> | <b>\$ (447,944)</b>          | <b>\$ (447,944)</b>            | <b>\$ (447,944)</b>          | <b>\$ (447,944)</b>           | <b>-</b>                        |
| <b>Total Net</b>            | <b>\$ 6,662,131</b>          | <b>\$ 5,499,606</b>            | <b>\$ 5,223,547</b>          | <b>\$ 4,738,781</b>           | <b>\$ 1,923,350</b>             |

64. However, the rate of decline has increased in recent months as there has been little to no new loan activity since March 2020 to replenish the Loan Book.

65. As shown in the table above, in the two months from September to November 2020, performing loans have reduced by \$430,000 (from \$3,313,699 down to \$2,883,983), which is an average of \$215,000 per month.
66. It is therefore reasonable to expect that the performing loans will continue to reduce by approximately \$200,000 per month going forward (assuming no material change in the default rate).

#### IV. SECURED CREDITORS

67. The table below summarizes the PPSA registrations against the Company by various parties (the “**Secured Creditors**”) and the respective ranking of each Secured Creditor, taking into account the various Subordination and Postponement Agreements, and on the assumption that all registrations are up to date and correct.

| <b>Rank</b> | <b>Name of Secured Creditor</b>                      | <b>Amount</b>       |
|-------------|--|---------------------|
| 1           | Fraser Mackenzie Private Yield Fund LP 1 (Principal) | \$ 3,253,550        |
| 2           | Fountain Asset Corp. (Principal)                     | 3,024,129           |
| 2           | Fountain Asset Corp. (Accrued Interest)              | 1,308,488           |
| 3           | Beacon Holdings Limited                              | To Be Determined    |
| 4           | ACEF Trust (Principal)                               | 1,000,000           |
|             | <b>Total</b>   | <b>\$ 8,586,167</b> |

68. All Secured Creditors are currently being paid interest in accordance with loan terms, save and except for shareholder Fountain.
69. Copies of the FMLP1’s credit agreement and security are expected to be included in FMLP1’s application to appoint the Receiver and therefore are not included in this Report.

#### 4.1 Beacon Holdings Limited

70. Beacon Holdings Limited ("**Beacon**") is an offshore entity which appears to be registered in Barbados.
71. From May to October 2017, Beacon acquired a total of approximately \$4 million of performing loans from Advantagewon (the "**Beacon Loans**") at 80% of net book value, which allowed Advantagewon to free up cash to finance future loan growth.
72. The Beacon Loans are owned by Beacon. They are not Advantagewon's assets and do not form any part of the assets that are proposed to be sold.
73. Advantagewon continues to service the Beacon Loans for a fee. The gross value of the Beacon Loans being administered is now down to approximately \$400,000, in various states of collectability.
74. While Beacon owns the Beacon Loans outright, it has also registered a security interest at PPSA against the Company which appears to be for the purpose of securing the obligation of Advantagewon to remit the net proceeds of collection of the Beacon Loans.
75. According to paragraph 3 of the Beacon Cooperation Agreement dated June 30, 2017, a copy of which is attached hereto as **Appendix "D"**, Beacon's security interest is specifically restricted to Beacon Receivables (loans to be purchased in the future) and Transferred Receivables (loans already purchased) and related property and cannot attach to any other assets of the Company.

76. We note that the APA does provide for the possibility of the Purchaser entering into a new arrangement with Beacon, but in the event that does not happen within the timeframe stipulated in the APA, Beacon will need to make alternate arrangements for the ongoing administration of the Beacon Loans, as the Receiver will not be operating the business or administering the Beacon Loans in any way.
77. Wilson has advised the proposed Receiver that the Beacon Loan files are segregated, and the loan payments are deposited into a separate bank account. Therefore, in the event of a sale and if no agreement is reached between Beacon and the Purchaser, the files and proceeds will be set aside and delivered up to Beacon by the Receiver.

#### **4.2 Independent Legal Opinion on FMLP1 Security**

78. At the request of Link in its capacity as proposed Receiver, its legal counsel Aird & Berlis LLP prepared an independent legal opinion on the FMLP1 Security.
79. A copy of the security opinion dated December 22, 2020 (the “**Security Opinion**”) is attached as **Appendix “E”** to this Report.
80. Subject to the assumptions, qualifications and discussions contained in the Security Opinion, Aird & Berlis LLP is of the view that FMLP1 holds a properly perfected security interest against Advantagewon’s assets in priority to all other registrants.

### **V. UNSECURED CREDITORS**

81. The total amount owed to the unsecured creditors is approximately \$4.75 million, as set out below.



82. The largest unsecured creditor is 2312788 Ontario Inc. (“231”), currently owed approximately \$4.7 million.

| <b>Unsecured Creditors</b>          | <b>Amount</b>       |
|-------------------------------------|---------------------|
| 2312788 Ontario Inc.                | \$ 4,696,290        |
| CRA (Covid-19 CEBA Loan)            | \$ 60,000           |
| Trade Payables at November 30, 2020 | \$ 19,744           |
| <b>Total</b>                        | <b>\$ 4,776,034</b> |

83. We are informed by Wilson that he and a business partner each own 50% of 231. It is 231 which has provided most of the capital which has allowed the Company to continue to make new loans while operating under the Forbearance Agreement with FMLP1.
84. The 231 debt is reportedly evidenced by promissory notes and while we have not viewed the promissory notes, we have been provided with a copy of a Subordination and Postponement Agreement dated November 20, 2017 between FMLP1, Advantagewon and 231, which provides for the possibility of 231 taking security for its advances, although no such security registrations are evident.
85. As an unsecured creditor, there is no prospect of any repayment to 231 for any of its advances to Advantagewon from the proposed Transaction.
86. The Company has very few unsecured trade creditors. As at November 30, 2020 the unsecured trade creditors are owed less than \$20,000.
87. The Company’s major ongoing expenses, aside from interest, are salaries and wages, telecom and IT support which are all being paid in the normal course and as such, there is little opportunity to access or accumulate trade credit.

## **VI. ASSETS AND REALIZABLE VALUE**

88. The Company's assets consist primarily of its Loan Book. It has little by the way of fixed or other tangible assets. Each main asset category is described below.
89. It appears evident that the only parties with an economic interest in the realization of the Company's assets are FMLP1, and possibly Fountain, who are collectively owed \$6.277 million of principal.
90. However, it is not realistic to expect that the net realizable value of the assets will approach their net book values given the nature of the business and the value of the underlying consumer loan assets, not to mention the costs of operating the business and monetizing the assets.

### **6.1 Loan Book Valuation**

91. As noted earlier in this Report, as at November 30, 2020 gross Loan Book was approximately \$5.1 million (before allowances and adjustments). Approximately \$2.9 million is classified as performing loans.
92. At present, the Company's performing loans, at full book value of almost \$2.9 million, are \$370,000 less than the principal amount of the debt owed to FMLP1. It is expected that the shortfall will increase by upwards of \$200,000 each month, as the performing loans are collected in the normal course.

93. Link, in its capacity as proposed Receiver, engaged Fuller Landau Valuations Inc. (the “**Valuator**”) to prepare an independent valuation report (the “**Valuation Report**”) on the value of the Loan Book as at November 30, 2020 (the “**Valuation Date**”).
94. A copy of the Valuation Report and the Receiver’s analysis of same, is contained within the Confidential Supplemental Report.
95. The Valuation Report has been prepared on a Fair Market Value basis, as opposed to a forced liquidation basis or otherwise, as the proposed sale will take place outside of a traditional insolvency sales and marketing process conducted by the Receiver.
96. In the Receiver’s opinion, the Valuation Report supports the Receiver’s recommendation of the proposed sale of the Purchased Assets pursuant to the APA.

## **6.2 Equipment**

97. The net book value of the Company’s fixed assets as at the date of this Report is less than \$8,000 as per its 2019 audited financial statements. This consists primarily of computer hardware which has limited sale value in a receivership.

## **6.3 Software**

98. Since 2018, the Company has invested approximately \$318,000 into the development of a new customer credit application management system (“**CAMS**”) software program. As at November 30, 2020 the net book value of CAMS is \$244,000.
99. Management advises that while aspects of CAMS are in use (ie. the customer and dealer-facing sales side for contract generation), the back end for loan booking, tracking and

loan management is not yet complete and requires ongoing testing and improvement before it can be implemented. Beyond that, the report generation for the accounting module will still need to be completed, tested, and integrated.

100. As a result, the Company continues to rely upon another much older third-party software system, Casitron, which carries a significant cost of approximately \$8,000/month, and which will continue in use until the back end of CAMS is completed, all data safely migrated, and the system is fully tested and operational.

#### **6.4 Inventory**

101. Inventory consists of an inventory of vehicles which have been repossessed (or are in the process of being repossessed) for non-payment, for eventual sale. As at November 30, 2020, the inventory is approximately \$87,000, subject to costs of realization.

### **VII. THE TRANSACTION**

102. FMLP1 will be seeking approval from the Court for, among other things, the appointment of the Receiver to complete the Transaction with the Purchaser and to convey the Purchased Assets free and clear of encumbrances by way of a vesting order.
103. The APA is acceptable to the Receiver and is included in the Confidential Supplemental Report. It remains subject to, among other things, the appointment of the Receiver, the approval of the Court and a Vesting Order.
104. The purchase price does not provide recovery to any party other than the first secured creditor, FMLP1. It may not provide full recovery to FMLP1.

105. Some of the key terms of the APA include the following:

- (i) the sale of the Purchased Assets is subject to the appointment of the Receiver to complete the Transaction;
- (ii) the sale of the Purchased Assets is subject to court approval of the Transaction and a Vesting Order in favour of the Purchaser;
- (iii) the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis;
- (iv) the Purchased Assets include Advantagewon's interest in the Loan Book, accounts receivable, inventory, contracts, fixed assets, intellectual property, leasehold interest in the premises, rights of action, any equipment leases, goodwill and books and records, as these terms are defined, and all other assets of Advantagewon, except the Excluded Assets as defined in the APA;
- (v) the amount of the Purchase Price is set out at section 2.02 of the APA;
- (vi) the Purchase Price is for a fixed dollar amount; that is, it does not reduce as the Loan Book reduces between now and the date of closing;
- (vii) the Closing Date shall be no later than two (2) business days after all conditions in Article 6 of the APA have been met or waived. A fully signed copy of the APA is contained within the Confidential Supplemental Report setting out all of the applicable conditions.

106. It is expected that closing will take place as soon as possible after Court approval, if granted.

## **7.1 Rationale for Receiver's Recommendation of APA**

107. As far back as 2017, the Company has been seeking a more permanent solution to its under-capitalization problem.
108. The Company approached several candidates which were considered to have the financial capacity and realistic potential to finance the business or enter into some form of strategic partnership.
109. The Receiver has reviewed a detailed chronology of the Company's efforts in this regard from 2017 to present and is satisfied with what appears to be a reasonable effort made by the Company to preserve value for its stakeholders.
110. The Company originally engaged in discussions with Dorsia from May to September 2018 about a possible transaction, but no deal could be reached at that time. Wilson re-engaged with Dorsia again in June 2020, which has culminated in the APA for which Court approval is now being sought.
111. The Dorsia APA provides the best available result. The Receiver does not believe any further sales or marketing results will realistically result in a superior offer.
112. The Transaction does not provide sufficient funds to fully satisfy the debts owed to all of the secured creditors and the APA contemplates the appointment of a Receiver to complete the Transaction and the granting of a Vesting Order in favour of the Purchaser.
113. There is no doubt that a public marketing process is an invaluable tool in a receivership proceeding when taking into account the need for fairness and equity among various

stakeholder groups; however, in this particular case there are several other factors which should be given significant weight as to why a further process may not be necessary or desirable, such as:

- (i) the Company's sole source of funding simply to remain operational is cash collections of its Loan Book, which is eroding the Company's asset base at a rapid pace, and therefore time is of the essence.
- (ii) The parties most likely to be affected by this application and proposed sale by Receiver are its shareholders (Fountain and Wilson) and related parties such as 231, who are or should all be well-acquainted with the distressed financial position of the Company.
- (iii) Wilson, 50% shareholder of both Advantagewon and 231, has been instrumental in negotiating the proposed Transaction and we understand will continue in an ongoing role with the Purchaser.
- (iv) There are no known tax debts and virtually no unsecured trade creditors.
- (v) There is the prospect of continuing employment for several existing employees without disruption.
- (vi) In the Receiver's judgement, the purchase price under the proposed APA is greater than any offer another third party may reasonably be expected to make, or could likely be achieved, by a sales process.

- (vii) There is no guarantee that a sales process at this time will generate a meaningful cash offer on same or similar terms which exceeds that made by the Purchaser, but such an effort will certainly incur additional expense and further erode the assets of the Company.
- (viii) The Purchase Price being paid is reasonable in comparison to the Fair Market Value.
- (ix) Based on the anticipated costs involved in seeking additional offers or conducting a sales process, including staffing, advertising, data room setup, and increased professional costs, the proposed Transaction offers the best available outcome in the circumstances.

## **7.2 Other Considerations**

- 114. Based on the values indicated in the independent Valuation Report and the anticipated costs involved in seeking additional offers or running another form of sale, including payroll, rent, insurance, advertising and commissions, the proposed Transaction offers the highest net recovery in the circumstances.
- 115. FMLP1 may recover substantially all or substantially all of its secured debt should the Transaction under the APA close as contemplated; however, there is no realistic sale or liquidation of the business or assets which would allow for any recovery to the subordinate secured creditors or any of the unsecured creditors.
- 116. Absent approval and closing of the proposed Transaction, the alternative course of action would be for the Receiver, if appointed, to take possession and collect the loan portfolio



over the course of the remaining term of the loans (approximately 3 years), or to seek an alternate buyer in the marketplace.

117. The overhead costs of managing the collection and winddown process are not insignificant. The Receiver will need to incur all manner of operating costs currently paid by Advantagewon, such as rent, insurance, staffing, computer, telephone and IT, repossession and legal costs, in addition to professional fees.
118. The dire financial position of the Company does not lend itself to a protracted sales and marketing process given the rapidly declining asset base and pandemic restrictions that businesses in Ontario are continuing to face.

### **7.3 Employees**

119. The Company is current in respect of payroll and source deductions. Vacation pay is paid on each payroll and therefore there is no accrual for same. Final payroll will be paid by the Company up to the closing date of the Transaction. There is no union and no pension plan.
120. Pursuant to the terms of the APA, Dorsia confirms that it intends to offer employment to several of the current employees, conditional upon closing of the Transaction. On this basis, Dorsia assumes the years of service for each employee it hires and the responsibility for any future termination or severance claims as the successor employer.
121. Employees who are not offered employment, or who are but do not accept the offer of employment, will have claims for termination pay which will rank as an unsecured claim.

Link will, as Receiver, complete filing requirements for affected employees under the Wage Earner Protection Program Act.

122. Neither termination nor severance is covered by the secured charge of section 81.4 of the Bankruptcy and Insolvency Act and, therefore, neither ranks ahead of the security held by FMLP1 or any other secured creditor.

#### **7.4 Landlord**

123. The Receiver does not foresee the necessity of occupying the premises.
124. The leasehold interest of the Company in the premises is a Purchased Asset. We understand that the Purchaser will continue to occupy the premises and will either take an assignment of the current lease, or, enter into a new lease.

#### **7.5 Crown Claims for Source Deduction and HST**

125. The Company reports that all of its payroll and HST filings and remittances are up to date as at the date of this Report.

#### **7.6 Role of the Receiver Post-Closing**

126. As proposed Receiver, Link will not be operating the business. Rather, it will collect the Purchase Price to be paid by the Purchaser pursuant to the APA; realize upon any assets that are not part of the Transaction (if any); distribute funds to the secured creditors as authorized by the Court from time to time; to make all statutory filings and file all required returns; make disbursements to service providers in the administration of the receivership; and undertake other various administrative tasks.

127. The Receiver will also take the necessary steps allow third parties such as Beacon to take possession of their property.

## **VIII. SUMMARY AND CONCLUSIONS**

128. Link, in its capacity as proposed Receiver, respectfully recommends that this Honourable Court authorize the appointment of the Receiver and approve the Transaction and the APA that the Company has entered into with Dorsia, and the Vesting Order.

129. Although Link did not conduct a sales and marketing process, it has had the opportunity to review the efforts undertaken by management over a protracted period of time to source new capital and/or find a strategic partner, ultimately culminating in the proposed Transaction with Dorsia.

130. In Link's view, any further time marketing the business and assets is unlikely to result in a financially superior transaction given the eroding Loan Book, ongoing losses, and the associated costs.

131. The purchase price represents the best offer an arm's length purchaser appears willing to pay for the Purchased Assets. The terms of the APA are commercially reasonable, and the consideration being paid is supported by an independent Valuation Report.

132. The APA provides the greatest benefit to the largest number of stakeholders possible.

## **IX. RECOMMENDATIONS**

133. As a result of the above, Link recommends that:

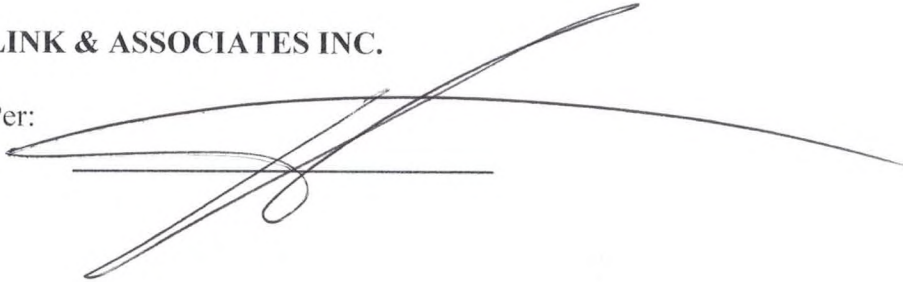
- (i) it be appointed as receiver;

- (ii) the Transaction and the APA be approved;
- (iii) the Approval and Vesting Order be issued to effect the above Transaction;
- (iv) the Confidential Supplemental Report shall be sealed as set out herein; and
- (v) its actions as outlined in this Report and this Report itself be approved.

Respectfully submitted this 24<sup>th</sup> day of December, 2020.

**LINK & ASSOCIATES INC.**

Per:

A handwritten signature in dark ink, consisting of a large, sweeping loop followed by a horizontal line and a diagonal stroke, crossing over the horizontal line.

**Tab 2(c)**

Court File No. 2003/20

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE  
 JUSTICE MITCHELL

)  
 )  
 )

Monday The 18th  
~~FRIDAY, THE 15<sup>TH</sup>~~  
 DAY OF JANUARY, 2021



W E E N:

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

- and -

ADVANTAGEWON CAPITAL CORP.

Respondent

**APPROVAL AND VESTING ORDER**

THIS APPLICATION, made by the Applicant and supported by Link & Associates Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Advantagewon Capital Corp. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Agreement") between the Debtor and Dorsia Capital (London) Inc. (the "Purchaser") dated December 23, 2020 and appended to the Pre-Receivership Report of the Receiver as a Confidential Supplemental Report of the Receiver dated December 24, 2020 (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Agreement (the "Purchased Assets"), was heard this day at 80 Dundas Street, London, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, the Applicant, the Respondent, the Purchaser and counsel for Fountain Asset Corp., no one appearing for any other person on the service list, although properly served as appears from the

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affidavits of Kateryna Ivashyna sworn December 31, 2020, the affidavit of Ingrid King, sworn December 28, 2020, the affidavits of William McCabe Freedman, sworn January 4, 2021, the affidavit of Rosanna Cavaliere, sworn January 6, 2021, filed:

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

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the 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.

3. 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 Debtor's right, title and interest in and to the Purchased Assets described in the Agreement 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 Receivership Order of this Court dated January 15, 2021; (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 B 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 C) 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.

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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, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. 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



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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.

8. THIS COURT ORDERS THAT the Confidential Supplemental Report to the Report of the Receiver and its Confidential Appendices filed herein and the exhibits therein, including the Agreement, referred to in the Report of the Receiver, 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 of these proceedings and a statement that the contents are subject to a sealing order and the sealed envelope shall not be opened until no earlier than forty-five (45) days after successful closing as evidenced by the filing of the Receiver's Certificate as referred to above or further order of this Honourable Court.

9. 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.

A handwritten signature in cursive script, reading "Alison Mitchell", written in black ink. The signature is fluid and stylized, with a long horizontal line extending from the end of the name.

**Schedule A – Form of Receiver’s Certificate**

Court File No. 2003/20

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

- and -

**ADVANTAGEWON CAPITAL CORP.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Madam Justice Mitchell of the Ontario Superior Court of Justice (the "Court") dated January 15, 2021, Link & Associates Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Advantagewon Capital Corp. (the "Debtor").

B. Pursuant to an Order of the Court dated January 15, 2021, the Court approved the agreement of purchase and sale made as of December 23, 2020 (the "Agreement") between the Debtor and Dorsia Capital (London) Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest 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 section 6 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.

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

THE RECEIVER AND THE PURCHASER EACH CERTIFY 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 Agreement;
2. The conditions to Closing as set out in section 6 of the 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.

This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**LINK & ASSOCIATES INC., solely in its capacity as Court appointed Receiver of the undertaking, property and assets of Advantagewon Capital Corp., and not in its personal capacity**

Per: \_\_\_\_\_  
 Name:  
 Title:

This Certificate was delivered by the Purchaser at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**DORSIA CAPITAL (LONDON) INC.**

Per: \_\_\_\_\_  
 Name:  
 Title:

## Schedule B – Claims to be deleted and expunged

Currency Date: January 12, 2021

### ADVANTAGEWON CAPITAL CORP. (formerly known as 2400918 Ontario Inc.)

#### Searches conducted against:

Advantagewon Capital Corp.  
2400918 Ontario Inc.

**1. 20131220 1254 1590 3611 (5 years)**  
(File No. 692741502)

Debtor: 2400918 Ontario Inc.  
188 Talbot Street West, Aylmer ON N5H 1K1  
Secured: GC Global Capital Corp.  
273 Tweed Street, Cobourg ON K9A 2R8  
Collateral: Inventory, Equipment, Accounts, Other, Motor Vehicle

Amendment: 20170531 1526 1590 4957

Reason: The secured party GC-Global Capital Corp. has changed its name to Fountain Asset Corp. and accordingly the secured party name and address on lines 08 and 09 of registration number 20131220 1254 1590 3611 are being replaced with the name and address of Fountain Asset Corp.

**Secured: Fountain Asset Corp.**  
25 Adelaide Street East, Suite 1300, Toronto ON M5C 3A1

Subordination: 20170630 1533 1590 7339

Reason: Subordination by Fountain Asset Corp. (formerly GC-Global Capital Corp.) of its security and personal property security act file no. 692741502 to security and personal property security act file no. 729144513 of FMMC Private Yield Fund Limited Partnership I, pursuant to a subordination and postponement agreement between fountain asset corp. and FMMC Private Yield Fund Limited Partnership I, dated June 30, 2017.

Amendment: 20181030 0949 1590 1876

Reason: To reflect the secured party's change of name and change of address.

Secured: Fountain Asset Corp.  
99 Scollard Street, Toronto ON M5R 1G4

Renewal: 20181030 1046 1590 1891 (5 years)

Amendment: 20190820 0957 1862 6150

Reason: The debtor has changed its name from 2400918 Ontario Inc. to Advantagewon Capital Corp.

Debtor: Advantagewon Capital Corp.  
188 Talbot Street West, Aylmer ON N5H 1K1

Amendment: 20190820 1535 1862 6262

Reason: To change the registered address of the secured party.  
 Secured: Fountain Asset Corp.  
 99 Scollard Street, Toronto ON M5R 1G4

**2. 20170510 1359 1862 4278 (5 years)**  
 (File No. 727503012)

Debtor: 2400918 Ontario Inc.  
 188 Talbot Street West, Aymer ON N5H 1K1

Secured: **Beacon Holdings Limited**  
 The Phoenix Centre, George Street, St. Michael, Barbados  
 c/o Aileron Capital Inc., 1455 Lakeshore Road, Suite 205 South, Burlington ON L7S 2J1

Collateral: Accounts, Other

Description: Absolute sale, transfer and assignment of all receivables (as such term is defined and used in the series LW1 receivables purchase agreement among the debtor, as seller and the secured party, as purchaser (as it may be amended, restated, supplemented, replaced or otherwise modified from time to time, the "receivables purchase agreement")), any security therefor and certain other related assets sold by the debtor to the secured party pursuant to the terms of the receivables purchase agreement.

**3. 20170627 1023 1590 6918 (10 years)**  
 (File No. 729144513)

Debtor: 2400918 Ontario Inc.  
 376 Richmond Street, 3<sup>rd</sup> Floor, London ON N6A 3C7

Debtor: Advantagewon  
 376 Richmond Street, 3<sup>rd</sup> Floor, London ON N6A 3C7

Secured: **FMMC Private Yield Fund Limited Partnership I**  
 34 King Street East, Suite 400, Toronto ON M5C 2X8

Collateral: Inventory, Equipment, Accounts, Other, Motor Vehicle

Amendment: 20200911 1603 1590 1440

Reason: The name of the debtor has changed.

Debtor: Advantagewon Capital Corp.

Amendment: 20201105 1044 1590 5847

Reason: The address of the secured party has changed.

Secured: FMMC Private Yield Partnership I  
 116 Eastbourne Avenue, Toronto ON M5P 2G3

Amendment: 20201207 1420 1590 8534

Reason: To correct the name of the secured party.

Secured: FMMC Private Yield Fund Limited Partnership I  
 116 Eastbourne Avenue, Toronto ON M5P 2E3

**4. 20181015 1515 6083 6567 (5 years)**  
 (File No. 744805773)

Debtor: 2400918 Ontario Inc.  
 376 Richmond Street, London ON N6A 3C7

Secured: **ACEF Trust**  
 81 York Road, Toronto ON M2L 1H9

Collateral: Inventory, Equipment, Accounts

Amount: 500000  
 Maturity: 11Oct2020  
 Description: All accounts representing present and future debts, demands and amounts due to the debtor including all book debts, accounts receivable, and all contracts, security interests and benefits in respect thereof, all present and future agreements made between the debtor as secured party and others which evidence both a monetary obligation or a security interest in specific goods or equipment and all books, accounts, invoices, letters, papers, documents and other records in any form or medium evidencing or relating to collateral subject to the security interest.

5. **20190325 1527 6083 0556 (5 years)**  
 (File No. 744805773)

Debtor: 2400918 Ontario Inc.  
 376 Richmond Street, London ON N6A 3C7

Secured: **ACEF Trust**  
 81 York Road, Toronto ON M2L 1H9

Collateral: Inventory, Equipment, Accounts

Amount: 500000

Maturity: 11Oct2020

Description: All accounts representing present and future debts, demands and amounts due to the debtor including all book debts, accounts receivable, and all contracts, security interests and benefits in respect thereof, all present and future agreements made between the debtor as secured party and others which evidence both a monetary obligation or a security interest in specific goods or equipment and all books, accounts, invoices, letters, papers, documents and other records in any form or medium evidencing or relating to collateral subject to the security interest.

**Schedule C – Permitted Encumbrances**  
**(unaffected by the Vesting Order)**

- NIL -

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I  
Applicant

-and- ADVANTAGEWON CAPITAL CORP.  
Respondent

Court File No. 2003/20

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
PROCEEDING COMMENCED AT LONDON

**APPROVAL AND VESTING ORDER**

**FOGLER, RUBINOFF LLP**  
Lawyers  
77 King Street West, TD Centre  
Suite 3000, North Tower  
Toronto, ON M5K 1G8

**Tim Duncan (61840S)**  
tduncan@foglers.com  
Tel: 416.941-8817  
Fax: 416.941-8852

Lawyers for the Applicant  
FMMC Private Yield Fund Limited Partnership I



**Tab 2(d)**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

and

**ADVANTAGEWON CAPITAL CORP.**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Mitchell of the Ontario Superior Court of Justice (the “**Court**”) dated January 18, 2021, Link & Associates Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of Advantagewon Capital Corp. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated January 18, 2021, the Court approved the asset purchase agreement made as of December 23, 2020 (the “**Agreement**”) between the Debtor and Dorsia Capital (London) Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest 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 Article 6 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 Agreement.

THE RECEIVER AND THE PURCHASER EACH CERTIFY 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 Agreement;

2. The conditions to Closing as set out in Article 6 of the 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.

This Certificate was delivered by the Receiver at 6:00 p.m. on January 28, 2021.

**LINK & ASSOCIATES INC., solely in its capacity as Court-appointed Receiver of the undertaking, property and assets of Advantagewon Capital Corp., and not in its personal capacity**

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

Robert Link, CIRP, LIT  
President

This Certificate was delivered by the Vendor at \_\_\_\_\_ on January 28, 2021.

**DORSIA CAPITAL (LONDON) INC.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Tab 2(e)**

District of Ontario  
 Division No. 5  
 Court No. 2003/20  
 Estate No. 35 - 124609

**IN THE MATTER OF THE RECEIVERSHIP OF  
 ADVANTAGEWON CAPITAL CORP.  
 OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO**

**NOTICE AND STATEMENT OF RECEIVER  
 (Pursuant to Subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act)**

The Receiver gives notice and declares that:

1. On the 18<sup>th</sup> day of January, 2021, the undersigned became the receiver (the “**Receiver**”) in respect of all the assets, undertakings and properties of Advantagewon Capital Corp. (“**Advantagewon**” or the “**Company**”), an insolvent person that is described below:

| <b>Asset</b>               | <b>Estimated Book Value</b> |
|----------------------------|-----------------------------|
| Cash in Bank               | \$ 28,000                   |
| Loan Portfolio             | 4,906,000                   |
| Computer Hardware/Software | 244,000                     |
| Inventory                  | 144,000                     |
| <b>Total Assets</b>        | <b>\$ 5,322,000</b>         |

*NOTE: The above amounts listed reflect the book values recorded in the Company's books and records at or near the date of receivership, and do not necessarily reflect the actual realizable or sale value of the assets.*

2. The Receiver took possession or control of the Company's bank accounts and its loan portfolio on the 19<sup>th</sup> day of January, 2021.
3. The undersigned became Receiver by an Order of the Honourable Justice Mitchell of the Ontario Superior Court of Justice on January 18, 2021 (the “**Appointment Order**”). The Appointment Order was made on application by FMMC Private Yield Fund Limited Partnership 1.
4. As part of the Application Record of the Secured Creditor, the Receiver filed a pre-appointment report (the “**Report**”) dated December 24, 2020, in support of the proposed sale of Advantagewon's assets to Dorsia Capital (London) Inc. as contemplated in an Asset Purchase Agreement (“**APA**”) dated December 23, 2020. The Report contained a Confidential Supplemental Report dated December 24, 2020 (the “**Confidential Report**”).
5. The Court authorized the Receiver to complete the sale of Advantagewon's assets set out in the APA (the “**Transaction**”) in an Order of the Honourable Justice Mitchell of Ontario Superior Court of Justice on January 18, 2021 (the “**Approval and Vesting Order**”), and to seal the Confidential Report past the expected closing date of the Transaction.

Notice and Statement of Receiver  
ADVANTAGEWON CAPITAL CORP.

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6. The Receiver took possession or control of certain financial assets on January 19, 2021. The Receiver intends to collect loan payments until the closing of the Transaction, and to convey the assets pursuant to the APA upon closing of the Transaction, to collect the purchase price, attend to all statutory matters, and to realize upon any assets not conveyed in the Transaction.
7. The final closing of the Transaction pursuant to the APA is expected to occur on or before January 29, 2021. The proceeds of sale will not be sufficient to cover the claims of all secured creditors.
8. The following information relates to our appointment:
  - i) Address of insolvent person: 3<sup>rd</sup> Floor, 376 Richmond St., London, ON N6A 3C7
  - ii) Principal line of business: Consumer Loan Finance
  - iii) Location of business: London, Ontario
9. The list of creditors of the insolvent person who appear to hold a security interest on the property of the insolvent person and the amount owed to each creditor is listed below.

| Name of Secured Creditor                             | Amount              |
|--|---------------------|
| Fraser Mackenzie Private Yield Fund LP 1 (Principal) | \$ 3,253,550        |
| Fountain Asset Corp. (Principal)                     | 3,024,129           |
| Fountain Asset Corp. (Accrued Interest)              | 1,308,488           |
| Beacon Holdings Limited                              | To Be Determined    |
| ACEF Trust (Principal)                               | 1,000,000           |
| <b>Total</b>   | <b>\$ 8,586,167</b> |

10. The list of other creditors of the insolvent person and the amount owed to each creditor and the total amount due by the insolvent person is attached hereto on **Schedule "A"**.
11. Contact information for the Receiver:

Link & Associates Inc.  
Receivers + Trustees  
7050 Weston Road, Suite #228  
Woodbridge, ON  
L4L 8G7

Robert Link, CIRP, LIT  
Tel: 416) 862-7785 ext. #2  
Fax: (416) 862-2136  
Email: [rlink@linkassociates.ca](mailto:rlink@linkassociates.ca)  
Web: [www.linkassociates.ca](http://www.linkassociates.ca)

Notice and Statement of Receiver  
ADVANTAGEWON CAPITAL CORP.

---

DATED AT Woodbridge, Ontario this 26<sup>th</sup> day of January, 2021.

**LINK & ASSOCIATES INC.**

Court-Appointed Receiver of Advantagewon  
Capital Corp. and not in its personal or  
corporate capacity

Per. 

Robert Link, CIRP, LIT

Notice and Statement of Receiver  
ADVANTAGEWON CAPITAL CORP.

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**SCHEDULE "A"**

| <b>Unsecured Creditors</b>                          | <b>Amount</b>                    |
|---|----------------------------------|
| 2312788 Ontario Inc.                                | 4,839,385.00                     |
| CARFAX, INC.  | 1,764.00                         |
| Canada Revenue Agency - CEBA                        | 60,000.00                        |
| Casitron Limited                                    | 8,836.90                         |
| Dominion Automobile Association 2004 Limited        | 628.00                           |
| Executive Suite Management Inc.                     | 52.50                            |
| Miller Thomson LLP                                  | 66.67                            |
| Peninsula Employment Services Limited               | 516.42                           |
| Prepaid Auto Service Ltd.                           | 4,266.88                         |
| Szemenyei MacKenzie Group LLP                       | 14,125.00                        |
| TransUnion of Canada Inc.                           | 2,064.29                         |
| Western I.T. Group Inc.                             | 53,962.44                        |
| <b>Subtotal Unsecured Creditors</b>                 | <b>\$ 4,985,668.10</b>           |
| <b>Contingent Unsecured Creditors</b>               | <b>Statement of Claim Amount</b> |
| 1036773 Ontario Limited c.o.b. J.B. Trucks N' Stuff | 35,000.00                        |
| Nissan Canada Finance                               | 70,000.00                        |
| Nissan Canada Finance                               | 50,000.00                        |
| TD Auto Finance                                     | 36,025.00                        |
| <b>Subtotal Contingent Unsecured Creditors</b>      | <b>\$ 191,025.00</b>             |



**Tab 2(f)**

**IN THE MATTER OF THE RECEIVERSHIP OF ADVANTAGEWON CAPITAL CORP.  
OF THE CITY OF LONDON, IN THE PROVINCE OF ONTARIO**

**February 22, 2021**

**INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

| <b>RECEIPTS:</b>                                | <b>TD Bank</b>       | <b>Receiver Trust</b>  | <b>Total</b>           |
|---|----------------------|------------------------|------------------------|
| Cash on Hand                                    | \$ 80,659.68         | \$ -                   | \$ 80,659.68           |
| Retainer Advance from Secured Creditor          | -                    | 45,200.00              | 45,200.00              |
| Vehicle Proceeds                                | 23,200.00            | -                      | 23,200.00              |
| Loan Payment Collections                        | 134,603.53           | -                      | 134,603.53             |
| Post-Closing Loan Payment Collections           | 28,392.21            | -                      | 28,392.21              |
| Sale of Assets                                  | -                    | 3,255,000.00           | 3,255,000.00           |
| Canada Emergency Wage Subsidy                   | 59,431.10            | -                      | 59,431.10              |
| Transfers Between Accounts                      | (200,000.00)         | 200,000.00             | -                      |
| <b>Total Receipts:</b>                          | <b>\$ 126,286.52</b> | <b>\$ 3,500,200.00</b> | <b>\$ 3,626,486.52</b> |
| <b>-</b>  |                      |                        |                        |
| <b>DISBURSEMENTS:</b>                           |                      |                        |                        |
| Payroll and Payroll Taxes                       | \$ 61,042.50         | \$ -                   | \$ 61,042.50           |
| Filing Fee                                      |                      | 71.54                  | 71.54                  |
| Administrative Disbursement                     |                      | 275.00                 | 275.00                 |
| Vehicle Costs (prep, towing, storage)           | 15,827.80            |                        | 15,827.80              |
| Notices and postage                             |                      |                        | -                      |
| Return of Overpayment on Insurance Payout       | 6,854.37             |                        | 6,854.37               |
| Phone, Utilities, IT                            | 950.67               |                        | 950.67                 |
| Valuation Report                                | -                    | 25,000.00              | 25,000.00              |
| HST paid on expenses                            | -                    | 3,435.25               | 3,435.25               |
| Bank charges and miscellaneous                  | 4,119.82             | 44.42                  | 4,164.24               |
| Receiver Fees (to Jan 31)                       |                      | 48,956.00              | 48,956.00              |
| HST on Receiver Fees                            |                      | 6,364.28               | 6,364.28               |
| Legal Fees (to Jan 31)                          |                      | 44,843.75              | 44,843.75              |
| HST on Legal Fees                               |                      | 5,818.58               | 5,818.58               |
| Tax and Accounting                              | -                    | 1,150.00               | 1,150.00               |
| General Office                                  |                      | 3,850.00               | 3,850.00               |
| Third Party Loan Collections                    | 7,800.61             |                        | 7,800.61               |
| HST Remittance Dec 31                           | 110.74               |                        | 110.74                 |
| Other and Misc                                  | 351.00               |                        | 351.00                 |
| Post-Closing Transfers of Receipts to Purchaser | 28,392.21            |                        | 28,392.21              |
| <b>Total Disbursements:</b>                     | <b>\$ 125,449.72</b> | <b>\$ 139,808.82</b>   | <b>\$ 265,258.54</b>   |
| <b>EXCESS OF RECEIPTS OVER DISBURSEMENTS:</b>   | <b>\$ 836.80</b>     | <b>\$ 3,360,391.18</b> | <b>\$ 3,361,227.98</b> |
| <b>LESS: Proposed Distribution to FMLP1</b>     |                      |                        |                        |
| First Distribution                              | -                    | (3,000,000.00)         | (3,000,000.00)         |
| <b>Cash on Hand after Proposed Distribution</b> | <b>\$ 836.80</b>     | <b>\$ 360,391.18</b>   | <b>\$ 361,227.98</b>   |

**Tab 2(g)**

Court File No. 2003/20

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

-and-

ADVANTAGEWON CAPITAL CORP.

Respondent

APPLICATION UNDER section 243 of the Bankruptcy and Insolvency Act,  
R.S.C. 1985, c B-3, as amended and under section 101 of the Courts of Justice Act, R.S.O. 1990,  
c C.43, as amended.

**AFFIDAVIT OF ROBERT G. LINK**  
**SWORN FEBRUARY 22, 2021**

I, Robert G. Link, of the Town of Georgina, in the Province of Ontario, MAKE OATH  
AND SAY:

1. I am the President of Link & Associates Inc., in its capacity as Court-Appointed Receiver, without security (the “**Receiver**”) of all of the assets, undertakings and properties of Advantagewon Capital Corp. (the “**Debtor**”) pursuant to an Order of the Honourable Madame Justice Mitchell dated January 18, 2021 (the “**Appointment Order**”) and, as such, have knowledge of the matters contained in this affidavit.

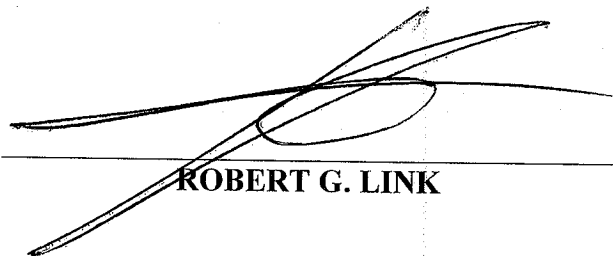
2. The Receiver's activities prior to the date of the Appointment Order are provided in the Report of the Proposed Receiver to Court dated December 24, 2020.
3. The Receiver's activities since the date of the Appointment Order up to and including February 19, 2021, are set out in the Receiver's First Report to Court dated February 22, 2021.
4. Attached hereto and marked as **Exhibit "A"** are true copies of the accounts rendered by the Receiver for the period ending January 31, 2021 (the "**Accounts Approval Period**") totaling \$55,320.28, consisting of professional fees of \$48,956.00 and HST of \$6,364.28.
5. A total of 122.6 hours were expended by the Receiver in the Accounts Approval Period in performing services in its capacity as Receiver, which equates to an average hourly rate of \$399.31.
6. The hourly billing rates outlined in Exhibit "A" are normal average hourly rates charged by Link & Associates Inc., for services rendered in relation to engagements similar to its engagement as Receiver. These accounts accurately reflect the services provided by the Receiver in this matter.
7. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Link & Associates Inc. and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

**SWORN** remotely by Robert G. Link at the  
community of Keswick, in the Town of  
Georgina, Regional Municipality of York,  
Ontario, this 22<sup>nd</sup> day of February, 2021 in  
accordance with O. Reg. 431/20,  
Administering Oath or Declaration Remotely

A blue ink signature of Sam Babe, consisting of a series of loops and a final horizontal stroke.

---

Sam Babe  
Commissioner for Taking Affidavits  
(or as may be)

A black ink signature of Robert G. Link, featuring a large, stylized 'R' and 'L' with a horizontal line crossing through the middle.

---

**ROBERT G. LINK**

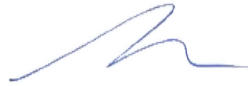
Attached is Exhibit “A”

Referred to in the

AFFIDAVIT OF ROBERT LINK

Sworn before me

this 22<sup>nd</sup> day of February, 2021



---

Commissioner for taking Affidavits, etc

**Link & Associates Inc.**  
**Receivers + Trustees**

December 31, 2020

Advantagewon Capital Corp.  
 c/o Link & Associates Inc.  
 Court Appointed Receiver  
 7050 Weston Road, Suite #228  
 Woodbridge, ON  
 L4L 8G7

Invoice #1210

---

**\* INVOICE \***

**Re: Receivership of Advantagewon Capital Corp.**

To: Professional services rendered in our capacity as Court Appointed Receiver for the months of October, November and December, 2020 per the attached time dockets.

|               |              |
|---------------|--------------|
| Our Fee:      | \$ 22,400.00 |
| HST           | 2,912.00     |
| Subtotal Fee: | \$ 25,312.00 |

|                      |                     |
|----------------------|---------------------|
| <b>Total Invoice</b> | <b>\$ 25,312.00</b> |
|----------------------|---------------------|

| Billing Summary        | Hours | Hourly Rate | Total        |
|------------------------|-------|-------------|--------------|
| Robert Link, CIRP, LIT | 56.0  | \$400       | 22,400.00    |
| Total                  |       |             | \$ 22,400.00 |

HST #81903 2178



|  |
|--|
| <p align="center"><b>ADVANTAGEWON CAPITAL CORP. - RECEIVERSHIP</b><br/> <b>Robert Link - Time Docket</b><br/> <b>For the period of October 1 to 31, 2020</b></p> |
|--|

**October 5, 2020****0.2**

Email and tel D Bent.

**October 7, 2020****0.2**

Emails t/f D Bent.

**October 13, 2020****0.3**

Emails t/f Bent re potential offer, process.

**October 14, 2020****0.6**

Tel t/f Bent, emails Bent and Wilson; tel A Chahbar; emails R English.

**October 15, 2020****2.5**

Prepare draft form of receivership APA, send detailed email w/ draft to Chahbar (counsel to prospective buyer) and debtor and counsel.

**October 19, 2020****0.2**

Emails D Bent

**October 21, 2020****1.0**

Emails t/f Bent; telconf w/ English, Bent, Hielema;

**TOTAL****5.0**

**ADVANTAGEWON CAPITAL CORP. - RECEIVERSHIP**  
**Robert Link - Time Docket**  
**For the period of November 1 to 30, 2020**

**November 2, 2020**

**0.2**

Tel/F Chahbar.

**November 3, 2020**

**1.0**

T/F Chahbar; t/f D Bent; tel English; tel Chahbar lv msg.

**November 5, 2020**

**1.0**

Telconf Duncan and Bent; emails re security position and deterioration.

**November 6, 2020**

**0.3**

Tel t/f Chahbar; emails Duncan and Bent.

**November 9, 2020**

**0.8**

Several emails t/f Duncan and Bent, English re potential deal structure and issues; tel t/f Chahbar re same.

**November 10, 2020**

**0.1**

Emails Duncan and Bent re Beacon.

**November 11, 2020**

**0.2**

Emails t/f Duncan and Bent re Beacon, APA reps and warranties.

**November 12, 2020**

**0.1**

Emails Duncan and Bent.

**November 14, 2020**

**1.0**

Receiver and review APA; review Bent and Duncan emails; fwd to English; email reply with initial comments on APA.

**November 16, 2020**

**4.0**

Telconf Duncan, Bent, Liik; tel Roher re valuation engagement; consider amendments to draft APA; several emails Duncan and Bent re deal structure and issues to address; email t/f English.

**November 17, 2020**

**2.5**

Telconf Duncan, Bent, Liik; tel and email Bent; tel Wilson; telconf Fuller Landau, Bent, Hess; emails re same.

**November 18, 2020**

**1.0**

Telconf Duncan and English; email Roher re engagement scope; corr Wilson re valuator and engagement re same.

**November 19, 2020**

**1.2**

Tel conf w/ counsel to applicant and buyer; tel English; tel Bent x 2; tel Wilson.

**November 20, 2020**

**0.5**

Review revised APA from Chahbar.

**November 23, 2020****1.0**

Tel Roher; tel Wilson; tel English, review and approve revisions to APA; emails t/f Duncan.

**November 24, 2020****1.2**

Email intro Wilson and Fuller Landau; T/F Bent and Wilson; drafting outline of pre-receivership report and confidential supplemental report; emails English; consider drafting changes to APA.

**November 25, 2020****0.3**

Tel and emails English re APA.

**November 26, 2020****1.0**

Tel Wilson; email Wilson w/ info request; receive and review 2019 FS and T2; emails t/f Bent and Duncan; email Plonka.

**November 27, 2020****0.1**

Emails from Wilson.

**November 30, 2020****2.0**

Emails Wilson re taxes, employees and payroll issues, email Bent and Duncan re same; email from Plonka re valuation report status; conf call with all counsel.

**TOTAL****19.5**

**ADVANTAGEWON CAPITAL CORP. - RECEIVERSHIP**  
**Robert Link - Time Docket**  
**For the period of December 1 to 31, 2020**

**December 1, 2020**

0.1

Email update from Plonka.

**December 2, 2020**

2.0

Receive and review revised APA from Chabhar; continue drafting pre-receivership report and confidential supplemental report.

**December 3, 2020**

1.0

Emails t/f valuator; emails t/f counsel, applicant re various aspects of APA needing revision and discussion with buyer.

**December 4, 2020**

0.5

Emails Duncan, English re APA, review of same.

**December 5, 2020**

0.3

Several emails re APA revisions and wording.

**December 6, 2020**

0.1

Emails t/f Duncan.

**December 7, 2020**

0.2

Review email from Chabhar w/ revised APA; emails re PPSA.

**December 8, 2020**

1.0

Review revised draft security opinion; review email from Duncan w/ revised APA, draft AVO and draft schedule of assets.

**December 9, 2020**

3.0

Review blackline AVO from counsel. Continue drafting pre-report.

**December 10, 2020**

0.5

Emails re APA; t/f D Bent re status.

**December 11, 2020**

2.0

Email t/f Wilson re: bank accounts and segregation of files and proceeds; Tel and emails English; emails t/f Duncan; review notice of motion, draft orders; email Fuller Landau; report drafting.

**December 12, 2020**

0.1

Emails Wilson.

**December 14, 2020**

1.0

Emails Duncan, Bent; t/f Plonka re update on valuation; tel Bent.

**December 15, 2020**

0.5

Tel Plonka; tel Bent; revised APA from Pickard.

**December 16, 2020****3.0**

Emails Duncan and Bent; review updated November loan figures and analyze same, fwd to Plonka; review audit adjustments; tel Plonka; report drafting; review application materials and comment on same; emails re APA and closing.

**December 17, 2020****0.3**

Review application materials.

**December 18, 2020****3.0**

Receive and review draft Valuation Report; start to incorporate findings into receivership report and confidential report drafting; comments to Plonka on draft.

**December 21, 2020****1.0**

Execute and provide signed consent to act; several emails re status of APA; email Wilson; email Fuller Landau; email Duncan re notice of application.

**December 22, 2020****5.5**

Email and tel/f Plonka; substantially complete draft reports and compiling exhibits; receive notice of application.

**December 23, 2020****4.0**

Dealing with finalizing APA; working on final revisions to Court reports and appendices; tel Bent.

**December 24, 2020****2.0**

Email from Fuller Landau confirming final report findings. Finalize Court reports.

**December 29, 2020****0.3**

Emails w/ various counsel re buyer questions about book of business.

**December 30, 2020****0.1**

Emails from counsel confirming release of APA from escrow.

|              |             |
|--------------|-------------|
| <b>TOTAL</b> | <b>31.5</b> |
|--------------|-------------|

**Link & Associates Inc.**  
**Receivers + Trustees**

February 2, 2021

Advantagewon Capital Corp.  
 c/o Link & Associates Inc.  
 Court Appointed Receiver  
 7050 Weston Road, Suite #228  
 Woodbridge, ON  
 L4L 8G7

Invoice #1211

**\* INVOICE \***

**Re: Receivership of Advantagewon Capital Corp.**

To: Professional services rendered in our capacity as Court Appointed Receiver for the month of January, 2021 per the attached time dockets.

|               |              |
|---------------|--------------|
| Our Fee:      | \$ 26,556.00 |
| HST           | 3,452.28     |
| Subtotal Fee: | \$ 30,008.28 |

|                      |                     |
|----------------------|---------------------|
| <b>Total Invoice</b> | <b>\$ 30,008.28</b> |
|----------------------|---------------------|

| Billing Summary              | Hours | Hourly Rate | Total        |
|------------------------------|-------|-------------|--------------|
| Robert Link, CIRP, LIT       | 61.0  | \$400       | 24,400.00    |
| James Merryweather, CPA, CGA | 5.60  | \$385       | 2,156.00     |
| Total                        |       |             | \$ 26,556.00 |

HST #81903 2178

**ADVANTAGEWON CAPITAL CORP. - RECEIVERSHIP**  
**Robert Link - Time Docket**  
**For the period of January 1 to 31, 2021**

|   |            |
|---|------------|
| <b><u>January 4, 2021</u></b>   | <b>0.4</b> |
| Review factum, provide comments to Duncan.  |            |
| <b><u>January 5, 2021</u></b>   | <b>0.1</b> |
| Emails t/f D Bent.  |            |
| <b><u>January 6, 2021</u></b>   | <b>0.4</b> |
| Download and review full application record.  |            |
| <b><u>January 7, 2021</u></b>   | <b>0.1</b> |
| Emails Bent, Duncan.  |            |
| <b><u>January 8, 2021</u></b>   | <b>0.3</b> |
| Tel fr Echo Bay seeking info on proceedings; tel D Bent re same.  |            |
| <b><u>January 11, 2021</u></b>  | <b>0.7</b> |
| Teleconf Duncan and Bent.   |            |
| <b><u>January 12, 2021</u></b>  | <b>0.2</b> |
| Emails counsel re dealing w/ confidential aspects at hearing.   |            |
| <b><u>January 13, 2021</u></b>  | <b>0.3</b> |
| Emails Duncan, Bent, English re pending court hearing and Fountain position re same; email Wilson.  |            |
| <b><u>January 14, 2021</u></b>  | <b>1.5</b> |
| Draft memo send to Wilson re initial receivership activities, banking, employees and all other matters; tel and email D Bent; lengthy tel M Wilson; review final draft orders; email fr McNish seeking adjournment of AVO portion.  |            |
| <b><u>January 15, 2021</u></b>  | <b>4.0</b> |
| Several emails w/ R English; emails t/f Duncan; tel D Bent; Attend London motions court via teleconference; Tel M Wilson x 3; email re confidential materials to Fountain; review reports in preparation for opposed motion.  |            |
| <b><u>January 18, 2021</u></b>  | <b>1.0</b> |
| Attend Court via teleconference, obtain order; tel Bent; emails counsel; tel and emails Wilson; review recent bank activity.  |            |
| <b><u>January 19, 2021</u></b>  | <b>7.5</b> |
| Travel to London; attend at premises; meetings w/ Wilson and Luscombe (Dorsia); tel Dorsia; email all parties re closing; deal with TD bank accounts and review transactions prior 60 days, identify PAP and deal with stop payments; follow up for Order; planning for employee terminations, tel and email Merryweather re same; reviewing books and records for creditors to notify and draft 245/246 notice; all other discussions tel and email. |            |

**January 20, 2021****8.0**

Attend premises; deal w/ all financial and banking matters; operational issues; numerous meetings with staff, Wilson; employee terminations; conf call Dorsia; tel and email S Babe re closing; review closing agenda; deal w/ final payroll and termination matters.

**January 21, 2021****7.5**

Attend premises; Fax to CRA Intake Centre; CRA registration for online access; drafting statutory notices, review creditor files; meetings and discussions w/ Wilson, L and G Johnson; email S Babe; consider Casitron software status, review Beacon emails re delivering up files and data.

**January 22, 2021****7.5**

Attend premises; deal w/ employee matters and claims, corr JM re same; banking and R&D; corr w/ S Babe re preparation for closing of transaction; ttel Duncan; mtg and ongoing discussions w/ Wilson re transaction and and w/ L Johnson re year end and accounting matters and statutory filings; obtain and review litigation matters status from company counsel for notice purposes; all emails and discussions re Beacon data and delivery of same.

**January 23, 2021****1.0**

Email employee re WEPP claim; review draft closing docs from S Babe; email t/f Babe re same; email Wilson.

**January 25, 2021****1.0**

Receive purchase price in escrow; emails Wilson/Pickard; approve operating expenses; update FMMC; emails from employees re claims; draftig 245/246, seek clarification on certain creditors and litigants.

**January 26, 2021****3.0**

Email from buyer, tel Wilson re same; review draft closing docs from buyers's counsel, emails t/f counsel re same; emails to buyer and counsel re trade name and name change concerns; deal w/ banking; emails L Johnson re closing year end, HST and wage subsidy; finalize and file 245/246 with OR.

**January 27, 2021****4.0**

Email update to Duncan; Email employee re WEPP claim; email 245/246; numerous tel and email counsel re closing matters, PPSA issue, wage subsidy, assignment of contracts.

**January 28, 2021****7.5**

Attend premises; mtgs and discussions w/ Wilson, w/ L Johnson, G Johnson re tax matters; email Beacon; mail remainder of 245/246 notices; numerous tel and emails counsel re all closing matters, review of revised documents and approve same; execute closing docs, close deal; inform Bent and Duncan of same.

**January 29, 2021****5.0**

Attend premises; meeting w/ Wilson; creditor emails; mtg w/ L Johnson staff re banking, backups, sale closing and discussions re procedures to follow; fax CRA w/ request to open RT0002; email Luscombe; tel fr D Bent, email to Bent; prepare interim R&D w/ pro forma; email BNS, open investment account trf \$3M to GIC.

**TOTAL****61.0**



Timedocket                      James Merryweather  
 ENGAGEMENT NAME:    ADVANTAGEWON CAPITAL CORP.

| DATE                                | DESCRIPTION   | TIME<br>(hh/mm) |
|-------------------------------------|---|-----------------|
| <b>JAMES MERRYWEATHER, CPA, CGA</b> |   |                 |
| 19-Jan-21                           | prepare employee termination database; prepare draft termination letter (assumed and non-assumed employees) | 1.30            |
| 20-Jan-21                           | update termination letters and employee entitlement database  | 0.30            |
| 21-Jan-21                           | finalize termination letters and employee entitlement database; prepare letters and proofs of claim         | 1.50            |
| 28-Jan-21                           | register for WEPPA; process claims, prepare letters and various corr w creditors                            | 2.50            |
| <b>TOTAL</b>                        | <b>JAMES MERRYWEATHER</b>   | <b>5.60</b>     |

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

-and-

ADVANTAGEWON CAPITAL CORP.

Applicant

Respondent

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
LONDON

**AFFIDAVIT OF ROBERT G. LINK  
SWORN FEBRUARY 22, 2021**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

**Sam Babe (LSO# 49498B)**

Tel: (416) 865-7718

Fax: (416) 863-1515

Email: [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com)

*Lawyers for Link & Associates Inc., in its capacity as the Court-appointed receiver of Advantagewon Capital Corp.*

**Tab 2(h)**

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

Applicant

and

**ADVANTAGEWON CAPITAL CORP.**

Respondent

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

**AFFIDAVIT OF DAMIAN LU**  
(sworn February 22, 2021)

I, DAMIAN LU, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Link & Associates Inc., in its capacity as the Court-appointed receiver of Advantagewon Capital Corp. (in such capacity, the “**Receiver**”).
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:
  - (a) an account dated December 23, 2020 in the amount of \$21,190.85 (comprised of fees of \$19,365.50, disbursements of \$282.25 and HST of \$2,543.10) in respect of the period to December 22, 2020; and

(b) an account dated January 31, 2021 in the amount of \$28,471.48 (comprised of fees of \$25,196.00 and HST of \$3,275.48) in respect of the period from December 23, 2020 to January 30, 2021,

(collectively, the “**Statements of Account**”). Attached hereto and marked as **Exhibit “A”** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP was \$736.55.

3. Attached hereto and marked as **Exhibit “B”** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.
4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

**SWORN** remotely by Damian Lu at the )  
 City of Toronto in the Province of Ontario, )  
 before me on this 22nd day of February, )  
 2021 in accordance with O. Reg. 431/20, )  
 Administering Oath or Declaration )  
 Remotely. )

*Lynn Tay*  
 Commissioner for taking affidavits

*Damian Lu*  
 \_\_\_\_\_  
**DAMIAN LU**

Attached is Exhibit “A”

Referred to in the

AFFIDAVIT OF DAMIAN LU

Sworn before me

this 22<sup>nd</sup> day of February, 2021

Lynn Tay

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:



Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

Link & Associates Inc.  
 Receivers + Trustees  
 7050 Weston Road, Suite #228  
 Woodbridge, ON  
 L4L 8G7

Attention: Mr. Robert Link

**Invoice No.: 693264**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 46217/159720  
 Client No.: 46217  
 Matter No.: 159720

December 23, 2020

---

**Re: Receiver of Advantagewon Capital Corp.**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended December 22, 2020:

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION   |
|--------|----------|---------------|------|----------|---|
| DRE    | 14/10/20 | \$875.00      | 0.80 | \$700.00 | Review memo from R. Link; conflict check; discuss process with R. Link  |
| DRE    | 16/10/20 | \$875.00      | 0.10 | \$87.50  | Telephone call with R. Link   |
| DRE    | 21/10/20 | \$875.00      | 1.00 | \$875.00 | Review memos from secured creditor and exchange comments with R. Link; set up and attend on conference call with secured; review next steps and process |
| DRE    | 03/11/20 | \$875.00      | 0.30 | \$262.50 | Telephone call with R. Link re process  |
| DRE    | 05/11/20 | \$875.00      | 0.30 | \$262.50 | Telephone call from R. Link re application and process without offer  |
| DRE    | 09/11/20 | \$875.00      | 0.30 | \$262.50 | Letter to R. Link and T. Dunn on APA process options  |
| DRE    | 16/11/20 | \$875.00      | 0.30 | \$262.50 | Review comments on offer from R. Link and comment back  |
| DRE    | 17/11/20 | \$875.00      | 0.20 | \$175.00 | Letter to R. Link; Update on APA  |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE      | DESCRIPTION   |
|--------|----------|---------------|------|------------|---|
| DRE    | 18/11/20 | \$875.00      | 1.20 | \$1,050.00 | Review draft APA; Set up call;<br>Conference call with R. Link and T. Dunn                                    |
| DRE    | 19/11/20 | \$875.00      | 0.30 | \$262.50   | Letters and update from R. Link   |
| DRE    | 19/11/20 | \$875.00      | 1.00 | \$875.00   | Conference call with potential purchaser counsel  |
| DRE    | 20/11/20 | \$875.00      | 0.60 | \$525.00   | Review - review revised offer; Letter to counsel  |
| DRE    | 23/11/20 | \$875.00      | 1.50 | \$1,312.50 | Review APA; Draft changes; Review revisions and correct; Re-draft; Telephone call with R. Link; Send document |
| DRE    | 23/11/20 | \$875.00      | 1.00 | \$875.00   | Get security; Instruct clerk on vetting; Revise APA further   |
| SRM    | 23/11/20 | \$385.00      | 0.30 | \$115.50   | Review email and begin review of non-neg  |
| DRE    | 24/11/20 | \$875.00      | 0.40 | \$350.00   | Letters to R. Link and D. Bent and send over revisions; Telephone call with R. Link                           |
| SRM    | 24/11/20 | \$385.00      | 0.40 | \$154.00   | Order due diligence searches; Brief review of non-neg   |
| DRE    | 25/11/20 | \$875.00      | 0.60 | \$525.00   | Review T. Dunn comments; Revise APA; Telephone call to R. Link  |
| DRE    | 25/11/20 | \$875.00      | 0.30 | \$262.50   | Letter to counsel and update draft APA  |
| DRE    | 26/11/20 | \$875.00      | 0.40 | \$350.00   | Consult with R. Link; Letters with counsel  |
| DRE    | 27/11/20 | \$875.00      | 0.50 | \$437.50   | Receive and review revised APA; Telephone call with R. Link; Revise APA                                       |
| SRM    | 28/11/20 | \$385.00      | 0.50 | \$192.50   | Begin reviewing searches and non-neg; Begin drafting security review  |
| SRM    | 29/11/20 | \$385.00      | 0.60 | \$231.00   | Continue review of searches and non-neg; Email to R. English re same  |
| DRE    | 30/11/20 | \$875.00      | 0.80 | \$700.00   | Conference call re APA  |
| SRM    | 01/12/20 | \$385.00      | 1.00 | \$385.00   | Prepare search summary  |



| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| DRE    | 02/12/20 | \$875.00      | 0.50 | \$437.50 | Received revised APA's from T. Duncan and Adwhan; Review both APA's  |
| DRE    | 03/12/20 | \$875.00      | 0.60 | \$525.00 | Review various revisions to the APA; Letters re closing issues   |
| DRE    | 04/12/20 | \$875.00      | 0.60 | \$525.00 | Telephone call with R. Link; Review revisions to drafts; Letters from T. Duncan  |
| SRM    | 04/12/20 | \$385.00      | 0.70 | \$269.50 | Continue reviewing security and preparing opinion  |
| SRM    | 06/12/20 | \$385.00      | 2.10 | \$808.50 | Continue review of security and preparing opinion  |
| DRE    | 07/12/20 | \$875.00      | 0.80 | \$700.00 | Review first draft of security review and related documents; Telephone call with S. Morris; Revise and review letter to T. Duncan                                  |
| DRE    | 07/12/20 | \$875.00      | 0.30 | \$262.50 | Review revised security review ; Letter to R. Link; Letter to T. Duncan  |
| DRE    | 07/12/20 | \$875.00      | 0.30 | \$262.50 | Receive and review documents   |
| SRM    | 07/12/20 | \$385.00      | 1.70 | \$654.50 | Review and revise draft security opinion; Confirm name of secured creditor   |
| DRE    | 08/12/20 | \$875.00      | 1.00 | \$875.00 | Letters to T. Duncan re security; Revise and review with clerk; Message same to R. Link; Receive and review APA's and other documents from A. Chabar and T. Duncan |
| SRM    | 08/12/20 | \$385.00      | 0.20 | \$77.00  | Revise security review; Order updated certified PPSA search  |
| DRE    | 09/12/20 | \$875.00      | 0.20 | \$175.00 | Update on APA  |
| SRM    | 09/12/20 | \$385.00      | 0.10 | \$38.50  | Review certified post-amendment PPSA search  |
| DRE    | 10/12/20 | \$875.00      | 0.20 | \$175.00 | Receive Adnan comments and revised APA   |
| DRE    | 11/12/20 | \$875.00      | 0.50 | \$437.50 | Review draft application and order; Letters from and to T. Duncan;   |

| LAWYER        | DATE     | RATE/<br>HOUR | TIME  | VALUE       | DESCRIPTION  |
|---------------|----------|---------------|-------|-------------|--|
|               |          |               |       |             | Telephone call with R. Link; Comment on terms  |
| DRE           | 16/12/20 | \$875.00      | 0.60  | \$525.00    | Letters with T. Duncan and R. Link; Review application and timing; Send R. Link searches |
| SRM           | 16/12/20 | \$385.00      | 0.10  | \$38.50     | Email to R. Link attaching corporate profile   |
| DRE           | 18/12/20 | \$875.00      | 0.50  | \$437.50    | Review draft Receiver report; Telephone call with R. Link; Update from counsel           |
| DRE           | 21/12/20 | \$875.00      | 0.30  | \$262.50    | Update on timing from T. Duncan  |
| DRE           | 22/12/20 | \$875.00      | 0.40  | \$350.00    | Send security review; Review revised report and comment to R. Link                       |
| SRM           | 22/12/20 | \$385.00      | 0.10  | \$38.50     | Email to R. Link attaching security review   |
| <b>TOTAL:</b> |          |               | 26.50 | \$19,365.50 |  |

|                |             |
|----------------|-------------|
| <b>OUR FEE</b> | \$19,365.50 |
| HST at 13%     | \$2,517.52  |

#### DISBURSEMENTS

#### COST INCURRED ON YOUR BEHALF AS AN AGENT

|                       |         |
|-----------------------|---------|
| Search Under P.P.S.A. | \$85.50 |
|-----------------------|---------|

#### Subject to HST

|                      |         |
|----------------------|---------|
| Photocopies - Local  | \$22.75 |
| Service Provider Fee | \$53.00 |
| Corporate Search     | \$98.00 |
| Name Search          | \$23.00 |

|                     |          |
|---------------------|----------|
| Total Disbursements | \$196.75 |
| HST at 13%          | \$25.58  |

#### AMOUNT NOW DUE

---



---

**\$22,190.85**

THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP

A handwritten signature in blue ink, appearing to read 'D. Robb English', is written over a faint, circular watermark or stamp.

D. Robb English  
/ph  
E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference. 42898174.1

IN ACCOUNT WITH:



Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

Link & Associates Inc.  
 Receivers + Trustees  
 7050 Weston Road, Suite #228  
 Woodbridge, ON  
 L4L 8G7

Attention: Mr. Robert Link

**Invoice No.: 696869**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 46217/159720  
 Client No.: 46217  
 Matter No.: 159720

January 31, 2021

---

**Re: Receiver of Advantagewon Capital Corp.**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 30, 2021:

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| DRE    | 23/12/20 | \$875.00      | 0.80 | \$700.00 | Review report as revised; Received APA and consult with R. Link  |
| DRE    | 28/12/20 | \$875.00      | 0.30 | \$262.50 | Receive updated receiver report etc                              |
| DRE    | 29/12/20 | \$875.00      | 0.50 | \$437.50 | Instruct Sam Babe and review docs                                |
| DRE    | 30/12/20 | \$875.00      | 0.40 | \$350.00 | Issues on APA  |
| DRE    | 04/01/21 | \$895.00      | 0.30 | \$268.50 | Letters from counsel on status; Instruct S. Babe                 |
| SEB    | 05/01/21 | \$650.00      | 0.10 | \$65.00  | Email from R. English  |
| SEB    | 06/01/21 | \$650.00      | 0.30 | \$195.00 | Emails from and to R. English                                    |
| DRE    | 06/01/21 | \$895.00      | 0.40 | \$358.00 | Review court materials and service information; Instruct S. Babe |
| SEB    | 07/01/21 | \$650.00      | 0.20 | \$130.00 | Telephone call with R. English                                   |
| DRE    | 07/01/21 | \$895.00      | 0.20 | \$179.00 | Brief S. Babe; Review court materials                            |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE      | DESCRIPTION   |
|--------|----------|---------------|------|------------|---|
| SEB    | 12/01/21 | \$650.00      | 0.40 | \$260.00   | Emails from and to R. English; review purchase agreement and application materials  |
| DRE    | 12/01/21 | \$895.00      | 0.30 | \$268.50   | Deal with issues of confidentiality on hearing  |
| SEB    | 13/01/21 | \$650.00      | 0.90 | \$585.00   | Emails and phone call from and to R. English; email from R. Link; emails from Foglers; email from service list  |
| DRE    | 13/01/21 | \$895.00      | 1.50 | \$1,342.50 | Review court materials; Prepare for hearing; Telephone call to brief S. Babe; Get schedule from R. Link; Discuss process and late appearance with counsel |
| SEB    | 14/01/21 | \$650.00      | 0.20 | \$130.00   | Email from B. VanBunderen; email from R. English  |
| DRE    | 14/01/21 | \$895.00      | 1.50 | \$1,342.50 | Prepare for hearing; Review reports; Telephone call with R. Link; Letters from counsel; Send NDA  |
| SEB    | 15/01/21 | \$650.00      | 2.20 | \$1,430.00 | Attend court call re receivership application; emails to and from R. English  |
| DRE    | 15/01/21 | \$895.00      | 3.00 | \$2,685.00 | Conference call hearing in London; Send info to counsel   |
| SEB    | 18/01/21 | \$650.00      | 0.40 | \$260.00   | Attend court hearing; email from R. English; emails from and to R. Link   |
| DRE    | 18/01/21 | \$895.00      | 1.00 | \$895.00   | Prepare and attend at renewed court hearing; Brief S. Babe  |
| SEB    | 19/01/21 | \$650.00      | 0.20 | \$130.00   | Email from R. Link; email from D. Bent  |
| SEB    | 20/01/21 | \$650.00      | 1.50 | \$975.00   | Emails from and to R. Link; draft closing agenda; emails from T. Duncan; emails and phone calls to and from Purchaser's counsel                           |
| SEB    | 21/01/21 | \$650.00      | 1.20 | \$780.00   | Emails from and to R. Link; email to Siskinds; draft closing documents  |
| DRE    | 21/01/21 | \$895.00      | 0.30 | \$268.50   | Instruct re closing   |

| LAWYER        | DATE     | RATE/<br>HOUR | TIME  | VALUE       | DESCRIPTION  |
|---------------|----------|---------------|-------|-------------|--|
| SEB           | 22/01/21 | \$650.00      | 3.10  | \$2,015.00  | Emails from and to R. Link; draft closing documents  |
| DRE           | 22/01/21 | \$895.00      | 0.30  | \$268.50    | Emails with R. Link re closing issues  |
| SEB           | 23/01/21 | \$650.00      | 1.10  | \$715.00    | Draft closing documents; emails to and from R. Link; email from R. English; email to Purchaser's counsel   |
| SEB           | 25/01/21 | \$650.00      | 1.00  | \$650.00    | Emails from and to Purchaser's counsel; emails from and to R. Link   |
| DRE           | 25/01/21 | \$895.00      | 0.30  | \$268.50    | Update from R. Link and S. Babe on closing process   |
| SEB           | 26/01/21 | \$650.00      | 0.90  | \$585.00    | Emails from and to R. Link; email from Purchaser's counsel   |
| DRE           | 26/01/21 | \$895.00      | 0.40  | \$358.00    | Review various closing issues  |
| SEB           | 27/01/21 | \$650.00      | 2.70  | \$1,755.00  | Emails and phone calls from and to R. Link; emails and phone calls from and to A. Chahbar; email from M. Wilson; email from R. English; revise closing documents |
| DRE           | 27/01/21 | \$895.00      | 0.30  | \$268.50    | Deal with closing issues and weird requests from purchaser   |
| DRE           | 27/01/21 | \$895.00      | 0.20  | \$179.00    | Review closing issues  |
| SEB           | 28/01/21 | \$650.00      | 4.40  | \$2,860.00  | Attend to closing matters; emails and phone calls from and to R. Link; emails from and to A. Chahbar   |
| DRE           | 28/01/21 | \$895.00      | 0.40  | \$358.00    | Deal with final closing issues   |
| SEB           | 29/01/21 | \$650.00      | 0.30  | \$195.00    | Email and phone calls from and to A. Chahbar; emails from and to R. Link   |
| DRE           | 29/01/21 | \$895.00      | 0.40  | \$358.00    | Letters with R. Link re post closing items   |
| SEB           | 30/01/21 | \$650.00      | 0.10  | \$65.00     | Email from R. Link; email from R. English  |
| <b>TOTAL:</b> |          |               | 34.00 | \$25,196.00 |  |

AIRD & BERLIS LLP  
PAGE 4 OF INVOICE NO. 696869

**OUR FEE**  
HST at 13%

\$25,196.00  
\$3,275.48

**AMOUNT NOW DUE**

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**\$28,471.48**

---

THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



D. Robb English  
/ph  
E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.  
43322701.1

Attached is Exhibit “B”

Referred to in the

AFFIDAVIT OF DAMIAN LU

Sworn before me

this 22<sup>nd</sup> day of February, 2021

\_\_\_\_\_  
*Lynn Tay*

Commissioner for taking Affidavits, etc



## STATEMENT OF RESPONSIBLE INDIVIDUALS

*Aird & Berlis LLP's professional fees herein are made with respect to the following individuals*

| <b>Lawyer</b>  | <b>Call to Bar</b> | <b>Effective<br/>2020/2021<br/>Hourly Rate</b> | <b>Total Time</b> | <b>Value</b> |
|----------------|--------------------|--|-------------------|--------------|
| English, D. R. | 1980               | \$881.86                                       | 31.5              | \$27,778.44  |
| Babe, S.       | 2004               | \$650.00                                       | 21.2              | \$13,780.00  |
| <b>Clerk</b>   |                    |  |                   |              |
| Morris, S.     | n/a                | 385  | 7.8               | \$3,003.00   |

**FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I**

and

**ADVANTAGEWON CAPITAL CORP.**

Applicant

Respondent

Court File No. 2003/20

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**Proceedings commenced at London**

**AFFIDAVIT OF FEES**

**AIRD & BERLIS LLP**  
 Barristers and Solicitors  
 Brookfield Place  
 181 Bay Street, Suite 1800  
 P.O. Box 754  
 Toronto, ON M5J 2T9

**D. Robb English (LSO # 19862F)**

Tel: (416) 865-4748

Email: renglish@airdberlis.com

**Sam Babe (LSO # 49498B)**

Tel: (416) 865-7718

Email: sbabe@airdberlis.com

Fax: (416) 863-1515

*Lawyers for Link & Associates Inc., in its capacity as the Court-appointed receiver of Advantagewon Capital Corp.*

### **Tab 3**

## SERVICE LIST

TO:           **AIRD & BERLIS LLP**  
 Brookfield Place  
 181 Bay Street, Suite 1800  
 Toronto ON M5J 2T9

D. Robb English  
 renglish@airdberlis.com  
 Tel:   (416) 865-4748  
 Fax:   (416) 863-1515

Sam Babe  
 sbabe@airdberlis.com  
 Tel:   (416) 865-7718  
 Fax:   (416) 863-1515

*Lawyers for the Receiver, Link & Associates Inc.*

AND TO:   **LINK & ASSOCIATES INC.**  
 7050 Weston Road  
 Suite 228  
 Woodbridge ON L4L 8G7

Robert Link  
 rlink@linkassociates.ca  
 Tel:   (416) 862-7785  
 Fax:   (416) 862-2136

AND TO:   **ADVANTAGEWON CAPITAL CORP.**  
 376 Richmond Street, 3<sup>rd</sup> Floor  
 London ON N6A 3C7

Mark Wilson  
 mwilson@advantagewon.com

**AND TO: FOLGER RUBINOFF LLP**

Lawyers  
77 King Street West  
Suite 3000, P.O. Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8

Tim Duncan  
tduncan@foglers.com  
Tel: (416) 941-8817  
Fax: (416) 941-8852

*Lawyers for Applicant, FMMC Private Yield Fund Limited Partnership I.*

**AND TO: GENESIS PROPERTY HOLDINGS INC.**

c/o 376 Richmond Street  
London ON N6A 3C7

David MacKenzie  
dmackenzie@smglaw.ca  
Tel: (519-433-8155)

**AND TO: SZEMENYEI MACKENZIE GROUP LLP**

376 Richmond Street  
London ON N6A 3C7

David MacKenzie  
dmackenzie@smglaw.ca  
Tel: (519-433-8155)

**AND TO: SISKINDS LAW FIRM**

680 Waterloo Street  
P.O. Box 2520  
London ON N6A 3V8

Adnan Chahbar  
adnan.chahbar@siskinds.com  
Tel: (519) 660-7804  
Fax: (519) 660-7883

*Lawyers for Dorsia Capital (London) Inc.*

**AND TO: CHITIZ PATHAK LLP**

77 King Street West  
TD North Tower  
Suite 7000, P.O. Box 118  
Toronto, ON M5K 1G8

Alastair J. McNish  
amcnish@chitizpathak.com

Kevin Massicotte  
kmassicotte@chitizpathak.com  
Tel: (416) 368-6200  
Fax: (416) 368-0300

*Lawyers for Fountain Asset Corp.*

**AND TO: ADVANTAGEWON INC.**

509 Commissioners Road West, Suite 437  
London ON N6J 1Y5

Mark Wilson  
mwilson@advantagewon.com

**AND TO: 2312788 ONTARIO INC.**

33875 Fifth Line  
Iona Station ON N0L 1P0

Mark Wilson  
mwilson@advantagewon.com

**AND TO: ACEF TRUST**

81 York Road  
Toronto ON M2L 1H9

Firas Askari, Trustee  
Email: firas.askari@gmail.com

AND TO: **BEACON HOLDINGS LIMITED**  
The Financial Services Centre, Suite 1 Ground Floor  
Bishop Court Hill, St. Michael, Barbados BB 14004

Greg Nelson  
Email: gnelson@beaconfsa.com

AND TO: **ECHO BAY STRATEGIC YIELD FUND**  
1 Toronto Street, Suite 200  
Toronto ON M5C 2V6

AND TO: **AILERON CAPITAL**  
  
Edward Furtak  
Email: efurtak@aileroncapital.com

AND TO: **DEPARTMENT OF JUSTICE**  
Ontario Regional Office  
The Exchange Tower, Box 36  
130 King Street West, Suite 3400  
Toronto ON M5X 1K6

Diane Winters  
diane.winters@justice.gc.ca  
Tel: (416) 973-3172  
Fax: (416) 973-0810

*Lawyers for Canada Revenue Agency*

AND TO: **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE**  
33 King Street West, 6<sup>th</sup> Floor  
Oshawa ON L1H 8E9

Insolvency Unit  
insolvency.unit@ontario.ca  
Tel: (905) 433-5657  
Fax: (905) 436-4510

AND TO: **SZEMENYEI MACKENZIE GROUP LLP**  
376 Richmond Street  
London ON N6A 3C7

David MacKenzie  
dmackenzie@smglaw.ca  
Tel: (519-433-8155)

AND TO: **SISKINDS LAW FIRM**  
680 Waterloo Street  
P.O. Box 2520  
London ON N6A 3V8

Adnan Chahbar  
adnan.chahbar@siskinds.com  
Tel: (519) 660-7804  
Fax: (519) 660-7883

*Lawyers for Dorsia Capital (London) Inc.*

AND TO: **CHITIZ PATHAK LLP**  
77 King Street West  
TD North Tower  
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Toronto, ON M5K 1G8

Alastair J. McNish  
amcnish@chitizpathak.com

Kevin Massicotte  
kmassicotte@chitizpathak.com  
Tel: (416) 368-6200  
Fax: (416) 368-0300

*Lawyers for Fountain Asset Corp.*



**FMMC PRIVATE YIELD FUND LIMITED  
PARTNERSHIP I**

and

**ADVANTAGEWON CAPITAL CORP.**

Applicant

Respondent

Court File No. 2003/20

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceedings commenced at London**

**MOTION RECORD**

**AIRD & BERLIS LLP**

Barristers and Solicitors

Brookfield Place

Suite 1800, Box 754

181 Bay Street

Toronto, ON M5J 2T9

**D. Robb English (LSO # 19862F)**

Tel: (416) 865-4748

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