

Court File Number: CV-18-607866-0001

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Roberts

Plaintiff(s)

AND

Besivo Inc et al

Defendant(s)

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

| Counsel          | Telephone No: | Facsimile No: |
|------------------|---------------|---------------|
| (see attached) - |               |               |
|                  |               |               |

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)  
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)  
☐ Adjourned to: \_\_\_\_\_  
☐ Time Table approved (as follows): \_\_\_\_\_

I conducted a motion in this matter today via zoom as per the Notice to the Profession.  
A copy of this endorsement shall be provided to the parties via zoom by the Commercial List office.  
The attached order shall go on an imposed basis as per the draft filed and signed. The

18 June 20

Date

me [signature]

Judge's Signature

☒ Additional Pages one

Superior Court of Justice  
Commercial List

## FILE/DIRECTION/ORDER

## Judges Endorsement Continued

order is effective from today's date and is enforceable without the need for entry and filing.

I have reviewed the First Report and the relief sought in the order is fair and reasonable, as are the fees.

The attached endorsement shall also go. The parties agree to the terms of the endorsement.

The motion date of Sept 23/20 for 12 days has been confirmed with the Commercial List Office.

ME

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**ISABELLE ROBERTS**

Applicant

- and -

**BESNOVO INC., CLEEVE HOLDINGS INC., CLEEVE TECHNOLOGY INC.  
PENGYUAN HOLDING LIMITED, PAUL CHURCH, and XING YUAN (also known as  
SHAWN YUAN)**

Respondents

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

**Motion Hearing via videoconference before the Honourable Mr. Justice McEwen**

**June 18, 2020, 12:00 p.m.**

**AIRD & BERLIS LLP**

**D. Robb English  
Miranda Spence**

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

**LINK & ASSOCIATES INC.**

**Robert Link**

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Court-appointed receiver of Besnovo Inc.

**MILLER THOMSON LLP**

**Bobby Sachdeva**

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Lawyers for PengYuan Holding Limited and Xing Yuan

**SPARK LLP**

**Jeff Rosekat**

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Lawyers for Isabelle Roberts

**GOWLING WLG (CANADA) LLP**

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Lawyers for Cleeve Holdings Inc., Cleeve Technology Inc., and Paul Church

**ALL EMAIL ADDRESSES OF ATTENDEES:**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 18<sup>TH</sup> DAY  
 )  
JUSTICE MCEWEN ) OF JUNE, 2020

B E T W E E N :

**ISABELLE ROBERTS**

Applicant

- and -

**BESNOVO INC., CLEEVE HOLDINGS INC., CLEEVE TECHNOLOGY INC.  
PENGYUAN HOLDING LIMITED, PAUL CHURCH, and XING YUAN (also known as  
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Respondents

**ORDER**

**THIS MOTION**, made by Link & Associates Inc. ("**Link**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties (collectively, the "**Property**") of Besnovo Inc. (the "**Debtor**"), for an order, amongst other things, approving the first report of the Receiver dated June 9, 2020 (the "**First Report**"), was heard this day by way of video-conference due to the COVID-19 crisis.

**ON READING** the First Report and the appendices thereto, including the affidavit of Robert G. Link sworn June 9, 2020 (the "**Link Affidavit**") and the affidavit of D. Robb English sworn June 9, 2020 (the "**English Affidavit**"), and on hearing the submissions of counsel for the Receiver, PengYuan Holding Limited ("**PengYuan**"), Cleeve Holdings Inc., Cleeve Technology Inc. and Paul Church (collectively, "**Cleeve**") and those other parties listed on the counsel slip,

no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Diana McMillen sworn June 11, 2020, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the actions, activities, conduct, and findings of the Receiver and its counsel as set out in the First Report, including the Receiver's interim statement of receipts and disbursements attached as Appendix H to the First Report, be and are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the First Report and as set out in the Link Affidavit, be and are hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Aird & Berlis LLP, as described in the First Report and as set out in the English Affidavit, be and are hereby approved.
5. **THIS COURT ORDERS** that the borrowing limit of \$1,000,000 for the Receiver's borrowings subject to the Receiver's Borrowing Charge, as established in paragraph 21 of the Order of the Honourable Justice McEwen dated March 12, 2020, be and is hereby increased to \$1,500,000.



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**ISABELLE ROBERTS**

Applicant

- and - **BESNOVO INC. et al.**

Respondents

Court File No. CV-18-607866-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**ORDER**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
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*Lawyers for Link & Associates Inc., in its capacity as the Court-appointed receiver of Besnovo Inc. and not in its personal capacity*

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**ISABELLE ROBERTS**

Applicant

- and -

**BESNOVO INC., CLEEVE HOLDINGS INC., CLEEVE TECHNOLOGY INC.  
PENGYUAN HOLDING LIMITED, PAUL CHURCH, and XING YUAN (also known as  
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APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**ENDORSEMENT**

**June 18, 2020, 12:00 p.m.**

1. This motion was heard by videoconference in accordance with the changes to the operations of the Commercial List in light of the COVID-19 crisis and the Chief Justice's Notices to the Profession.
2. That portion of the Receiver's motion seeking approval of the activities and interim statement of receipts and disbursements set out in the First Report dated June 9, 2020, the fees and disbursements of the Receiver and its counsel, and the increase to the Receiver's borrowing charge, as set out in the Receiver's Motion Record dated June 9, 2020, is unopposed and is hereby approved in the form of the draft Order provided.
3. The remainder of the Receiver's motion seeking approval to enter into the Agreement of Purchase and Sale with PengYuan Holding Limited ("**Pengyuan**") and approving the Stalking Horse Sales Procedure described in the Receiver's Report dated June 9, 2020 is adjourned to Sept 23/20 in order to allow Cleeve Holdings Inc., Cleeve Technology Inc., and Paul Church (the "**Cleeve Group**") to bring a motion challenging the enforceability of PengYuan's security over Besnovo Inc. The parties have agreed to the following timetable for the return of the Receiver's motion and the Cleeve Group's motion:

- (a) Cleeve Group to deliver its motion record by: July 8, 2020
- (b) PengYuan to deliver responding materials by: no later than 14 days after (a)
- (c) Cleeve Group to deliver any reply materials by: no later than 10 days after (b)
- (d) Examinations and cross-examinations to be completed by: within 14 days of (c)
- (e) Cleeve to deliver its factum by: no later than 30 days after (d)
- (f) PengYuan to deliver its factum by: no later than 4 days after (e)
- (g) Hearing Date (~~2~~ hours): Sept 23/20 Tm

me