

**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

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

APPLICATION RECORD

December 31, 2020

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index

INDEX

Tab	Description	Pages
1	Notice of Application, issued December 18, 2020	1 – 29
2	Affidavit of Don Bent, sworn Dec 31, 2020	30 – 503
3	Pre-Receivership Report of Link & Associates Inc., dated December 24, 2020	504 – 594
4	Confidential Supplemental Report to the Pre-Receivership Report of Link & Associates Inc.	595
5	Consent to Act as Receiver, Link & Associates Inc.	596 – 597
6	Draft Receivership Order	598 – 616
7	Blackline of Draft Receivership Order as against Commercial List Model Receivership Order	617 – 638
8	Draft Approval and Vesting Order	639 – 650
9	Blackline of Draft Approval and Vesting Order as against Commercial List Model Approval and Vesting Order	651 – 666

tab 3

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

TABLE OF CONTENTS

I.	INTRODUCTION	1
1.1	Link's Involvement and Independence	1
1.2	Purpose of this Report.....	3
1.3	Notice to Reader	4
1.4	Confidential Supplemental Report.....	5
II.	BACKGROUND	6
2.1	Nature of the Business	6
2.2	Origin of FMLP1 Loan	8
III.	FINANCIAL POSITION.....	9
3.1	Loan Default	10
3.2	Declining Loan Book	11
IV.	SECURED CREDITORS	13
4.1	Beacon Holdings Limited	14
4.2	Independent Legal Opinion on FMLP1 Security	15
V.	UNSECURED CREDITORS	15
VI.	ASSETS AND REALIZABLE VALUE	17
6.1	Loan Book Valuation	17
6.2	Equipment.....	18
6.3	Software	18
6.4	Inventory	19
VII.	THE TRANSACTION.....	19
7.1	Rationale for Receiver's Recommendation of APA	21
7.2	Other Considerations	23
7.3	Employees.....	24
7.4	Landlord	25
7.5	Crown Claims for Source Deduction and HST.....	25
7.6	Role of the Receiver Post-Closing	25
VIII.	SUMMARY AND CONCLUSIONS	26
IX.	RECOMMENDATIONS.....	26

INDEX OF APPENDICES**TAB 1 Report of the Proposed Receiver dated December 24, 2020**

- A. Corporate Profile Report of Advantagewon Capital Corp.
- B. Audited Financial Statements (December 31, 2019 fiscal year end)
- C. Internal Financial Statements (11 months ending November 30, 2020)
- D. Beacon Cooperation Agreement
- E. Independent Legal Opinion

TAB 2 Confidential Supplemental Report to the Report of the Proposed Receiver dated December 24, 2020

- A. Chronology and Overview of Company efforts to seek strategic partners and new equity sources from 2017 to date
- B. Asset Purchase Agreement dated December 23, 2020 between Advantagewon Capital Corp. and Dorsia Capital (London) Inc.
- C. Valuation Report of Fuller Landau Valuations Inc. as at November 30, 2020

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 December 31, 2019	Internal September 30, 2020	Internal October 31, 2020	Internal November 30, 2020	11 month (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
Total Gross	\$ 7,110,075	\$ 5,947,551	\$ 5,671,491	\$ 5,186,725	\$ 1,923,350
Less:					
Allowance for Loan Losses	(203,504)	(203,504)	(203,504)	(203,504)	-
Black Book Value Adjustment	(244,441)	(244,441)	(244,441)	(244,441)	-
Subtotal Adjustments	\$ (447,944)	\$ (447,944)	\$ (447,944)	\$ (447,944)	-
Total Net	\$ 6,662,131	\$ 5,499,606	\$ 5,223,547	\$ 4,738,781	\$ 1,923,350

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.

Rank	Name of Secured Creditor	Amount
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
Total		\$ 8,586,167

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.

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

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 FMLPI 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

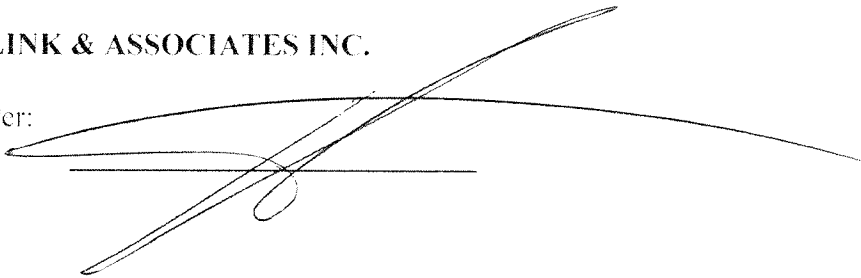
133. As a result of the above, Link recommends that:
- (i) it be appointed as receiver;

- (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 24th day of December, 2020.

LINK & ASSOCIATES INC.

Per:

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a horizontal line and a final flourish.

Request ID: 025323312
 Transaction ID: 77316797
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/11/25
 Time Report Produced: 08:02:11
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2400918	ADVANTAGEWON CAPITAL CORP.	2013/12/19
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
376 RICHMOND STREET	NOT APPLICABLE	NOT APPLICABLE
Suite # 3RD FLOOR	New Amal. Number	Notice Date
LONDON	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA N6A 3C7		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
MARK WILSON	NOT APPLICABLE	NOT APPLICABLE
188 TALBOT STREET WEST		Transferred Out Date
AYLMER		NOT APPLICABLE
ONTARIO	EP Licence Eff.Date	EP Licence Term.Date
CANADA N5H 1K1	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum 00001 Maximum 00010	

Request ID: 025323312
Transaction ID: 77316797
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:11
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

Corporate Name History

ADVANTAGEWON CAPITAL CORP.

Effective Date

2019/05/23

2400918 ONTARIO INC.

2013/12/19

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**JASON
EWART**Address**163 ONTARIO STREET

COBOURG
ONTARIO
CANADA K9A 3B6**Date Began**

2016/09/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025323312
Transaction ID: 77316797
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:11
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

**Administrator:
Name (Individual / Corporation)**MARK
JOHN
WILSON**Address**

33875 FIFTH LINE

IONA STATION
ONTARIO
CANADA NOL 1P0**Date Began**

2013/12/19

First Director

YES

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

**Administrator:
Name (Individual / Corporation)**MARK
WILSON**Address**

33875 FIFTH LINE

IONA STATION
ONTARIO
CANADA NOL 1P0**Date Began**

2013/12/19

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 025323312
Transaction ID: 77316797
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:11
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

**Administrator:
Name (Individual / Corporation)**MARK
WILSON**Address**

33875 FIFTH LINE

IONA STATION
ONTARIO
CANADA N0L 1P0**Date Began**

2013/12/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**MARK
WILSON**Address**

33875 FIFTH LINE

IONA STATION
ONTARIO
CANADA N0L 1P0**Date Began**

2013/12/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 025323312
Transaction ID: 77316797
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:11
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

**Administrator:
Name (Individual / Corporation)**MARK
WILSON**Address**33875 FIFTH LINE

IONA STATION
ONTARIO
CANADA N0L 1P0**Date Began**

2013/12/19

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 025323312
Transaction ID: 77316797
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:11
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2400918

ADVANTAGEWON CAPITAL CORP.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2018	1C	2020/01/05 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 025323327
Transaction ID: 77316826
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
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Page: 1

LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number
2400918

CORPORATION NAME
ADVANTAGEWON CAPITAL CORP.

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
2017/06/09	ADVANTAGEWON	2022/06/08	270642515

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 025323318
Transaction ID: 77316807
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:19
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2018 PAF: WILSON, MARK	1C	2020/01/05 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: PICKARD, BRENT T.	1	2019/06/25
BCA	ARTICLES OF AMENDMENT	3	2019/05/23
CIA	ANNUAL RETURN 2017 PAF: WILSON, MARK	1C	2019/04/21 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2016 PAF: WILSON, MARK	1C	2017/07/23 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: WILSON, MARK	1	2017/05/09
CIA	ANNUAL RETURN 2015 PAF: WILSON, MARK	1C	2016/07/03 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2014 PAF: WILSON, MARK	1C	2015/11/29 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2013 PAF: WILSON, MARK	1C	2015/11/29 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: TEAL, STEVEN	1	2014/01/15
BCA	ARTICLES OF INCORPORATION	1	2013/12/19 (ELECTRONIC FILING)

Request ID: 025323318
Transaction ID: 77316807
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/11/25
Time Report Produced: 08:02:19
Page: 2

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2400918

Corporation Name

ADVANTAGEWON CAPITAL CORP.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
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THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

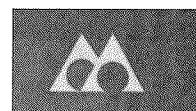
The issuance of this report in electronic form is authorized by the Ministry of Government Services.

ADVANTAGEWON CAPITAL CORP.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019



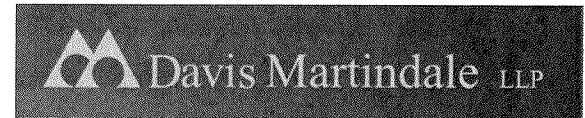
ADVANTAGEWON CAPITAL CORP.
INDEX TO AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019

	Page
Auditor's Report	1 - 2
Balance Sheet	3
Statement of Retained Earnings (Deficit)	4
Statement of Loss	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 17



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Toronto, ON M5J 2N8
t. 416.840.8050 f. 866.492.2412



Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Advantagewon Capital Corp.

Adverse Opinion

We have audited the accompanying financial statements of Advantagewon Capital Corp., which comprise of the balance sheet as at December 31, 2019, the statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, because there is a material uncertainty that may cast doubt about the entity's ability to continue as a going concern as mentioned in the *Basis for Adverse Opinion* section of our report, the accompanying financial statements do not present fairly, the financial position of Advantagewon Capital Corp. as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Adverse Opinion

The Company has a net loss for the year which has contributed to the retained deficit of \$6,845,620 and the Secured lender has called the loan as outlined in note 13 to the financial statements. These financial statements have been prepared on a going concern basis, given these events the use of the going concern assumption is not appropriate.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Davis Martindale LLP's website at: https://www.davismartindale.com/auditors_report. This description forms part of our auditor's report.

London, Ontario
September 26, 2020

Davis Martindale LLP
Chartered Professional Accountants
Licensed Public Accountants



ADVANTAGEWON CAPITAL CORP.
BALANCE SHEET
AS AT DECEMBER 31, 2019

ASSETS		
	2019	2018 (note 21)
Current Assets		
Cash	\$ 50,077	\$ 48,558
Restricted cash (note 4)	22,282	45,609
Accounts receivable	5,161	-
Excess spread receivable (note 8)	12,942	12,361
Inventory (note 5)	3,984	40,187
Prepaid expenses	90,347	122,369
Due from related company (note 12)	135,347	91,737
Current portion of loans receivable (note 9)	<u>3,367,850</u>	<u>2,410,207</u>
	3,687,990	2,771,028
Equipment (note 6)	7,923	7,923
Software Development Costs (note 7)	174,697	117,945
Loans Receivable (note 9)	<u>3,290,297</u>	<u>4,175,544</u>
	<u>\$ 7,160,907</u>	<u>\$ 7,072,440</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Government remittances payable	\$ 17,072	\$ 45,485
Accounts payable and accrued liabilities	1,165,935	596,958
Due to Beacon Holdings Ltd. (note 8)	22,652	103,890
Current portion of deferred revenues (note 11)	120,668	260,342
Due to shareholder (note 12)	12,442	-
Current portion of secured borrowings (note 13)	3,217,636	-
Current portion of subordinated loans (note 14)	<u>1,000,000</u>	<u>-</u>
	5,556,405	1,006,675
Subordinated Loans (note 14)	3,024,129	3,524,129
Secured Borrowings (note 13)	-	3,217,636
Due to Related Companies (note 12)	4,445,146	2,373,793
Deferred Revenues (note 11)	<u>380,837</u>	<u>321,570</u>
	13,406,517	10,443,803
Commitments (note 15)		
Shareholders' Equity (Deficit)		
Share capital issued:		
2,000 Class A voting common shares	600,010	600,010
Retained earnings (deficit)	<u>(6,845,620)</u>	<u>(3,971,373)</u>
	<u>(6,245,610)</u>	<u>(3,371,363)</u>
	<u>\$ 7,160,907</u>	<u>\$ 7,072,440</u>

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.



ADVANTAGEWON CAPITAL CORP.
STATEMENT OF RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Balance, Beginning of Year	\$ (3,971,373)	\$ (1,553,846)
Net Loss	<u>(2,874,247)</u>	<u>(2,417,527)</u>
Balance, End of Year	\$ <u>(6,845,620)</u>	\$ <u>(3,971,373)</u>

*The attached Independent Auditor's Report and notes form an
integral part of these audited financial statements.*



ADVANTAGEWON CAPITAL CORP.
STATEMENT OF LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 (note 21)
Revenue		
Interest	\$ 1,135,715	\$ 993,794
Excess spread revenue (note 8)	68,832	53,189
Fee revenue	1,015,269	2,134,026
Warranty revenue (notes 3(d) and 11)	<u>104,890</u>	<u>77,917</u>
	2,324,706	3,258,926
Bad debt expenses	<u>475,288</u>	<u>280,122</u>
Net Revenues	1,849,418	2,978,804
Expenses		
Advertising and promotion	60,636	8,248
Amortization of equipment	30,967	1,718
Computer supplies and other IT	121,991	143,710
Fees and dues	8,677	7,017
Interest on long-term debt (note 12)	1,665,434	1,260,709
Loan origination costs	256,470	292,195
Office and general	336,627	320,486
Structuring and professional fees	659,707	153,398
Salaries and management (note 12)	872,646	1,168,773
Travel and employee	133,445	94,071
Vehicle recovery (note 12)	168,689	394,037
Warranty costs (note 3(d))	<u>105,105</u>	<u>70,053</u>
	4,420,394	3,914,415
Loss from Operations	(2,570,976)	(935,611)
Other Expenses		
Non-recurring bad debt expense	-	(1,161,592)
Impairment loss on loans receivable (note 17)	(13,712)	(23,417)
Legal expense	-	(296,907)
Beacon arrears payments	<u>(289,559)</u>	<u>-</u>
	(303,271)	(1,481,916)
Net Loss	\$ <u>(2,874,247)</u>	\$ <u>(2,417,527)</u>

*The attached Independent Auditor's Report and notes form an
integral part of these audited financial statements.*



ADVANTAGEWON CAPITAL CORP.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Cash Flows from Operating Activities		
Net loss	\$ (2,874,247)	\$ (2,417,527)
Items not requiring an outlay of cash:		
Amortization of equipment	<u>30,967</u>	<u>1,718</u>
	(2,843,280)	(2,415,809)
Changes in non-cash working capital:		
Accounts receivable	(5,161)	1,833
Inventory	36,203	247,020
Prepaid expenses	32,022	(34,503)
Government remittances payable	(28,413)	35,386
Accounts payable and accrued liabilities	568,977	319,978
Deferred revenues	<u>(80,407)</u>	<u>13,418</u>
	<u>523,221</u>	<u>583,132</u>
Net Cash Used in Operating Activities	(2,320,059)	(1,832,677)
Cash Flows from Financing Activities		
Advances to shareholders	3,217,636	21,675
Advances from related companies	2,040,185	2,242,204
Due to Beacon Holdings Ltd.	(81,239)	60,710
Increase in subordinated loans	500,000	500,000
Increase in secured borrowings	<u>(3,217,636)</u>	<u>594,288</u>
Net Cash Provided by Financing Activities	2,458,946	3,418,877
Cash Flows from Investing Activities		
Additions to equipment	(6,009)	(8,006)
Additions to intangible assets	(81,708)	(79,059)
Increase in loans receivable	(72,396)	(1,724,028)
Increase in excess spread receivable	<u>(582)</u>	<u>235,828</u>
Net Cash Used in Investing Activities	<u>(160,695)</u>	<u>(1,575,265)</u>
Net Increase (Decrease) in Cash	(21,808)	10,935
Cash, Beginning of Year	<u>94,167</u>	<u>83,232</u>
Cash, End of Year	\$ <u>72,359</u>	\$ <u>94,167</u>
Represented By:		
Cash	\$ 50,077	\$ 48,558
Restricted cash (note 4)	<u>22,282</u>	<u>45,609</u>
	\$ <u>72,359</u>	\$ <u>94,167</u>

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.



ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles that are applicable to a going concern, meaning that the company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the use of the generally accepted accounting principles that are applicable to a going concern may be inappropriate as there is doubt about the appropriateness of the going concern assumptions.

The Company's ability to realize a profit and discharge its liabilities depends on careful monitoring of the cash flow, continued support of the debt holders and secure additional financing for growth of their business. The losses have been generated substantially from the loan impairments as described in note 8. In the future, management believes the entity will be able to reduce this deficit and generate earnings.

2. Nature of the Business

The Company is a Canadian-controlled private corporation that is incorporated under the laws of the Province of Ontario. The Company is in the business of providing financing to consumers for automobile repair loans. The registered office for the Company is 376 Richmond Street, Suite 300, London, Ontario, N6A 3C7.

On May 7, 2019, subsequent to year end, for the purposes of fundraising and brand identification, 2400918 Ontario Inc. changed its name to Advantagewon Capital Corp.

3. Significant Accounting Policies

These financial statements were prepared by management in accordance with the Canadian accounting standards for private enterprises ("ASPE") and include the following significant accounting policies:

(a) Inventory

Inventory consists of vehicles that have been repossessed and are accounted for using the specific identification method. The repossessed vehicles are liquidated through selling the vehicles wholesale or directly to retail customers. Vehicles are sold wholesale either at the auction directly to dealers. These assets are measured at the lower of cost and net realizable value. Net realizable value represents the estimated proceeds from disposing the vehicle in the ordinary course of business less the estimated costs of any reconditioning, repairs or other costs to complete the sale.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

3. Significant Accounting Policies (continued)

(b) Equipment

Property and equipment are recorded at cost. Amortization is calculated using the declining-balance method at the annual rates disclosed in note 6. Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

These assets are tested for impairment if events or changes in circumstances indicate that the carrying value amount exceeds fair value. The impairment test consists in a comparison of the total undiscounted cash flows expected from their use and eventual disposition with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

(c) Intangible Assets

Intangible assets are at cost when management believes they will generate future benefits and that all criteria for capitalization are met. During the year, the Company capitalized costs relating to its credit application management system in development.

Intangible assets are amortized on the basis of their useful life using the straight-line method. Amortization is provided over estimated useful life of intangible asset subject to amortization using the following annual rate and method:

Credit Application Management System	4 years straight line
--------------------------------------	-----------------------

These assets are tested for impairment if events or changes in circumstances indicate that the carrying value amount exceeds fair value. The impairment test consists in a comparison of the total undiscounted cash flows expected from their use and eventual disposition with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

3. Significant Accounting Policies (continued)

(d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Interest Revenue

Interest revenue is recognized on loans receivable on an accrual basis over the term of the loan on a time proportion basis when earned.

Recognition of interest income is suspended for loan receivables that are considered in default.

Fee and Servicing Income

Income related to the origination of the loan is deferred and amortized over the period to which it relates.

Fees charged to the customer for providing subsequent servicing of a loan is recognized as services are provided.

Deferred revenue consists of administrative fees and discharge fees on loans that are not yet repaid. The administrative fees are recognized as revenue over the term of the loan while the discharge fees are recognized as revenue once the loan has been discharged.

Warranty Revenue

Warranty revenue relates to roadside assistance, tire and wheel protection plan revenues. Warranty revenue is recognized under the percentage of completion method.

(e) Income Taxes

The company follows the taxes payable method. Under this method only current income tax assets and liabilities are recognized for the estimated income taxes unpaid or recoverable for the current year.

(f) Financial Instruments

The company's financial instruments consist of cash, loans receivable, accounts payable and accrued liabilities, government remittances payable, deferred revenues and long-term debt. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company initially recognizes these financial instruments at fair value and subsequently at amortized cost.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

3. Significant Accounting Policies (continued)

(g) Use of Estimates

The preparation of the financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates of these financial statements include the estimated useful life of property and equipment (Note 6), amortization of software development costs (Note 7) and impairment of loans receivable (Note 8).

4. Restricted cash

Restricted cash represents the cash balance held in escrow accounts controlled by the Beacon Trust who can withdraw funds received which relate to loan receivables sold to Beacon Holdings Limited during the year.

5. Inventory

	2019	2018
Vehicles	\$ <u>3,984</u>	\$ <u>40,187</u>

6. Equipment

	Cost	Accumulated Amortization	Net 2019	Net 2018
Computer hardware 30% D.B.	\$ <u>16,271</u>	\$ <u>8,348</u>	\$ <u>7,923</u>	\$ <u>7,923</u>

7. Intangible Assets

Intangible assets consist of fees paid to a third party developer to develop a credit application management system used by existing and potential customers. During the year, the system development was completed and was put to use. Costs associated with the development have been capitalized and amortized in accordance with Note 6.

	2019	2018
Credit Application Management System	\$ 199,654	\$ 117,945
Less: accumulated amortization	<u>(24,957)</u>	<u>-</u>
	\$ <u>174,697</u>	\$ <u>117,945</u>

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

8. Loans Receivable Financing

- (a) On May 18, 2017, the Company entered into an agreement with Beacon Holdings Limited, to sell loan receivable balances at 80% of net book value at the date of sale to finance future loan growth. Subsequent to the sale of these loans, the Company continues to service the loans on behalf of Beacon Holdings Limited. The cash received on the sale of these loans are included in the restricted cash account as described above in note 4.
- (b) Subsequent to the sale of the loan receivables, the Company is entitled to receive additional proceeds in the form of excess spread revenue which is calculated based on the difference between the present value of the actual yield on the portfolio and the target interest rate of 27.5% ("Excess Spread Revenue"). The Excess Spread Revenue is calculated and paid on a monthly basis. The calculation of the Excess Spread Revenue includes the funding cost, administration fees and target default rates.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

9. Loans Receivable

Loans receivable consist of a portfolio of consumer auto repair loans, which generally have terms of 18 to 48 months with a fixed rate of interest of 27.5% due in monthly installments of principal and interest. The repaired vehicles are pledged as security on the loans receivable. The Company's experience has shown that the actual contractual payment will vary depending on a number of variables. These variables include prepayment rates, write-offs and deferrals. Accordingly, the maturities of the loans receivable shown in the table below are not to be regarded as a forecast of future cash collections. Loan payments, including principal and interest are as follows:

	2019	2018
Loans receivable, due in monthly instalments of principal and interest ranging from \$63 to \$1,122, due on various dates between January 2020 to February 2023.	\$ 6,658,147	\$ 6,585,751
Current portion of loans receivable	<u>3,367,850</u>	<u>2,410,207</u>
	<u>\$ 3,290,297</u>	<u>\$ 4,175,544</u>

Included in the balance above are a number of loans that are in arrears with a balance of \$2,461,397 (2018 - \$2,323,820). Of this balance:

- \$115,319 relates to loans where the vehicle has been seized from the debtor with the intention of encouraging repayment.
- \$243,820 relates to loans in which the vehicle cannot be located or seized and legal action is being taken in order to reinstate payments from the debtor.
- \$1,118,196 relates to loans in which a settlement has been reached or is in the final process of being reached.

An allowance has been made for a portion of these loans, as described in note 17. Additionally, a general allowance of \$134,530 has been recognized on the loans in arrears in which the Company is in legal proceedings for.

10. Due to Shareholders

The amounts due to and from the shareholders are non-interest bearing, unsecured and due on demand.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

11. Deferred Revenues

Deferred revenues consist of:

	2019	2018
Deferred administrative fee revenues	\$ 193,400	\$ 185,100
Deferred roadside/tire revenue	308,105	396,812
Less: current portion	<u>(120,668)</u>	<u>(260,342)</u>
	<u>\$ 380,837</u>	<u>\$ 321,570</u>

12. Related Party Transactions

Related party transactions during the year resulted from transactions with companies that are related by virtue of common control. Transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions during the year and balances outstanding, which are not otherwise disclosed separately in these financial statements, are as follows:

	2019	2018
Salaries and management	\$ -	\$ 173,846
Shareholder consulting fees	288,083	-
Interest expense (2312788 Ontario Inc.)	<u>513,029</u>	<u>215,883</u>
	<u>\$ 801,112</u>	<u>\$ 389,729</u>

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed upon by the related parties.

At the end of the year, the amounts due from a related company are as follows:

	2019	2018
Arrow Garage and Tire Limited	\$ <u>135,347</u>	\$ <u>91,737</u>

At the end of the year, the amounts due to a related company are as follows:

	2019	2018
Advantagewon Inc.	\$ 21,155	\$ 21,155
2312788 Ontario Inc.	<u>4,423,991</u>	<u>2,352,638</u>
	<u>\$ 4,445,146</u>	<u>\$ 2,373,793</u>

The amounts due to Advantagewon Inc. and 2312788 Ontario Inc. are secured by a promissory note and interest bearing at a rate of 16.9% and have a renewable term of 36 months.

The amount due from Arrow Garage and Tire Limited is secured by the registered liens which relate to vehicles that have been transferred to the related party.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

13. Secured Borrowings

On November 28, 2017, the Company entered into a non-revolving loan agreement with Fraser Mackenzie Merchant Capital ("Senior Lender") for secured borrowings up to a maximum limit of \$5 million.

Under both agreements, all advances are secured by a General Security Agreement ("GSA") granting the Senior Lender a first priority security interest in and to all assets and undertaking of the Company. The non-revolving loan bears a fixed interest rate of 14.5%. The Company can repay the debt prior to the scheduled maturity without incurring any prepayment penalty. The Company is in breach of the related covenants. The Senior Lender is aware of the breach and has called the loan back. Accordingly, the full loan balance has been classified as current at December 31, 2019.

	2019	2018
Non-revolving term loan, interest payable monthly until June 2020, repayable in quarterly principle payments of 3.75% thereafter, due June 30, 2022.	\$ 3,380,300	\$ 3,380,300
Less: deferred financing fees	<u>162,664</u>	<u>162,664</u>
Current portion of secured borrowings	<u>3,217,636</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>3,217,636</u>

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

14. Subordinated Loans

The following subordinated loans are secured by a General Security Agreement over all assets of the Company and related subsidiaries ranking ahead of shareholders but behind secured creditors of the Company. Shareholder and related party payable have been postponed in favour of subordinated loans.

	2019	2018
15% Related party term loan, each tranche due 3 years from the date of advance. Fully subordinated to secured borrowings, with no repayment permitted until secured borrowings fully repaid.	\$ 3,024,129	\$ 3,024,129
15% promissory note, interest payable monthly, principal due October 2020.	<u>-</u>	<u>500,000</u>
	3,024,129	3,524,129
Current portion of long-term subordinated loans	<u>1,000,000</u>	<u>-</u>
	<u>\$ 4,024,129</u>	<u>\$ 3,524,129</u>

The aggregate amount of principal payments required to meet retirement provisions are as follows:

Year ending	December 31, 2021	\$ 1,000,000
	December 31, 2022	500,000
	Thereafter	<u>2,524,129</u>
		<u>\$ 4,024,129</u>

The following has been pledged as security for the related party term loan:

- General security agreement over all present and after acquired movable property of Advantagewon Capital Corp. and any wholly-owned subsidiaries; and
- Shareholder and related party payable have been postponed in favour of long-term debt.

The following has been pledged as security for the promissory note:

- General security agreement creating a second priority security interest in all present and after acquired property.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

15. Commitments

The Company has entered into lease agreements for the premises it occupies.

The annual base rental payments are as follows:

Year ending December 31, 2020	\$ 42,000
December 31, 2021	42,000
December 31, 2022	42,000
December 31, 2023	42,000
December 31, 2024	<u>42,000</u>
	<u>\$ 210,000</u>

The Company is able to terminate the agreement with 60 days notice.

16. Contingencies

The Company has been named as a defendant in a lawsuit claiming property damages while repossessing a vehicle. The plaintiff is seeking \$35,000 in damages. Neither the possible outcome nor the amount of possible settlement can be foreseen. There is a countersuit by the Company against the claimant regarding this matter. Therefore, no provision has been made in these financial statements.

The Company has also been named as a defendant in a lawsuit disputing the rights to a lien placed by the Company for repairs associated with a leased vehicle seized by a lease finance company. The plaintiff is seeking \$70,000 in damages. Neither the possible outcome nor the amount of possible settlement can be foreseen. There is a countersuit by the Company against the claimant regarding this matter. Therefore, no provision has been made in these financial statements. Subsequent to year end, the Company is in the process of resolving this claim.

The Company has additionally been named as a defendant in a lawsuit disputing the Company's rights to legally seize the asset. The plaintiff is seeking \$50,000 in damages. Neither the possible outcome nor the amount of possible settlement can be foreseen. There is a countersuit by the Company against the claimant regarding this matter. Therefore, no provision has been made in these financial statements. Subsequent to year end, the Company is in the process of resolving this claim.

17. Impairment Loss on Loans Receivable

In the prior year, the impairment loss on loans receivable has been recognized as a result of the carrying value of certain loans receivable exceeding the fair value of the assets securing those loans. While an impairment loss has been recognized in the financial statements, management believes that the full balance will be collected.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

18. Reconciliation of the Effective Income Tax Rate to the Statutory Rate

The impact of differences between the company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

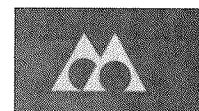
	2019	2018
Net income before income taxes	\$ (2,874,247)	\$ (2,417,527)
Expected income tax expense at the combined tax rate of 26.50% (2018 - 26.50%)	(761,675)	(640,645)
Increase (decrease) in income tax expenses resulting from:		
Non-capital losses not recognized (recognized)	<u>761,675</u>	<u>640,645</u>
Income tax expense per financial statements	\$ <u>-</u>	\$ <u>-</u>

19. Non-capital Loss Carry Forward

The company has a loss carry-forward for income tax purposes of \$6,812,170 at December 31, 2019, which is available to reduce net income for tax purposes of future years.

No provision has been made in the accounts of the company to reflect the potential income tax benefit arising from these losses.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

20. Financial Instruments

The Company is exposed to a number of financial risks in the normal course of its business operations, including credit risk, interest rate risk and liquidity risk. The following summarizes the type of risks the Company is exposed to and how they arise.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge its obligation. The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, accounts receivable and loans receivable. The Company maintains cash balances with Canadian chartered banks, which from time to time, exceed the federally insured limits and expose the Company to credit risk from concentration of cash. The Company limits this risk by transacting with reputable financial institutions.

The Company is subject to risk of non-payment of accounts receivable and loans receivable. The Company minimizes exposure of credit risk by establishing a process for credit reviews for each of its new customers, continuous monitoring of credit risk and collectability of its existing customer base and considering the economic impact of current conditions on the liquidity of its customers and their ability to meet their financial obligations. The loans receivables are secured by underlying vehicles. The Company determines, on a continuing basis, the probable uncollectible amounts and sets up provisions for these debts based on estimated realizable value.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that certain loan receivable, subordinated loans and due from shareholder bear interest at a fixed interest rate. The Company is exposed to interest rate cash flow risk to the extent that certain subordinated loans bear interest at a floating interest rate. The Company does not use derivative financial instruments to mitigate interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company is exposed to liquidity risk primarily through secured borrowings and subordinated loans. The Company tries to mitigate liquidity risk by maintaining sufficient levels of liquid assets to meet its obligations as they come due.

The company's exposure to liquidity risk is dependent on the receipt of funds from related sources.

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ADVANTAGEWON CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

21. Comparative Figures

Certain of the prior year's figures have been reclassified to conform to the financial statement presentation adopted in the current year.

22. Subsequent Event

Subsequent to the year end, the COVID-19 pandemic has spread across Ontario and is impacting local economic activity. This global pandemic poses the risk that the company or its clients, employees or sales partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the company's business, the continued spread of COVID-19 across Canada and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the company's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

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ADVANTAGEWON
Balance Sheet for November 2020
As at Friday December 11, 2020

564

	Current	Current Year-To-Date	Last Year	Last Year Year-To-Date
Assets				
Cash				
CASH - ROYAL BANK	0.00	0.00	0.00	0.00
CASH-TD BANK-5281308	11,726.24	143,788.60	8,566.30	20,185.58
CASH-TD BANK-5281359	0.00	0.00	0.00	0.00
BANK CHEQUE CLEARING ACCOUNT	(928.90)	(13,288.97)	(21,747.81)	(18,730.48)
DCR - CREDIT CARD BANK	(1,879.92)	8,008.58	0.00	0.00
PETTY CASH -CREDIT CARD	(638.78)	1,016.11	892.18	1,019.34
Total Cash	\$ 8,278.64	\$ 139,524.32	\$ (12,289.33)	\$ 2,474.44
Contract Financing				
LEASE RECEIVABLE	0.00	0.00	0.00	0.00
DEFERRED INCOME	0.00	0.00	0.00	0.00
SECURITY DEPOSITS	0.00	0.00	0.00	0.00
EXPIRED LOANS STILL RUNNING	0.00	0.00	0.00	0.00
NON-PERFORMING #2	(40,587.41)	830,473.51	691,661.71	1,127,823.65
NON-PERFORMING LOANS	0.00	0.00	(1,255.00)	9,561.52
OLC LOANS	(155,883.54)	2,883,982.63	(241,443.25)	4,757,716.85
OLC ADJUSTMENTS	0.00	0.00	778.11	(15,760.05)
INVENTORY - NON EARNING	0.00	0.00	(77,609.23)	4,100.00
INVENTORY #2	0.00	17,132.48	(43,199.01)	85,291.07
INVENTORY PENDING	0.00	70,424.66	11,954.71	97,603.42
PENDING LEGAL	(163,187.52)	187,491.20	(745,507.16)	1,419,411.64
BLACK BOOK VALUE ADJUSTMENT	0.00	(244,440.86)	(536,660.17)	(244,440.86)
CREDIT CARD INVENTORY	0.00	0.00	0.00	0.00
DEALER CARD REWCEIVABLE	0.00	0.00	0.00	0.00
BEACON EXCESS SPREAD RECEIVABLE (OLC)	0.00	12,360.55	0.00	12,360.55
BEACON RECEIVABLE-DISCOUNT ON LOANS	(419,472.60)	(232,888.92)	(673,533.24)	(232,888.92)
ALLOW FOR DBTFUL ACCTS	0.00	0.00	(81,631.05)	(81,631.05)
PAYMENTS TO BEACON OVERDRAFT	0.00	0.00	(46,413.44)	0.00
BEACON INTEREST/PRINCIPLE	0.00	0.00	0.00	0.00
BEACON DEPOSITS 80% NBV	0.00	0.00	0.00	0.00
ALLOWANCE FOR LOAN LOSSES - P.LEGAL	0.00	(203,503.52)	(134,530.25)	(134,530.25)
PENDING COLLECTIONS	(125,107.47)	1,197,220.90	95,659.93	95,659.93
BEACON REPO RECEIVABLE	0.00	0.00	0.00	0.00
REPOSSESSION COST	0.00	0.00	0.00	0.00
INTER-BRANCH CLEARING	0.00	0.00	0.00	0.00
DORSIA RECEIVABLE	(3,842.00)	9,144.00	0.00	0.00
SAMANTHA HAMBLIN	0.00	14,750.00	3,750.00	3,750.00
Total Contract Financing	\$ (908,080.54)	\$ 4,542,146.63	\$ (1,777,977.34)	\$ 6,904,027.50
Fixed Assets				
CIP	0.00	0.00	0.00	0.00
LEASEHOLD IMPROVEMENTS	0.00	0.00	0.00	0.00
ACC. AMORT. LEASEHOLD IMPROVEMENTS	0.00	0.00	0.00	0.00
OFFICE EQUIPMENT	0.00	0.00	0.00	0.00
ACC. AMORT. - OFFICE EQUIPMENT	0.00	0.00	0.00	0.00
COMPUTER HARDWARE	282.49	19,164.54	0.00	14,973.41
ACC. AMORT. - COMPUTER HARDWARE	(1,975.62)	(11,802.67)	(307.94)	(6,329.45)
SOFTWARE	25,046.45	318,422.42	9,011.75	188,031.72
ACC. AMORT. - SOFTWARE	8,543.22	(73,753.83)	(3,702.02)	(34,934.49)
CAPITALIZED TRANSACTION FEES	0.00	162,663.90	0.00	162,663.90
ACC. AMORT. - CAPITALIZED TRANS FEES	105,731.69	0.00	(2,711.07)	(75,909.92)
Total Fixed Assets	\$ 137,628.23	\$ 414,694.36	\$ 2,290.72	\$ 248,495.17
Accounts Receivable				
A/R - ADWON	0.00	0.00	0.00	0.00
A/R ADWON INC	0.00	0.00	0.00	0.00
AR- BEACON	0.00	0.00	0.00	0.00
A/R - BEACON	0.00	0.00	0.00	0.00
A/R - AGT	0.00	0.00	0.00	0.00
DORSIA 231	0.00	0.00	0.00	0.00
A/R - AGT	18,013.69	143,646.57	(49,625.09)	91,736.62
2312788 REVENUE RECEIVALBE	0.00	0.00	0.00	0.00
Total Accounts Receivable	\$ 18,013.69	\$ 143,646.57	\$ (49,625.09)	\$ 91,736.62

ADVANTAGEWON
Balance Sheet for November 2020
As at Friday December 11, 2020

565

	Current	Current Year-To-Date	Last Year	Last Year Year-To-Date
Assets				
Prepaid Expenses				
Prepaid Expenses				
PREPAID EXPENSES	8,489.16	10,843.29	0.00	0.00
SALES REP. ADVANCES	0.00	0.00	0.00	0.00
FINANCING EXPENSES- LEGAL & PLACEMENT	0.00	0.00	0.00	0.00
DAA PREPAID COST EXCL HST ROADSIDE/TIRE	(18,305.08)	(4,445.92)	(6,663.86)	81,650.67
SMG HOLDBACK	0.00	0.00	0.00	0.00
CASH RESERVE-ADWON	0.00	0.00	0.00	0.00
Total Prepaid Expenses	\$ (9,815.92)	\$ 6,397.37	\$ (6,663.86)	\$ 81,650.67
Total Assets	\$ (753,975.90)	\$ 5,246,409.25	\$ (1,844,264.90)	\$ 7,328,384.40

ADVANTAGEWON
Balance Sheet for November 2020
As at Friday December 11, 2020

566

	Current	Current Year-To-Date	Last Year	Last Year Year-To-Date
Liabilities and Shareholder's Equity				
Accounts Payable and Accrued				
A/P - LOAN ASSETS	(49,037.74)	0.00	117,260.72	50,785.79
DEFERRED ESTABLISHMENT FEE REVENUE	45,900.00	193,400.00	104,775.46	147,500.00
DAA ROADSIDE/TIRE REVENUE TO BE DEFERRED	0.00	308,104.68	9,740.33	308,104.68
CURRENT CONTRA - DEFERRED WARRANTY REVENUE	0.00	(222,741.65)	0.00	0.00
CURRENT PORTION OF DEFERRED WARRANTY	0.00	222,741.65	0.00	0.00
A/P SUPPLIER	0.00	0.00	0.00	0.00
A/P - MARK WILSON	(5,365.41)	(25,626.11)	(16,104.25)	(2,305.22)
MISC ACCOUNT	0.00	0.00	(3,216.47)	(45,182.62)
BEACON MISC PAYMENTS	0.00	0.00	0.00	0.00
DUE TO 2312788 ONTARIO	0.00	0.00	0.00	0.00
A/P - ADWON	0.00	21,155.24	0.00	21,155.24
CASH DUE TO BEACON - TD BANK 5281359	0.00	0.00	0.00	0.00
DEMAND LOANS- CRA	0.00	40,000.00	0.00	0.00
DORSIA CAPITAL	0.00	138,453.47	(36,519.89)	(36,519.89)
A/P - MARK WILSON	0.00	0.00	0.00	0.00
HENRY GRIFFIOEN	0.00	0.00	0.00	0.00
ACCRUED LIABILITIES	43,534.87	1,389,846.57	46,032.46	902,279.27
ACCRUED PAYROLL	2,393.04	8,708.09	3,791.55	6,837.81
ACCRUED AUDIT FEE	(26,425.79)	31,957.51	14,080.10	49,155.00
STEVE STAPLETON	0.00	0.00	0.00	0.00
TRAFALGAR SE	0.00	0.00	0.00	0.00
ECHO BAY	0.00	0.00	0.00	0.00
ACEF TRUST	0.00	1,000,000.00	0.00	1,000,000.00
EI PAYABLE	(187.31)	1,474.99	(1,028.30)	1,742.60
CPP PAYABLE	(74.64)	4,160.74	(2,080.54)	4,570.76
FEDERAL PAYROLL TAX PAYABLE	20.83	9,009.86	(4,297.84)	11,971.61
MRS ANNA CHAMBERS / ECHO BAY PAYABLE	0.00	0.00	0.00	0.00
BLACK BIRCH CAPITAL / GUNPOWDER	0.00	0.00	0.00	0.00
GUN POWDER CAPITAL CORP PAYABLE	0.00	0.00	0.00	0.00
H.S.T. ONTARIO (COLLECTED)	0.00	0.00	0.00	0.00
G.S.T. COLLECTED	0.00	260.17	0.00	(13,635.70)
HST/GST PAID	0.00	(260.16)	0.00	12,985.13
ACCRUED SOURCE DEDUCTIONS	0.00	0.00	0.00	0.00
MATT DICKIE PAYABLE	(100,000.00)	0.00	0.00	100,000.00
Total Accounts Payable and Accrued	\$ (89,242.15)	\$ 3,120,645.05	\$ 232,433.33	\$ 2,519,444.46
Loans Payable				
INDCOM LEASING	0.00	0.00	0.00	0.00
LOAN PAYABLE- FOUNTAIN ASSET	0.00	3,024,129.00	0.00	3,024,129.00
INTEREST PAYABLE- FOUNTAIN ASSET	0.00	0.00	0.00	0.00
LOAN PAYABLE - FMMC	0.00	3,253,550.00	0.00	3,380,300.00
INTEREST PAYABLE - FMMC	0.00	0.00	0.00	0.00
REMI AND BEV COOREMAN	0.00	0.00	0.00	0.00
DEFERRED EXIT FEE REVENUE	340,579.01	0.00	(277,450.00)	0.00
2312788 ON INC. PAYABLE	136,438.30	4,696,290.59	(79,441.67)	4,287,974.19
INTEREST PAYABLE - 2312788 ON INC	15,634.47	79,709.59	1,587.28	54,592.70
MARK ROOT PAYABLE	0.00	0.00	0.00	0.00
SHAREHOLDER CONTRIBUTIONS	0.00	0.00	0.00	0.00
SHAREHOLDERS LOAN	0.00	0.00	13,638.76	0.00
Total Loans Payable	\$ 492,651.78	\$ 11,053,679.18	\$ (341,665.63)	\$ 10,746,995.89
Shareholder's Equity				
CAPITAL STOCK	0.00	600,010.00	0.00	600,010.00
RETAINED EARNINGS	(902,427.04)	(6,845,620.00)	(1,632,822.41)	(3,971,373.00)
Net profit	(254,958.49)	(2,682,304.98)	(102,210.19)	(2,566,692.95)
Total Shareholder's Equity	\$ (1,157,385.53)	\$ (8,927,914.98)	\$ (1,735,032.60)	\$ (5,938,055.95)
Total Liabilities and Shareholder's Equity	\$ (753,975.90)	\$ 5,246,409.25	\$ (1,844,264.90)	\$ 7,328,384.40

ADVANTAGEWON
Income Statement for November 2020
As at Friday December 11, 2020

567

	Current	Current Year-To-Date	Last Year	Last Year Year-To-Date
Revenue				
LEASE REVENUE	0.00	0.00	0.00	0.00
ROAD HAZARD AND TIRE PROTECTIONS	0.00	0.00	0.00	0.00
RENTAL INCOME - EXPIRED CONTRACTS	0.00	0.00	0.00	0.00
LOAN INTEREST	68,525.01	1,016,256.36	104,229.01	1,031,059.15
OLC - INTEREST	0.00	0.00	0.00	0.00
CAPITALIZED INCOME	933.73	82,735.98	147,435.74	919,289.20
NSF/LATE FEES	15,150.00	141,797.98	9,625.00	137,522.00
EARLY PAYOUT DISCOUNTS	(9,554.93)	(122,059.39)	(6,661.02)	(238,818.33)
EMERGENCY ROADSIDE ASSISTANCE	0.00	0.00	0.00	0.00
DAA REVENUE RECOGNIZED ROADSIDE/TIRE	0.00	0.00	(13,700.33)	104,889.98
USE GL 3305 - DAA TIRE AND RIM PROTECT	0.00	0.00	0.00	0.00
DEFERRAL FEE	4,806.00	65,326.00	0.00	0.00
SET-UP FEE	4,338.00	56,804.00	0.00	0.00
COLLECTION, LIEN, TRANSUNION, & OTHER FEES	0.00	0.00	0.00	53,567.22
ADMIN/CHANGE OF SCHEDULE FEES	9,329.03	63,213.38	1,500.00	35,694.18
WAGE SUBSIDY REVENUE	18,266.56	297,158.16	0.00	0.00
DISCHARGE/EXIT FEE	0.00	0.00	3,960.00	128,828.50
VALUATION ADJ TO REVENUES	0.00	(826.42)	0.00	0.00
IMPAIRMENT LOSS ON RECEIVABLE	0.00	0.00	(13,711.54)	(13,711.54)
ESTABLISHMENT FEE REVENUE	0.00	0.00	0.00	0.00
BEACON - REVENUE	324.44	4,638.56	650.64	11,265.80
BEACON EXCESS SPREAD	0.00	0.00	0.00	16,938.63
DISCOUNT ON LOANS- AMORTIZED	(21,171.72)	(232,888.92)	(21,171.72)	(232,888.92)
VEHICLE SALES	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	0.00	0.00	0.00
CANCELLATION FEES	0.00	0.00	0.00	0.00
Total Revenue	\$ 90,946.12	\$ 1,372,155.69	\$ 212,155.78	\$ 1,953,635.87

Expenses

INTEREST	(11,693.55)	129,426.84	(75,015.18)	61,718.96
INTEREST EXPENSE - FOUNTAIN ASSETS	38,526.57	423,792.27	38,526.57	423,792.27
INTEREST EXPENSE-FMMC	85,402.54	508,892.99	42,236.95	467,456.63
INTEREST EXPENSE - 2312788 ON INC	79,709.59	670,927.10	54,592.70	459,429.61
SALARIES	55,056.28	647,512.06	48,790.74	757,494.86
CASUAL WAGES	0.00	0.00	0.00	0.00
CPP	2,080.37	33,144.65	2,285.38	33,023.55
EI	860.41	14,853.85	1,016.53	15,611.18
FEDERAL AND PROVINCIAL TAX	0.00	0.00	0.00	0.00
RENT	3,955.00	39,526.27	3,955.00	43,612.60
DAA COST AMORTIZATION ROADSIDE/TIRE PROT	7,136.73	77,558.73	6,906.25	86,422.24
REPAIRS AND MAINTENANCE	0.00	17,272.74	0.00	27,658.12
RECRUITMENT EXPENSE	0.00	621.47	1.49	3,329.61
ADVISORY SERVICES	22,566.55	264,792.28	21,730.76	261,458.89
HR CONSULTING EXPENSE	516.41	5,680.51	0.00	0.00
INSURANCE	238.50	2,623.50	238.50	18,031.50
COMPUTER EXPENSES	0.00	0.00	0.00	754.83
TELEPHONE	1,192.50	13,648.05	1,134.72	13,225.50
POSTAGE AND COURIER	501.99	14,735.25	1,671.86	4,095.71
ADVERTISING AND PROMOTION	1,511.67	42,042.65	8,001.85	51,074.08
GAS AND PARKING EXPENSES	4,375.16	21,815.55	1,629.02	18,478.97
AUDIT FEE	(9,193.29)	49,155.00	(6,345.00)	28,750.22
MOTOR VEHICLE ALLOWANCE	3,612.43	39,132.41	3,200.00	33,539.78
DEALER COMMISSIONS	2,354.17	32,325.27	135.00	32,948.08
MEMBERSHIP FEES AND TRAINING	0.00	0.00	(2,555.00)	684.63
TRAVEL EXPENSE	767.36	23,162.51	2,314.23	26,865.23
LEGAL EXPENSES	180.80	72,630.43	(2,204.39)	249,908.87
SALES COMMISSION	4,491.32	80,064.09	14,088.89	156,981.33
NSF COMMISSION	0.00	0.00	0.00	0.00
WAREHOUSING & DATA SERVICES	8,824.40	94,452.92	8,061.57	91,006.14
COMPUTER SUPPORT	(6,097.28)	15,333.99	2,313.60	21,999.23
STRUCTURING FEE	0.00	0.00	0.00	0.00
BAD DEBTS	19,641.89	134,163.24	(704.40)	283,359.59
MTO - USED VEHICLE PACKAGES	340.00	3,660.00	320.00	8,165.28
BANK CHARGES	2,252.94	25,879.97	2,804.92	33,973.07
OFFICE SUPPLIES	1,860.47	16,576.53	1,477.16	19,519.92
LEGAL SUPPLIES	137.84	1,727.28	0.00	0.00
BUSINESS FEES	15,124.09	122,243.54	7,264.81	102,645.48
VEHICLE HISTORY REPORTS	(7,917.29)	42,561.42	3,809.00	46,598.16
ACCOUNTING SERVICES	1,038.47	14,072.66	997.79	56,567.04
DONATIONS	0.00	0.00	0.00	3,850.00

ADVANTAGEWON
Income Statement for November 2020
As at Friday December 11, 2020

568

	Current	Current Year-To-Date	Last Year	Last Year Year-To-Date
Expenses				
VEHICLE PREPARATION AND DETAILING	16,829.25	119,451.82	2,748.27	12,288.71
COST OF VEHICLE SOLD	0.00	0.00	0.00	0.00
BAILIFF FEES	7,825.25	68,763.51	1,638.50	59,953.99
VEHICLE RECOVERY EXPENSE	0.00	0.00	0.00	(9,004.47)
PROFIT/LOSS ON DISPOSAL	0.00	0.00	0.00	0.00
MEALS/ENTERTAINMENT	785.52	20,092.96	6,139.85	36,656.52
MANAGEMENT FEES	0.00	0.00	0.00	0.00
TOWING & STORAGE EXPENSES	10,980.83	73,261.75	8,040.52	79,775.23
INCOME TAX PENALTY	0.00	0.00	0.00	0.00
INCOME TAX INTEREST	0.00	0.00	0.00	0.00
INCOME TAX	0.00	0.00	0.00	0.00
COMMISSION	0.00	0.00	0.00	0.00
DEPRECIATION EXPENSE COMPUTER HARDWARE	325.54	3,454.67	307.94	3,991.77
DEPRECIATION EXPENSE SOFTWARE	5,300.86	48,796.83	3,702.02	34,934.49
DEPRECIATION EXP. CAPITALIZED TRANS.FEES	(27,110.70)	0.00	48,799.22	75,909.92
OTHER EXPENSES	0.00	0.00	0.00	0.00
BEACON ARREARS PAYMENTS	(24,266.13)	(1,248.04)	50,308.33	281,791.50
BAD DEBT - NON-RECURRING	0.00	0.00	0.00	0.00
BEACON DEEMED COLLECTIONS	25,879.15	25,879.15	0.00	0.00
Total Expenses	\$ 345,904.61	\$ 4,054,460.67	\$ 314,365.97	\$ 4,520,328.82
Net income	\$ (254,958.49)	\$ (2,682,304.98)	\$ (102,210.19)	\$ (2,566,692.95)

Execution VersionAGREEMENT BETWEEN SECURED PARTIES

THIS AGREEMENT is entered into as of the 30th day of June, 2017 by and among FMMC Private Yield Fund Limited Partnership I ("FMMC") and Beacon Holdings Limited ("Beacon", and together with FMMC, the "Secured Parties" and each individually a "Secured Party") and 2400918 Ontario Inc. (the "Corporation").

WHEREAS the Corporation has entered into the Beacon Purchase Agreement (as defined below), between the Corporation, as seller, and Beacon, as purchaser, pursuant to which the Corporation has sold the Transferred Receivables and Related Property to Beacon and the Corporation will sell the Beacon Receivables and Related Property from time to time to Beacon;

NOW THEREFORE in consideration of the premises, the mutual promises herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties hereto), the parties hereto agree as follows:

1. Defined Terms and Interpretation. For the purposes of this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Beacon Purchase Agreement" means that certain series LW1 receivables purchase agreement, made as of May 18, 2017, between the Corporation and Beacon, as such agreement may be amended, restated, supplemented or otherwise modified from time to time;
- (b) "Beacon Receivables and Related Property" means the Purchased Assets (including Receivables and other Offered Assets), which are hereafter, sold, transferred and assigned by the Corporation to Beacon pursuant to and in compliance with the provisions of the Beacon Purchase Agreement; save and except for any which are re-conveyed to the Corporation pursuant to and in compliance with the provisions of the Beacon Purchase Agreement;
- (c) "Beacon PPSA Registration" means the PPSA registration made against the Corporation in favour of Beacon (reference file no. 727503012 and registration no. 20170510 1359 1862 4278), as may be amended or renewed from time to time;
- (d) "Beacon Security" means all security interests now or in the future held by Beacon in the Beacon Receivables and Related Property and the Transferred Receivables and Related Property;
- (e) "FMMC PPSA Registration" means the PPSA registration made against the Corporation in favour of FMMC (reference file no. 729144513 and registration no. 20170627 1023 1590 6918), as may be amended or renewed from time to time;
- (f) "FMMC Security" means all security interests now or in future held by FMMC in any property of the Corporation;
- (g) "Offered Assets", "Purchased Assets", "Receivable" and "Receivables Files" each have the meaning set out in the Beacon Purchase Agreement;
- (h) "PPSA" means the *Personal Property Security Act* (Ontario);
- (i) "Security Interests" mean, collectively, the FMMC Security and the Beacon Security and "Security Interest" means either Security Interest; and

- (j) **“Transferred Receivables and Related Property”** means the Purchased Assets (including Receivables and other Offered Assets), which have been or are transferred and assigned by the Corporation to Beacon pursuant to and in compliance with the provisions of the Beacon Purchase Agreement; save and except for any which are re-conveyed to the Corporation pursuant to and in compliance with the provisions of the Beacon Purchase Agreement
2. Mutual Consents and Acknowledgements. Beacon hereby consents to the creation, issuance, execution, delivery and registration of the FMMC Security; FMMC hereby acknowledges the prior creation, issue, execution, delivery and registration of the Beacon Security; and the Corporation agrees to the terms and provisions of this Agreement and shall maintain and deal with all its assets and undertaking in accordance with this Agreement.
3. Acknowledgement by Beacon. Beacon hereby acknowledges and agrees that its security interests against the Corporation as evidenced by the Beacon PPSA Registration are restricted to the Beacon Receivables and Related Property and the Transferred Receivables and Related Property, and that such security interests and Beacon PPSA Registration do not now, and will not at any time in the future, include, attach to, encumber or perfect a security interest in any assets of the Corporation other than the Beacon Receivables and Related Property and the Transferred Receivables and Related Property; and the Beacon PPSA Registration will not be used to perfect future security interests in any assets of the Corporation other than the Beacon Receivables and Related Property and the Transferred Receivables and Related Property.
4. Acknowledgement by FMMC. With respect to any Transferred Receivables and Related Property acquired by Beacon on or prior to June 26, 2017,
- (a) FMMC hereby acknowledges and agrees that it does not have, and will not claim, a security interest, hypothec, ownership interest or other interest in any of the Transferred Receivables and Related Property, as a result of the FMMC Security, any security agreement, the FMMC PPSA Registration, any personal property security registration (or any amendment to or renewal of any of the foregoing), or any security interest, hypothec, ownership interest or other interest which the Corporation has granted to FMMC in the future in any of the Transferred Receivables and Related Property, and
- (b) FMMC hereby irrevocably releases any security interest, hypothec, ownership interest or other interest that FMMC has in all or any of the Transferred Receivables and Related Property and FMMC will not rely upon the FMMC PPSA Registration, or any other registrations made in any personal property security registry in Canada (including the Register of Personal and Movable Real Rights of Quebec), to perfect, protect, or take any action to enforce any security interest, hypothec, ownership interest or other interest in all or any of the Transferred Receivables and Related Property,
- provided that, upon confirmation by Beacon that it has no remaining interest in the Transferred Receivables and Related Property, FMMC reserves the right to rely on the FMMC PPSA Registration and the FMMC Security to create and perfect a security interest or hypothec, as applicable, in the Transferred Receivables and Related Property.
5. Acknowledgement by FMMC. With respect to any Beacon Receivables and Related Property sold by the Corporation to Beacon after June 26, 2017, regarding which FMMC determines, pursuant to the terms of its credit agreement with the Corporation, that it shall deliver a no-interest letter, then it shall do so substantially in the form of Schedule A (which shall list the relevant Receivables), and upon delivery of and pursuant to such no-interest letter,

- (a) FMMC will acknowledge and agree that it does not have, and will not claim, a security interest, hypothec, ownership interest or other interest in any of the Beacon Receivables and Related Property, as a result of the FMMC Security, any security agreement, the FMMC PPSA Registration, any personal property security registration (or any amendment to or renewal of any of the foregoing), or any security interest, hypothec, ownership interest or other interest which the Corporation has granted to FMMC in the future in any of the Beacon Receivables and Related Property, and
- (b) FMMC will irrevocably release any security interest, hypothec, ownership interest or other interest that FMMC has in all or any of the Beacon Receivables and Related Property and FMMC will not rely upon the FMMC PPSA Registration, or any other registrations made in any personal property security registry in Canada (including the Register of Personal and Movable Real Rights of Quebec), to perfect, protect, or take any action to enforce any security interest, hypothec, ownership interest or other interest in all or any of the Beacon Receivables and Related Property,

provided that, upon confirmation by Beacon that it has no remaining interest in the Beacon Receivables and Related Property, FMMC reserves the right to rely on the FMMC PPSA Registration and the FMMC Security to create and perfect a security interest or hypothec, as applicable, in the Beacon Receivables and Related Property.

- 6. Co-operation. If a Secured Party intends to enforce its Security Interest, it shall promptly give the other Secured Party notice thereof and from time to time promptly provide the other Secured Party at its request full information concerning the status of any action taken by such Secured Party against the Corporation or any of its assets. The Secured Parties agree to co-operate with each other in the exercise of their respective rights and remedies under the Security Interests and in respect of Receivables, Receivables Files, customer files of the Corporation and related accounting records, ledgers, documents and other writings (electronic or otherwise) relating thereto. Each Secured Party agrees that it shall preserve any of the foregoing which is in its possession or control, and for purposes of inspection it shall provide the other Secured Party and its agents, employees and representatives access at all reasonable times to any of the foregoing in which the second-mentioned Secured Party has an interest and which is in the possession or control of the first-mentioned Secured Party, and that it shall permit the second-mentioned Secured Party, at Corporation's expense, to make copies thereof or extracts therefrom.
- 7. Notice; Governing Law; Successors and Assigns; Counterparts; Email.
 - (a) Any notice or written communication given under or in connection with this Agreement shall be in writing and shall be given by delivering the same personally or by prepaid courier, or by email transmission, addressed to the party to be notified at the address of such party specified beside its signature below, or at such other address of which such party has given notice to the other parties hereto. Any such notice shall be conclusively deemed to have been given and received on the day of actual receipt by the addressee or, if given by email transmission, on the day given if given between 9:00 a.m. and 5:00 p.m. (local time of the recipient) on any day except Saturday, Sunday or a statutory holiday (a "**Business Day**") and otherwise on the first Business Day after giving such notice.
 - (b) This Agreement shall be construed, interpreted and performed in accordance with the laws of Ontario and the laws of Canada applicable therein, and shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns; provided that a Secured Party ("**Assignor**") assigning or transferring any Security Interest

shall first deliver to the other Secured Party a written agreement by the proposed assignee or transferee in favour of the other Secured Party to be bound by the provisions hereof to the same extent as the Assignor.

- (c) This Agreement may be executed in counterparts and all counterparts so executed will constitute one agreement binding on the parties effective on execution and to the extent signed and delivered by email transmission shall be binding upon the parties hereto as if executed and delivered in the original.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

~~FIRST NAMES HOUSE~~
~~International House, Castle Hill~~
 Victoria Road
 Douglas, Isle of Man IM2 4RB

Attention: SARAH SONES

Telephone: 01624 630630

Email: Sarah.Sones@firstnames.com

Beacon Holdings Limited

Per:

Russell
 Name: SAMES RUSSELL

Title: DIRECTOR

Per:

Sharon Dunn
 Name: SHARON DUNN
 Title: ALTERNATE DIRECTOR

34 King Street East, Suite 400
 Toronto, Ontario M5C 2X8

Attention: Don Bent, Managing Partner

Telephone: (416) 682-4213

Email: dbent@fmmc.ca

**FMMC Private Yield Fund Limited
 Partnership I**

Per:

Name: Don Bent
Title: Managing Partner

Per:

Name: Michael Liik
Title: Managing Partner

376 Richmond Street, 3rd Floor
 London, Ontario N6A 3C7

Attention:

Telephone:

Email:

Mark Wilson, President
1-866-964-7192
mwilson@chventy.com

2400918 Ontario Inc.

Per:

Name:

Title:

Per:

Name:

Title:

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

International House, Castle Hill
Victoria Road
Douglas, Isle of Man IM2 4RB

Attention: _____

Telephone: _____

Email: _____

Beacon Holdings Limited

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

34 King Street East, Suite 400
Toronto, Ontario M5C 2X8

Attention: Don Bent, Managing Partner

Telephone: (416) 682-4213

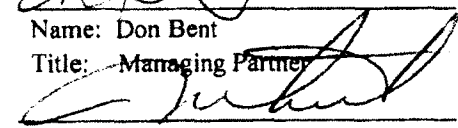
Email: dbent@fmme.ca

**FMMC Private Yield Fund Limited
Partnership I**

Per:  _____

Name: Don Bent

Title: Managing Partner

Per:  _____

Name: Michael Liik

Title: Managing Partner

376 Richmond Street, 3rd Floor
London, Ontario N6A 3C7

Attention: Mark Wilson, President

Telephone: 1-866-964-7192

Email: mwilson@adventgewon.com

2400918 Ontario Inc.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

International House, Castle Hill
Victoria Road
Douglas, Isle of Man IM2 4RB

Attention: _____

Telephone: _____

Email: _____

Beacon Holdings Limited

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

34 King Street East, Suite 400
Toronto, Ontario M5C 2X8

Attention: Don Bent, Managing Partner

Telephone: (416) 682-4213

Email: dbent@fmmc.ca

**FMMC Private Yield Fund Limited
Partnership I**

Per: _____

Name: Don Bent

Title: Managing Partner

Per: _____

Name: Michael Liik

Title: Managing Partner

376 Richmond Street, 3rd Floor
London, Ontario N6A 3C7

Attention: Mark Wilson, President

Telephone: 1-866-964-7192

Email: mwilson@advantagecan.com

2400918 Ontario Inc.

Per: _____

Name: Jason Grant

Title: Director

Per: _____

Name: Mark Wilson

Title: President

6

Schedule A**[Form of No-Interest Letter]**

FORM OF NO INTEREST LETTER**ACKNOWLEDGEMENT AND NO INTEREST LETTER**

TO: Beacon Holdings Limited (the "Purchaser")

AND TO: [•] (the "Debtor")

AND TO: Beacon Trust (the "Trust", and together with the Purchaser and the Debtor, the "Addressees")

FROM: [•] (the "Secured Party")

RE: The registrations described in Schedule A (as amended or renewed from time to time, the "Registrations") made against the Debtor under the *Personal Property Security Act* (Ontario) (the "PPSA") and the Civil Code of Quebec (the "CCQ")

DATE: •, 201• [NTD: INSERT CLOSING DATE.]

WHEREAS the Secured Party is as at the date hereof, the holder of certain security (collectively, the "Security") securing the indebtedness of the Debtor owing from time to time to the Secured Party, and the Security and the security interests and hypothecs created thereunder were perfected by the Registrations described in Schedule A hereto, pursuant to the PPSA and the CCQ;

AND WHEREAS the Debtor has entered into an amended and restated series LW1 receivables purchase agreement, dated as of April 21, 2014 (as such agreement may be further amended, restated, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement"), between the Debtor, as seller, and the Purchaser, as purchaser, pursuant to which the Debtor will sell from time to time to the Purchaser certain consumer receivables, all related security and all cash collections and all cash proceeds (including insurance payments) received or receivable in respect of such receivables (collectively, the "Receivables");

AND WHEREAS pursuant to the Receivables Purchase Agreement, the Purchaser intends to purchase from the Debtor on the date hereof the Receivables described in Schedule B hereto (collectively, the "Transferred Receivables");

AND WHEREAS pursuant to the Payment Direction, the Debtor has directed the Purchaser to pay or cause to be paid the Purchase Price (as defined in the Receivables Purchase Agreement) to the account of the Debtor specified in the Payment Direction;

NOW THEREFORE for the benefit of the Addressees, the Secured Party provides as follows:

1. The Secured Party acknowledges, agrees and confirms to the Addressees that:

DOCS 13374197

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- 2 -

- (a) the Debtor has granted the Security to the Secured Party pursuant to one or more security agreements or hypothecs between the Debtor and the Secured Party (the "Security Agreements");
 - (b) it has not assigned any of its rights under the Security Agreements, or any of its rights in the related collateral or the Registrations; and
 - (c) it does not have, and will not claim, a security interest, hypothec or other interest in any of the Transferred Receivables as a result of the Security, the Security Agreements, the Registrations (or any amendment to or renewal of any of the foregoing), or any other security, hypothecs or security interests which the Debtor has granted or may grant in favour of the Secured Party in the future.
2. The Secured Party agrees with the Addressees that:
- (a) to the extent that the Security Agreements create, or any of the Registrations may perfect, a security interest or hypothec in all or any of the Transferred Receivables, the Secured Party hereby irrevocably releases any such security interest or hypothec, as applicable, and acknowledges and confirms that it will not rely upon the Registrations, or any other registrations made in any personal property security registry in Canada, to perfect, protect, or take any action to enforce any security interest, hypothec or other interest in all or any of the Transferred Receivables. Notwithstanding the foregoing, upon confirmation by each of the Addressees that it has no remaining interest in the Transferred Receivables, the Secured Party reserves the right to rely on the Registrations and the Security Agreements to create and perfect a security interest or hypothec, as applicable, in the Transferred Receivables;
 - (b) the hypothecs described in any of the Registrations that are registered at the Register of Personal and Movable Real Rights (the "RPMRR") in favour of the Secured Party are hereby reduced, partially discharged and released, but only with respect to the Transferred Receivables; and
 - (c) the Secured Party hereby also further undertakes not to file a notice of preservation of hypothec at the RPMRR pursuant to Article 2700 of the CCQ with respect to the Transferred Receivables.
3. Terms used in this Acknowledgement and No Interest Letter that are defined in the PPSA and the CCQ and are not otherwise defined herein will have the same meaning herein as in the PPSA or the CCQ, as applicable.
4. This Acknowledgement and No Interest Letter is being executed and delivered by the Secured Party for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.
5. This Acknowledgement and No Interest Letter will enure to the benefit of each of the Addressees and their respective successors and assigns and will be binding upon the Secured Party and its successors and assigns.

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- 3 -

6. This Acknowledgement and No Interest Letter is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7. Delivery of an executed signature page to this Acknowledgement and No Interest Letter by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Acknowledgement and No Interest Letter by such party.

[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Secured Party has caused this Acknowledgement and No Interest Letter to be duly executed as of the date first written above.

[•]

Per:

Name:

Title:

Name:

Title:

[SIGNATURE PAGE TO ACKNOWLEDGEMENT AND NO INTEREST LETTER]

Schedule A

RegistrationsPersonal Property Security Act (Ontario)

Reference File No.	Registration No.	Secured Party	Debtor	Collateral Classifications
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Register of Personal and Movable Real Rights (Quebec)

Nature of Right	Date and Registration No.	Parties	Summary of Charge and Information
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

Schedule B

Transferred Receivables

- see attached -

[NTD: ATTACH LIST OF RECEIVABLES BEING SOLD ON THE CLOSING DATE.]

AIRD BERLIS

D. Robb English
 Direct: 416-865-4748
 Email: renglish@airdberlis.com

December 22, 2020

VIA EMAIL

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

Attention: Robert Link, CIRP

Dear Sirs/Mesdames:

Re: Receivership of Advantagewon Capital Corp. (formerly 2400918 Ontario Inc.)

Link & Associates Inc., in its capacity as the court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Advantagewon Capital Corp. (formerly 2400918 Ontario Inc.) (the “**Debtor**”), has requested our opinion concerning the perfection of the security documents herein discussed granted to FMMC Private Yield Fund Limited Partnership I (the “**Secured Creditor**”) by the Debtor in connection with letter agreements dated June 30, 2017, July 13, 2017, February 6, 2018, March 8, 2019 and August 20, 2020 (collectively, the “**Loan Agreement**”). We confirm that we have received and reviewed the security documents granted by the Debtor in favour of the Secured Creditor described herein, and hereby provide you with our opinion concerning the perfection of same.

A. DOCUMENTS EXAMINED AND SEARCHES CONDUCTED

In connection with the opinions contained in this letter, we have examined a copy of:

1. the General Security Agreement dated June 30, 2017, granted by the Debtor to the Secured Creditor (the “**GSA**”);
2. the Assignment of Contract dated June 30, 2017, granted by the Debtor to the Secured Creditor (the “**Assignment of Contract**”); and
3. the Assignment of Accounts, Contracts and Security dated June 30, 2017, granted by, *inter alios*, the Debtor to the Secured Creditor (the “**Assignment of Accounts, Contracts and Security**”),

(collectively, “**Security**”).

We have also examined a copy of the Landlord’s Waiver dated June 30, 2017 among Szemeneyi Mackenzie Group LLP, Genesis Property Holdings Inc., the Debtor and the Secured Creditor (the “**Landlord Waiver**”).

In addition, in connection with the opinions contained in this letter, we have conducted the following searches:

1. a Province of Ontario Ministry of Government Services Corporation Profile Report, including the Document List and Business Names List for the Debtor with a file currency of November 25, 2020;
2. a Province of Ontario Ministry of Government Services Limited Partnerships Report for the Secured Creditor with a file currency of December 7, 2020; and
3. certified searches from the Ontario Personal Property Registration System against the Debtor (both the current and prior name) with file currency of November 23, 2020 (collectively, the “PPSA Searches”).

We have conducted no further searches in connection with the delivery of this opinion.

B. REVIEW OF SECURITY, PPSA REGISTRATION & LANDLORD WAIVER

GSA

We reviewed the GSA and note that it appears to be properly executed and delivered on behalf of the Debtor by authorized signing officers. The GSA is granted by the Debtor to secure all indebtedness and liability of every kind, nature and description owing by the Debtor to the Secured Creditor pursuant to the Loan Agreement. We see no irregularity in the GSA and therefore expect that it is enforceable in accordance with its terms as against the Debtor.

Assignment of Contracts

We reviewed the Assignment of Contracts and note that it appears to be properly executed and delivered on behalf of, *inter alios*, the Debtor by authorized signing officers. Under the Assignment of Contracts, the Debtor assigned all of its right, title and interest in and to a Mailbox Service Agreement between the Debtor and The UPS Store #46 which allows the Debtor and Mark Wilson to utilize the mailbox and private suite address #437 at 509 Commissioners Road West, London, Ontario, for receiving mail and parcel deliveries from Canada Post and private courier companies. We see no irregularity in the Assignment of Contracts. However, we have not seen the contract itself and are not able to comment on whether it can be assigned or whether that assignment would be binding on other parties to the contract.

Assignment of Accounts, Contracts and Security

We reviewed the Assignment of Accounts, Contracts and Security and note that it appears to be properly executed and delivered on behalf of the Debtor by authorized signing officers, and by Advantagewon Inc., by an authorized signing officer. Under the Assignment of Accounts, Contracts and Security, the Debtor assigns, transfers and sets over to the Secured Creditor all debts, accounts, book debts, accounts receivable, obligations, liabilities, demands and choses in action which are now due or to be performed, owing or accruing due or which may hereafter become due or to be performed, owing or accruing to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have in respect of the Repair Financing and pursuant

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to the Repair Financing Documents (each as defined therein), including, without limitation, claims under insurance policies. However, based on a review of the PPSA search conducted against Advantagewon Inc., the Secured Creditor has not registered a financing statement under the PPSA to perfect the security interest granted by way of the assignment from Advantagewon Inc. We see no irregularity in the Assignment of Accounts, Contracts and Security and therefore expect that it is enforceable in accordance with its terms as against the Debtor.

PPSA Registration relating to above Security

A Registration under the *Personal Property Security Act* (Ontario) (the “PPSA”) in respect of the Security was made as against the Debtor on June 27, 2017, under Reference File No. 729144513 and Registration No. 20170627 1023 1590 6918. The registration contains no general collateral description, covers “Inventory”, “Equipment”, “Accounts” and “Other” (with “Motor Vehicle” included). The registration was amended on September 11, 2020 under Registration No. 20200911 1603 1590 1440 to record the Debtor’s change of name from 2400918 Ontario Inc. and then was further amended on November 5, 2020 to record the Secured Creditor’s change of address under Registration No. 20201105 1044 1590 5847. The registration is set to expire on June 27, 2027. The registration appears to be generally in good order. However, we wish to draw to your attention that based on our review of the Corporation Profile Report, the Debtor changed its name from 2400918 Ontario Inc. on May 23, 2019 and the registration was not amended to record the change of name until September 11, 2020. Under the PPSA, the Secured Creditor has 30 days from the date of knowledge to record a name change. For the purposes of the opinion below, we have presumed that the financing change statement was recorded within such 30 days of knowledge.

However, we wish to point out that during the potentially unperfected period of May 23, 2019 to September 11, 2020, the following financing statements and financing change statements were recorded:

- (a) ACEF Trust filed financing statements against 2400918 Ontario Inc. on October 15, 2018 and March 24, 2019, respectively. As the registrations were made against the prior name of the Debtor, ACEF Trust would have been aware of the Secured Creditor’s registrations, and, as discussed in greater detail below the Secured Creditor holds a subordination and postponement agreement from ACEF Trust; and
- (b) Fountain Asset Corp. filed an amendment to its registration to record the debtor’s change of name on August 20, 2019. As discussed in greater detail below, Fountain Asset Corp.’s registration pre-dated the Secured Creditor’s registration and the Secured Creditor obtained a subordination and postponement agreement from Fountain Asset Corp.

In addition, we note that the financing change statement that was filed on November 5, 2020 to record the Secured Creditor’s change of address, inadvertently set out the Secured Creditor’s name as “FMMC Private Yield Partnership I” instead of “FMMC Private Yield **Fund Limited** Partnership I”, and then was subsequently amended on December 7, 2020, to correct the Secured Creditor’s name to read “FMMC Private Yield Fund Limited Partnership I”. However, this error will not affect the validity or perfection of the security interest as against the Debtor.

We, therefore, conclude that, subject to the assumptions and qualifications contained herein, the Security represents a valid and perfected security interest in the assets and undertaking of the Debtor described therein.

Landlord Waiver

While note a Security document, we have also reviewed a copy of the Landlord's Waiver among, Szemenyei MacKenzie Group LLP (the "**Sublandlord**"), Genesis Property Holdings Inc. (the "**Head Landlord**"), and together with the Sublandlord, the "**Landlords**"), the Secured Creditor and the Debtor relating to the premises municipally known as 376 Richmond Street, 3rd Floor, London, Ontario. We see no irregularity in the Landlord's Waiver and therefore expect that it is enforceable in accordance with its terms as against the Debtor and the Landlords.

C. OPINIONS

Based on, limited by and subject to the assumptions and qualifications contained below, we are of the opinion that the security interests created by the Security in the collateral described therein have been properly perfected under the PPSA (to the extent required) and rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of the Debtor which are described in the Security and are located in the Province of Ontario, or, in the case of accounts, where the party obligated to pay an account is a resident of the Province of Ontario.

D. OTHER PPSA REGISTRATIONS

As discussed above, we note that there are registrations made by other companies against the Debtor as more particularly set out in the Search Summary attached hereto as **Schedule A**. In particular, each of Fountain Asset Corp., Beacon Holdings Limited and ACEF Trust has made registrations against the Debtor. We have not reviewed the security documents with respect to these registrations and express no opinion with respect these registrations.

However, we have been provided with the following priority agreements:

- (a) a subordination and postponement agreement dated June 30, 2017 from Fountain Asset Corp.;
- (b) an agreement between secured parties dated June 30, 2017 from Beacon Holdings Limited – we note that Beacon Holdings Inc. has not filed a financing change statement to record the debtor's change of name;
- (c) a consent and waiver dated October 9, 2018 from the Secured Creditor to allow ACEF Trust to file a financing statement against the Debtor, together with a subordination and postponement agreement dated October 11, 2018 from ACEF Trust – we note that ACEF Trust has not filed financing change statements to record the debtor's change of name; and
- (d) a subordination and postponement agreement dated November 20, 2017 from 2312788 Ontario Inc. – we note that 2312788 Ontario Inc. has not registered a financing statement so does not appear to be a secured creditor under the PPSA.

E. ASSUMPTIONS

In connection with the opinions contained in this letter, we have assumed the following:

1. The entering into, execution and delivery of the Security to the Secured Creditor has been duly authorized by all necessary resolutions and other corporate actions on the part of the Debtor.
2. The Security has been executed and delivered to the Secured Creditor by a director and/or officer of the Debtor duly authorized to execute and deliver those documents, and the signatures on the copies of the Security examined by us is that of the duly authorized director and/or officer of the Debtor.
3. The Security constitutes valid and enforceable obligations of the Debtor to the Secured Creditor as security for the Debtor's obligations to the Secured Creditor, subject to the requirements of the *Personal Property Security Act* (Ontario) (the "PPSA"), the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), the *Mortgages Act* (Ontario) and the *Planning Act* (Ontario).
4. The Security has been unconditionally delivered by the Debtor to the Secured Creditor.
5. The Security has not been assigned, released, discharged or otherwise impaired, either in whole or in part.
6. The financing statements filed under the PPSA in respect of the Security, if any, were completed in compliance with the regulations under the PPSA and copies thereof were delivered to the Debtor in accordance with the provisions of the PPSA.
7. The Debtor is indebted to the Secured Creditor and received adequate consideration for the grant of the Security.
8. The genuineness of the signatures and the conformity to authentic original documents of the documents submitted to us as photocopies, electronic copies or fax copies, and that all documents were fully completed prior to signature.
9. "2400918 Ontario Inc." was the proper legal name of the Debtor at the time of execution and delivery of the Security, and that this name was subsequently changed on May 23, 2019. As previously noted, for the purposes of the opinion above, we have assumed that the financing change statement to record the Debtor's change of name was recorded within 30 days of knowledge of same.
10. The Debtor was a valid and subsisting corporation at the time of execution and delivery of the Security.

11. The copies of the PPSA Searches examined by us in connection with the opinions given herein was complete and accurate when examined and continues to reflect registrations against the Debtor as of the date hereof.
12. The Debtor and the Secured Creditor intended the security interests created by the Security to attach, value has been given and the Debtor obtained rights in the collateral secured by the Security.
13. All facts set forth in official public records and other documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate.

F. QUALIFICATIONS

The opinions that we have expressed in this letter are further subject to the following qualifications:

1. We express no opinion as to the right, title or interest of the Debtor in or to any of the assets, undertakings and properties of the Debtor.
2. We express no opinion on whether any secured party may have a perfected purchase money security interest which may exist in respect of any of the assets, undertakings and properties of the Debtor.
3. We express no opinion as to whether a security interest was created in the following property:
 - (a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;
 - (b) permits, quotas or licenses which are held by or issued to the Debtor;
 - (c) federal crown debts; and
 - (d) any real property or interest therein.
4. We have made no searches under applicable statutes, including the *Copyright Act* (Canada), the *Patent Act* (Canada) and the *Trade-marks Act* (Canada), to confirm that the Secured Creditor has made registrations that may be necessary to perfect its security interests, if any, in intellectual property.
5. We express no opinion as to the ranking or priority of any of the Security in relation to the security interests, liens or trust claims of any other party, if any.
6. The validity, binding effect and enforceability of the Security may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium, or other similar laws affecting the enforceability of creditors' rights generally.

7. The rights and remedies of the Secured Creditor contained in the Security may be subject to and affected by general principles of equity.
8. No opinion is expressed as to the enforceability of any provision in the Security which suggests that modifications, amendments or waivers of or with respect to any of the Security that are not in writing will not be effective.
9. No opinion is given regarding any provision in the Security which purports to relieve a person from a liability or duty otherwise owed or to require compliance regardless of law.
10. We express no opinion as to the effect of those provisions of the Security which purport to allow the severance of invalid, illegal or unenforceable provisions or restricting their effect.
11. Enforcement of the Security may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto, of which we are not aware.
12. Enforcement of the rights to indemnity, contribution and waiver of contribution may be limited or voided by applicable law and may not be ordered by a court on grounds of public policy.
13. The enforceability of the Security is subject to the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find that any provision of the Security will be unenforceable as an attempt to vary or exclude a limitation period under that statute.
14. We express no opinion as to the enforceability of any provision of the Security which may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of damages.
15. We express no opinion as to the application of the *Securities Act* (Ontario).
16. We express no opinion as to the enforceability of any provision of the Security:
 - (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of the Debtor or any party thereto;
 - (b) to the extent it purports to exculpate, or provide indemnity to, the Secured Creditor, its agents or any receiver, manager or receiver – manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security that are not in writing will not be effective.
17. We express no opinion as to any provision of the Security which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof.

18. We have not explored and express no opinion as to whether the Security may be successfully attacked as a preference under section 95 of the BIA or any similar provincial legislation.
19. A waiver of a provision of applicable law may not be effective.
20. Any provision which is considered to offend public policy or to contravene laws of public order may not be enforceable.
21. To the extent that the Security purports to extend the benefit thereof to persons who are not parties to the Security, those persons may be unable to enforce that benefit.

The opinions that we have expressed in this letter are limited to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario. We trust that the foregoing opinions are satisfactory for your purposes. If you should have any questions or require further clarification in any respect, please do not hesitate to contact us.

Yours truly,

AIRD & BERLIS LLP

D. Robb English

DRE:srm

AIRD BERLIS

SCHEDULE "A"

SEARCH SUMMARY

Enquiries and searches were made at the registration system maintained pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") against:

Company	Corporate Details/Prior and/or Amalgamated Names
Advantagewon Capital Corp.	<ul style="list-style-type: none"> ➤ an active Ontario corporation incorporated on December 19, 2013 ➤ Extra-Provincially registered in New Brunswick and Nova Scotia ➤ Corporate No.: 2400918 ➤ Registered office: 376 Richmond Street, 3rd Floor, London, Ontario N6A 3C7 ➤ Mailing address: 188 Talbot Street West, Aylmer, Ontario N5H 1K1 ➤ Registered Business/Trade Name: Advantagewon ➤ Prior/Predecessor Names: <ul style="list-style-type: none"> - 2400918 Ontario Inc. (changed name on May 23, 2019) ➤ Director(s)/Officer(s): <ul style="list-style-type: none"> - Jason Ewart, Director - Mark John Wilson, Director - Mark Wilson, Director, President, Secretary and Treasurer ➤ Last Document Recorded: 2018 Annual Return filed on Jan 5, 2020
Advantagewon Inc.	<ul style="list-style-type: none"> ➤ an active Ontario corporation incorporated on February 18, 2005 ➤ Corporate No.: 1640239 ➤ Registered office and Mailing address: 509 Commissioners Road West, Suite 437, London, Ontario N6J 1Y5 ➤ Registered Business/Trade Name: None ➤ Prior/Predecessor Names: None ➤ Director(s)/Officer(s): <ul style="list-style-type: none"> - Mark Wilson, Director, President, Secretary and Treasurer ➤ Last Document Recorded: Change Notice filed on Nov 12, 2009

The currency of each of the aforementioned searches is as follows:

SEARCHES AND CURRENCY

Name	PPSA
Advantagewon Capital Corp.	November 23, 2020
<i>2400918 Ontario Inc.</i>	November 23, 2020
Advantagewon Inc.	November 23, 2020

Such enquiries and searches failed to disclose any undischarged registrations, filings or recordings with respect to the aforementioned names except as follows:

PPSA SEARCHES

Legend:

A -	Accounts	DOM -	Date of Maturity	I -	Inventory	O -	Other
CF -	Caution Filing	E -	Equipment	MV -	Motor Vehicle	RSLA -	<i>Repair & Storage Lien Act</i>
CG -	Consumer Goods	GCD -	General Collateral Description:	NFMD -	No Fixed Maturity Date	S -	Amount

Advantagewon Capital Corp.						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/Description
1.	20131220 1254 1590 3611 Amended secured party's name from GC-Global Capital Corp. by 20170531 1526 1590 4957 Subordinated to FMMC Private Yield Fund Limited Partnership I 20170630 1533 1590 7339 Amended to reflect the secured party's change of name address 20181030 0949 1590 1876 Renewed for 5 years by 20181030 1046 1590 1891 Amended debtor's name from 2400918 Ontario Inc. by 20190820 0957 1862 6150 Amended secured party's address by 20190820 1535 1862 6262	692741502	Dec 20, 2023	Advantagewon Capital Corp. (OCN 2400918)	Fountain Asset Corp. <i>Subordinated to FMMC Private Yield Fund Limited Partnership I pursuant to Subordination Agreement dated June 30, 2017</i>	I, E, A, O, MV
2.	20170627 1023 1590 6918 Amended debtor's name from 2400918 Ontario Inc. by 20200911 1603 1590 1440 Amended secured party's address by 20201105 1044 1590 5847	729144513	June 27, 2027	2400918 Ontario Inc. Advantagewon	FMMC Private Yield Fund Limited Partnership I Note: when the address was updated the secured party's name was incorrectly entered as "FMMC	I, E, A, O, MV

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Advantagewon Capital Corp.						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/Description
					Private Yield Partnership I"	

2400918 Ontario Inc. (a prior name of Advantagewon Capital Corp.)						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/Description
1.	20170510 1359 1862 4278	727503012	May 10, 2022	2400918 Ontario Inc.	Beacon Holdings Limited	A, O GCD: see below
General Collateral 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.						
2.	20181015 1515 6083 6567	744805773	Oct 15, 2023	2400918 Ontario Inc.	ACEF Trust	I, E, A GCD: see below
General Collateral 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.						
3.	20190325 1527 6083 0556	749395215	Mar 25, 2024	2400918 Ontario Inc.	ACEF Trust	I, E, A GCD: see below
General Collateral 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.						

Advantagewon Inc.						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/Description
1.	20171108 1441 1862 8507	733799394	Nov 8, 2023	Advantagewon Inc.	1537638 Ontario Limited	E, A \$11884 DOM: 31Oct2023 GCD: see below

AIRD BERLIS

- 4 -

Advantagewon Inc.						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/ Description
	General Collateral Description: 1 Toshiba E-Studio 3505AC s/n CFEG62858 and accessories					

42558504.4

AIRD BERLIS

tab 4

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

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

**CONFIDENTIAL SUPPLEMENTAL REPORT TO THE FIRST REPORT
OF THE PROPOSED RECEIVER, LINK & ASSOCIATES INC.**

December 24, 2020

(Filed with Court under sealed envelope for Court consideration)

tab 5

Court File No. 2003/20

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

and

ADVANTAGEWON CAPITAL CORP.

Respondents

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

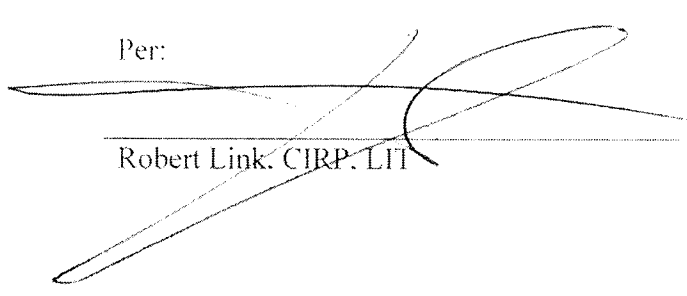
CONSENT

Link & Associates Inc. consents to act as receiver, without security, of all of the assets, undertakings and properties of Advantagewon Capital Corp.

DATED AT GEORGINA, ONTARIO this 21 day of December, 2020

LINK & ASSOCIATES INC.

Per:


Robert Link, CIPR, LIT

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

CONSENT TO ACT AS RECEIVER

FOGLER, RUBINOFF LLP

Lawyers

TD Centre, North Tower

77 King Street West, Suite 3000

Toronto ON M5K 1G8

Tim Duncan (61840S)

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Lawyers for the Applicant.

FMMC Private Yield Fund Limited Partnership I

Lawyers for the Applicant

tab 6

Court File No. 2003/20

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	FRIDAY THE 15 TH
)	
JUSTICE)	DAY OF JANUARY, 2021

B E T W 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

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

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

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings, and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) 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.

- (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

- (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

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “Post Receivership Accounts”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “Environmental Legislation”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

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

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

RECEIVER'S ACCOUNTS

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

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.

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 15th 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

Lawyers

TD Centre, North Tower

77 King Street West, Suite 3000

Toronto ON M5K 1G8

Tim Duncan (61840S)

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tduncan@foglers.com

Tel: (416) 864-9700

Fax: (416) 941-8852

Lawyers for the Applicant,

FMMC Private Yield Fund Limited Partnership I

RCP-E 4C (May 1, 2016)

tab 7

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. ——— 2003/20

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ———
JUSTICE ———

) ~~WEEKDAY,~~ FRIDAY THE #
) ~~DAY OF MONTH, 20YR~~ 15TH
)

JUSTICE

) DAY OF JANUARY, 2021
)

PLAINTIFF¹

Plaintiff

-

BETWEEN:

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

and—

DEFENDANT

Defendant

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 ~~Plaintiff~~² 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 ~~[RECEIVER'S NAME]~~ Link & Associates Inc. as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Advantagewon Capital Corp. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at ~~330 University Avenue, Toronto~~ 80 Dundas Street, London, Ontario.

ON READING the affidavit of ~~[NAME]~~ Don Bent sworn ~~[DATE]~~ December 31, 2020 and the ~~Exhibits~~ exhibits thereto ~~and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE], the pre-receivership Report of Link & Associates Inc. dated December 24, 2020,~~ and ~~on reading~~ the consent of ~~[RECEIVER'S NAME]~~ Link & Associates Inc. to act as the Receiver, and on hearin the submissions of counsel

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ application is hereby abridged and validated³ 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, ~~[RECEIVER'S NAME]~~ 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 personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including

on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings, and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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;₂

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~[or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵~~ shall not be required, ~~and in each case the Ontario *Bulk Sales Act* shall not apply.~~

(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-Receiver's 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 ~~purehaser~~Purchaser or ~~purehasers~~Purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) ~~(p)~~ to enter into agreements with any ~~trustee~~ 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) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence

or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the ~~Commercial List of the~~ Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed

\$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 ~~Commercial~~
~~List~~Superior Court of Justice website at
~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/https://go~~
~~o.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. ~~This Court further~~
~~orders that a Case Website shall be established in accordance with the Protocol with the following~~
~~URL ‘’.~~

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.

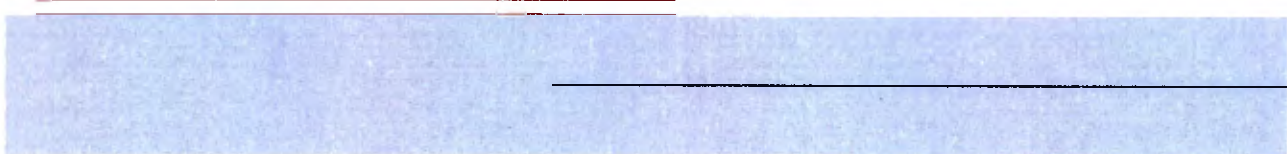
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting
as a ~~trustee~~Trustee in bankruptcy of the Debtor.

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 ~~Plaintiff~~applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~applicant's security or, if not so provided by the ~~Plaintiff~~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.



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____*

AMOUNT \$ _____*

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ Link & Associates Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ 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 (~~Commercial List~~) (the "Court") dated the 15th day of January, 2021 (the "Order") made in an ~~action~~ application having Court file number CL-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 _____*, ~~20~~ 2021.

~~[RECEIVER'S NAME]~~ 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)

Document comparison by Workshare 10.0 on Saturday, January 2, 2021 12:51:31 PM

Input:	
Document 1 ID	file:///C:/Users/tduncan/Desktop/approval-and-vesting-order-EN.doc
Description	approval-and-vesting-order-EN
Document 2 ID	netdocuments:///4839-8966-9843/1
Description	Draft Approval and Vesting Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
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Moved cell	
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Padding cell	

Statistics:	
	Count
Insertions	174
Deletions	89
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	265

tab 8

Court File No. 2003/20

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	FRIDAY, THE 15 TH
)	
JUSTICE)	DAY OF JANUARY, 2021

B E T 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 and Respondent, no one appearing for any other person on the service list, although properly served as appears from the affidavits of _____ sworn _____, 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.

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 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 Supplement to the First Report and its Confidential Appendices filed herein and the exhibits therein, including the Agreement, referred to in the First 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.

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 [NAME OF JUDGE] 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.

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: December 9, 2020

**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 person 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, 3rd Floor, London ON N6A 3C7
 Debtor: Advantagewon
 376 Richmond Street, 3rd 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.

6. 20200806 1628 1862 8830 (5 years)
 (File No. 764487801)

Debtors: 2400918 Ontario Inc.
 188 Talbot Street West, Aylmer ON N5H 1K1
 Advantagewon Capital Corp.
 188 Talbot Street West, Aylmer ON N5H 1K1

Secured: Echo Bay Strategic Yield Fund
 1 Toronto Street, Suite 200, Toronto ON M5C 2V6

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

Description: Late renewal of file number 719110449, registration number 20160729 1458 1590 3895

Discharge: 20201022 1305 1590 4370

Debtor: 2400918 Ontario Inc.

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

649

- 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
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Toronto, ON M5K 1G8

Tim Duncan (61840S)

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Fax: 416.941-8852

Lawyers for the Applicant
FMMC Private Yield Fund Limited Partnership I

tab 9

Court File No. ~~2003/20~~

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~ FRIDAY, THE #15TH
JUSTICE)
DAY OF ~~MONTH~~ JANUARY, ~~20YR~~ 2021

B E T W E E N:

PLAINTIFF

Plaintiff

FMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

- and -

DEFENDANT

Defendant

ADVANTAGEWON CAPITAL CORP.

Respondent

APPROVAL AND VESTING ORDER

THIS ~~MOTION~~ APPLICATION, made by ~~[RECEIVER'S NAME]~~ 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 ~~[DEBTOR]~~ Advantagewon Capital Corp. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement ~~of purchase and sale~~ (the "~~Sale~~ Agreement") between the ~~Receiver~~ Debtor and ~~[NAME OF PURCHASER]~~ Dorsia Capital (London) Inc. (the "Purchaser")

dated ~~[DATE]~~December 23, 2020 and appended to the Pre-Receivership Report of the Receiver as a Confidential Supplemental Report of the Receiver dated [DATE]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 ~~Sale~~-Agreement (the "Purchased Assets"), was heard this day at ~~330 University Avenue, Toronto~~80 Dundas Street, London, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~the Applicant and Respondent, no one appearing for any other person on the service list, although properly served as appears from the ~~affidavit~~affidavits of ~~[NAME]~~_____, sworn ~~[DATE]~~_____, filed¹:

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. ~~1.~~-THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the ~~Sale~~-Agreement by the Receiver³ 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. ~~2.~~-THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

the ~~Sale~~ Agreement ~~[and listed on Schedule B hereto]~~⁴ 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"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order of ~~the Honourable Justice~~ ~~[NAME]~~this Court dated ~~[DATE]~~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 ~~CB~~ 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 ~~DC~~) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. — THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]~~⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ 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 sale⁸, 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, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement.~~ 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

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (c) any assignment in bankruptcy made in respect of the Debtor;

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

8. ~~THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~ THIS COURT ORDERS THAT the Confidential Supplement to the First Report and its Confidential Appendices filed herein and the exhibits therein, including the Agreement, referred to in the First 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.

Schedule A – Form of Receiver's Certificate

Court File No. 2003/20

ONTARIO
SUPERIOR COURT OF JUSTICE
~~COMMERCIAL LIST~~

B E T W E E N:

~~PLAINTIFF~~

Plaintiff

EMMC PRIVATE YIELD FUND LIMITED PARTNERSHIP I

Applicant

- and -

~~DEFENDANT~~

Defendant

ADVANTAGEWON CAPITAL CORP.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~ January 15, 2021, Link & Associates Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ Advantagewon Capital Corp. (the "Debtor").

B. Pursuant to an Order of the Court dated ~~[DATE]~~ January 15, 2021, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~ December 23, 2020 (the "~~Sale~~ Agreement") between the ~~Receiver~~ [Debtor] and ~~[NAME OF PURCHASER]~~ 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~~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 ~~Sale~~ Agreement.

THE RECEIVER ~~CERTIFIES~~ 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 ~~Sale~~ Agreement;
 2. The conditions to Closing as set out in section ~~6~~6 of the ~~Sale~~ Agreement have been satisfied or waived by the Receiver and the Purchaser; and
 3. The Transaction has been completed to the satisfaction of the Receiver.
- ~~4.~~ This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~ LINK & ASSOCIATES INC., solely in its capacity as Court appointed Receiver of the undertaking, property and assets of ~~[DEBTOR]~~ 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 – ~~Purchased Assets~~ Claims to be deleted and expungedCurrency Date: December 9, 2020ADVANTAGEWON 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 1K1Secured: GC Global Capital Corp.
273 Tweed Street, Cobourg ON K9A 2R8Collateral: Inventory, Equipment, Accounts, Other, Motor VehicleAmendment: 20170531 1526 1590 4957Reason: 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 3A1Subordination: 20170630 1533 1590 7339Reason: Subordination by Fountain Asset Corp. (formerly GC-Global Capital Corp.) of its security and personal property security act file no. 692741502 to security and person 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 1876Reason: To reflect the secured party's change of name and change of address.Secured: Fountain Asset Corp.
99 Scollard Street, Toronto ON M5R 1G4Renewal: 20181030 1046 1590 1891 (5 years)Amendment: 20190820 0957 1862 6150Reason: The debtor has changed its name from 2400918 Ontario Inc. to Advantagewon Capital Corp.Debtor: Advantagewon Capital Corp.

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, Aylmer 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, 3rd Floor, London ON N6A 3C7

Debtor: Advantagewon

376 Richmond Street, 3rd 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 Trust81 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.**6. 20200806 1628 1862 8830 (5 years)**(File No. 764487801)**Debtors:** 2400918 Ontario Inc.188 Talbot Street West, Aylmer ON N5H 1K1Advantagewon Capital Corp.188 Talbot Street West, Aylmer ON N5H 1K1**Secured: Echo Bay Strategic Yield Fund**1 Toronto Street, Suite 200, Toronto ON M5C 2V6**Collateral:** Inventory, Equipment, Accounts, Other, Motor Vehicle**Description:** Late renewal of file number 719110449, registration number 20160729 1458 1590 3895**Discharge:** 20201022 1305 1590 4370**Debtor:** 2400918 Ontario Inc.

Schedule **DC** – Permitted Encumbrances, ~~Easements and Restrictive Covenants~~
~~related to the Real Property~~
(unaffected by the Vesting Order)

664

- NIL -

FMFC 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

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FMFC Private Yield Fund Limited Partnership I

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

APPLICATION RECORD

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