

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

MOTION RECORD

Hearing Date: August 10, 2018

**Regent Law Professional Corporation Lawyers
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Lawyers for the Receiver

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
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BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

NOTICE OF MOTION

TAKE NOTICE that Link & Associates Inc. (the “**Receiver**”) in its capacity as Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (“**Eastway**” or the “**Debtor**”) will make a motion to a Judge of the Superior Court of Justice on the 10th day of August, 2018 at 9:30 a.m. or as soon after that time as the motion can be heard, at the Ottawa Courthouse, 161 Elgin St. Ottawa, Ontario.

PROPOSED METHOD OF MOTION:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form attached as **Schedule “A”**, which order shall, *inter alia*:
 - (a) abridge the time for, and validate the service of, the Third Report of the Receiver, Link & Associates Inc. dated August 1, 2018 (the “**Third Report**”), the Notice

of Motion and the motion materials filed in support of this motion and dispense with further service of same;

- (b) accept the Third Report and approve the actions, activities, conduct and findings of the Receiver as described therein;
- (c) approve the Interim Statement of Receipts and Disbursements of the Receiver;
- (d) approve fees of the Receiver and its legal counsel up to and including attendance on this motion;
- (e) such further and other relief as to this Honourable Court may seem just and appropriate.

THE GROUNDS FOR THE MOTION ARE:

2. The general background information and history of the Debtor and its business is summarized at paragraphs 11 to 24 of the Third Report.

Litigation History

3. On June 23, 2017, the Receiver was appointed pursuant to the Order of the Honourable Mr. Justice Macleod for a period of 30 days (the “**Appointment Order**”).

4. The Receiver filed its first report dated July 6, 2017 (the “**First Report**”) for a motion returnable on July 11, 2017, which included a request for an amendment of the Appointment Order to provide a 90 day extension of the Receiver’s appointment.

5. The First Report and the 90 day extension (to October 23, 2017) was approved by an Order of Justice Macleod dated July 11, 2017 (the “**First Approval and Amending Order**”).

6. The Receiver filed its second report dated October 11, 2017 (the “**Second Report**”) for a motion returnable on October 18, 2017, which included a request to amend the Appointment Order.

7. The Second Report and amendments to the Appointment Order were approved by an Order of Justice MacLeod dated October 18, 2017 (“**Second Approval and Amending Order**”).

Activities of the Receiver since the Second Report

8. Since the filing of its Second Report, and the removal of the “Interim” label, the Receiver performed the duties and conducted the activities set out below (and more extensively described in the Third Report):

- i) Continued to operate the business;
- ii) Obtained listing from Underwriters Laboratories of Canada;
- iii) Completed the manufacture, sale and delivery of contracted builds and remaining demonstrator vehicles;
- iv) Prepared and issued statutory notices to the creditors under section 245 (1) and 246 (1) of the BIA, and filed periodic interim reports with the Official Receiver under section 246 (2) of the BIA;
- v) Established an Employer Health Tax (EHT) account which Eastway had failed to do, made all filings, and paid all requisite premiums;

- vi) Conducted a review of Eastway's Workplace Safety and Insurance Board ("WS&IB") account, completed Eastway's overdue annual filings and attended to all premium payments;
- vii) Regularized the Debtor's HST account, paid all remittances and obtained all available refunds;
- viii) Ceased operations and terminated all remaining employees on February 2, 2018;
- ix) Administered the Wage Earner Protection Program ("WEPP") for all affected employees;
- x) Filed 2016 T2 Corporate Income Tax return and obtained assessment of same;
- xi) Sold the remaining assets; and
- xii) Vacated Carleton Place Premises and Arnprior Premises.

Realization of Assets

9. The realization of assets by the Receiver falls primarily into three categories:
 - (a) proceeds of sale for firetrucks and rescue vehicles (see paragraphs 33 to 55 of the Third Report);
 - (b) collection of accounts receivable for parts sales and service repairs (see paragraph 56 of the Third Report); and

- (c) sale of the other remaining assets such as shop and manufacturing equipment, and vehicles (see paragraphs 57 to 65 of the Third Report).

10. The realization of the Company's assets is not sufficient to repay the Secured Creditor in full.

Interim Statement of Receipts and Disbursements (SRD's)

11. Upon the making of the Appointment Order, the Receiver took control of the Company's bank accounts and continued to operate the business and utilize the Company's bank accounts for all operating receipts and disbursements (with the exception of monies that were paid to the Receiver into a segregated trust account by customers who agreed to prepay for parts and materials to complete their contracts, as described in the Second Report).

12. The Receiver's Interim Statement of Receipts and Disbursements as at July 31, 2018 contained within the Third Report (the "Interim R&D") accounts for all of the receipts and disbursements from the date of the appointment of the Interim Receiver, through the amendment of the Appointment Order to remove the "Interim" designation on October 18, 2017, up to and including July 31, 2018.

13. The Interim R&D combines the receipts and disbursements of the Eastway operating account controlled by the Receiver, along with the Receiver's general operating trust account and the Receiver's segregated trust account.

14. The Receiver seeks approval of the Interim R&D.

Professional fees

15. The Receiver seeks to have its accounts and those of its legal counsel approved by this Court, the details and particulars of which are attached to the Third Report in the form of affidavits filed by the Receiver and its legal counsel.

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

- The Third Report of the Receiver dated August 2, 2018 with attached appendices; and
- Such further or other material as counsel may submit and this Honourable Court may admit.

Date: August 2, 2018

Regent Law Professional Corporation
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DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE
Respondents

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

NOTICE OF MOTION

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Lawyers for the Receiver

RCP-E 4C (July 1, 2007)

SCHEDULE A

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
JUSTICE MACLEOD) TUESDAY, THE ____
 DAY OF AUGUST, 2018

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

ORDER

THIS MOTION, made by Link & Associates Inc. (the “**Receiver**”) in its capacity as Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (the “**Debtor**”) for an Order approving the Third Report of the Receiver and for such further and other relief as set out in the Notice of Motion dated August 2, 2018, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion of the Receiver and the Third Report of the Receiver dated August 1, 2018 (the “**Third Report**”), and on hearing the submissions of counsel for Receiver, no one appearing for the Respondent,

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

2. **THIS COURT ORDERS** that the Third Report is hereby accepted and approved and the Receiver's activities as set out in the Third Report be and are hereby approved.

3. **THIS COURT ORDERS** that the Interim Statement of Receipts and Disbursements of the Interim Receiver be and are hereby approved.

4. **THIS COURT ORDERS** that the fees of: a) the Receiver for the period of October 1, 2017 to July 31, 2018 totalling \$69,957.48, which includes professional fees of the Receiver of \$53,725 plus disbursements of \$8,646.42 and HST of \$8,036.06; and b) its legal counsel Regent Law Professional Corporation for the period of October 19, 2018 up to and including the attendance of this motion, totalling \$5,650, which includes professional fees of \$5,000, plus HST of \$650 and Spark LLP of Toronto for the period of October 11, 2018 to July 31, 2018 totalling \$1,869.30, which consists of \$1,612 in fees, \$42.25 in disbursements, and \$215.05 in HST, as set out in the Third Report and supporting affidavits, filed, be and are hereby approved.

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE
Respondents

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

ORDER

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Lawyers for the Receiver

RCP-E 4C (July 1, 2007)

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

**THIRD REPORT OF THE RECEIVER
LINK & ASSOCIATES INC.**

August 2, 2018

INDEX OF APPENDICES

- A. Order Appointing Interim Receiver dated June 23, 2017 (“Appointment Order”)
- B. First Report of the Interim Receiver (without Appendices)
- C. Order Amending Appointment Order dated July 11, 2017 (“First Approval and Amending Order”)
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- H. Fee Affidavit of Motion Counsel to the Receiver
- I. Fee Affidavit of Independent Counsel to the Receiver

INTRODUCTION

1. This is the third report (the “**Third Report**”) of Link & Associates Inc., filed in its capacity as the Court-Appointed Receiver (formerly the Interim Receiver) (the “**Receiver**”) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (“**Eastway**” or the “**Debtor**”).
2. The Receiver was initially appointed as the Interim Receiver pursuant to the Order of the Honourable Mr. Justice Macleod of the Ontario Superior Court of Justice dated June 23, 2017 (the “**Appointment Order**”) for a period of 30 days. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
3. The Receiver (in its capacity as the Interim Receiver) filed its first report dated July 6, 2017 (the “**First Report**”) for a motion returnable on July 11, 2017, which included a request for an amendment of the Appointment Order to provide a 90-day extension to the initial appointment. A copy of the First Report is attached hereto (without appendices) as **Appendix “B”**.
4. The First Report and the 90-day extension (to October 23, 2017) were approved by an Order of Justice Macleod dated July 11, 2017 (the “**First Approval and Amending Order**”), a copy of which is attached as **Appendix “C”**.
5. The Receiver (in its capacity as the Interim Receiver) filed its second report dated October 12, 2017 (the “**Second Report**”) for a motion returnable on October 18, 2017, which included a request for, among other things, an amendment to the Appointment Order to delete the reference to “Interim” and appoint Link & Associates Inc. as

Receiver and Receiver/Manager of the Debtor's property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (the "BIA"); to amend the trade name of the Debtor in the style of cause to add "Vehicles"; and to further amend the Appointment Order to expand the Receiver's powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate. A copy of the Second Report is attached hereto (without appendices) as **Appendix "D"**.

6. The Second Report and the requested amendments contained therein were approved by an Order of Justice Macleod dated October 18, 2017 (the "**Second Approval and Amending Order**"), a copy of which is attached as **Appendix "E"**.

Purpose of this Third Report

7. The purpose of this Third Report is to:
 - i) report to the Court on the actions, activities, conduct and findings of the Receiver since the date of its Second Report and to seek approval for same;
 - ii) seek approval for the fees and disbursements of the Receiver and its legal counsel;
 - iii) seek approval for the Interim Statement of Receipts and Disbursements of the Receiver as at July 31, 2018; and

- iv) such further and other relief as to this Honourable Court may seem just and appropriate.

Notice to Reader

- 8. In preparing this Third Report and making the comments herein the Receiver has relied upon information prepared or provided by the Debtor and information from other third-party sources (collectively, the “**Information**”). Certain of the information contained in this Third Report may refer to, or is based on, the Information. As the Information has been provided by various third parties or has been obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness.
- 9. 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.
- 10. Unless otherwise stated, all dollar amounts set out in this Third Report are expressed in Canadian dollars.

BACKGROUND

- 11. Eastway is a federally incorporated company that operated its business out of leased premises located at 100 Industrial Avenue, Units B and C, Carleton Place, Ontario, (the

“**Carleton Place Premises**”) and 10 Didak Drive, Arnprior, Ontario (the “**Arnprior Premises**”).

12. Eastway was in the business of designing and manufacturing “built-to-order” pumper trucks, tanker trucks, and rescue, wildlands and hazmat vehicles.
13. In December 2014 Eastway Emergency Vehicles Inc. (“**EEVI**”) was acquired by Michael Cappy (“**Cappy**”) and re-branded as Eastway911 Emergency Vehicles Ltd. (“**Eastway911**”).
14. In November, 2015 Eastway911 ceased production when the landlord (and former owner of EEVI) locked the doors for non-payment of rent.
15. On January 3, 2016 Eastway911 filed a Notice of Intention to Make a Proposal and on or about March 18, 2016, through a Court-approved stalking horse bid process, 9584358 Canada Ltd. (the Debtor in this proceeding) acquired the assets of Eastway911.
16. On May 25, 2017, Eastway acquired certain assets of competitor Arnprior Fire Trucks Corp. (“**AFTC**”) from Plaintree Systems Inc. for nominal cash consideration and assumption of certain liabilities, including an agreement to lease the Arnprior Premises for one year.
17. The assets purchased from AFTC included the rights to five (5) contracts to build rescue vehicles for various municipalities in Canada and the United States, such contracts being in various stages of completion. The liabilities assumed by Eastway in

the AFTC transaction included customer deposits associated with three of these five contracts.

Appointment of Interim Receiver

18. On or about March 15, 2016, Eastway entered into a loan agreement with DaVinci Capital Partners Inc. in its capacity as Trustee of DaVinci Capital Private Debt Fund (“**DaVinci**” or the “**Secured Creditor**”) to provide operating and term credit facilities totalling approximately \$1.9 million.
19. The loan advances from DaVinci to Eastway continued to increase to levels far beyond the value of the collateral support for same, into the range of \$3.8 million. Efforts by DaVinci to regularize the loan in a forbearance agreement were not successful.
20. On June 22, 2017, DaVinci brought an application for the appointment of the Interim Receiver and the Interim Receiver was appointed on June 23, 2017, for a period of 30 days or further order of the Court.
21. The appointment was extended for a further 90 days, to October 23, 2017, in the First Approval and Amending Order.
22. In addition to extending the period of the appointment for 90 days, the First Approval and Amending Order also ordered Cappy to make certain repayments of \$17,463.55 USD to the Receiver and take certain actions with respect to Eastway’s website, domain name, and server backups.

23. To date, Cappy has not complied with the First Approval and Amending Order with respect to the repayment of monies or the transfer of the website or domain, nor responded to requests for same.

24. The nature of the appointment was subsequently converted from Interim Receiver to the appointment of Receiver/Manager in the Second Approval and Amending Order.

Initial Activities of Interim Receiver

25. The initial activities of the Interim Receiver from the date of the Appointment Order to the date of the Second Report are set out in the Second Report, and are briefly summarized as follows:

- i) Took control of the Debtor's bank accounts;
- ii) Continued to operate the business;
- iii) Implemented purchasing and control procedures;
- iv) Entered into amended agreements to complete two of the AFTC Contracts and agreed to the mutual termination of two of the AFTC Contracts;
- v) Completed the sale and delivery of Eastway's demonstrator rescue truck;
- vi) Applied for Eastway to be listed by Underwriters Laboratories of Canada;
- vii) Conducted employee terminations and layoffs;
- viii) Responded to outstanding HST audit request from Canada Revenue Agency;

- ix) Arranged for preparation and filing of overdue 2016 corporate income tax return;
- x) Arranged for continuing property, liability and garage insurance policies; and
- xi) Obtained an Ontario Ministry of Transportation (MTO) exemption number to facilitate title transfers to customers.

ACTIVITIES OF THE RECEIVER SINCE SECOND REPORT

26. Since the filing of its Second Report, and the removal of the “Interim” label, the Receiver performed the duties and conducted the activities set out below:

- i) Continued to operate the business;
- ii) Obtained listing from Underwriters Laboratories of Canada;
- iii) Completed the manufacture, sale and delivery of contracted builds and remaining demonstrator vehicles;
- iv) Prepared and issued statutory notices to the creditors under section 245 (1) and 246 (1) of the BIA, and filed periodic interim reports with the Official Receiver under section 246 (2) of the BIA;
- v) Established an Employer Health Tax (EHT) account which Eastway had failed to do, made all filings, and paid all requisite premiums;

- vi) Conducted a review of Eastway's Workplace Safety and Insurance Board ("WS&IB") account, completed Eastway's overdue annual filings and attended to all premium payments;
- vii) Regularized the Debtor's HST account, paid all remittances and obtained all available refunds;
- viii) Ceased operations and terminated all remaining employees on February 2, 2018;
- ix) Administered the Wage Earner Protection Program ("WEPP") for all affected employees;
- x) Filed 2016 T2 Corporate Income Tax return and obtained assessment of same;
- xi) Sold the remaining assets; and
- xii) Vacated Carleton Place Premises and Arnprior Premises.

Continuing Operations and Realization of Assets

27. As set out in its Second Report, upon completing its initial assessment of the business, the Receiver was of the opinion that the best manner in which to maximize recovery and try to preserve enterprise value was for DaVinci to continue to provide funding so that the Receiver could continue to operate the business and complete and deliver certain builds in progress, find buyers for the two demonstrator units, and seek out a buyer for the business as a going concern.

28. The Receiver continued to operate the business as it was authorized to do in the Appointment Order with funding provided by DaVinci.

29. The realization of assets by the Receiver falls primarily into three categories:

- i) proceeds of sale for firetrucks and rescue vehicles by completion of continuing operations;
- ii) collection of accounts receivable for parts sales and service repairs; and
- iii) sale of the other remaining assets such as shop and manufacturing equipment, and vehicles.

30. As a designer and manufacturer of built-to-order firetrucks, Eastway's contracts generally required compliance with ULC standards.

31. As set out in its Second Report, the Receiver was advised by ULC that Eastway did not have a current ULC certification listing.

32. The Receiver took the necessary steps for an audit to be conducted in October 2017. In early November, 2017, Eastway obtained its ULC listing so that the firetrucks could be inspected and certified to meet the contracted standards and all sales completed.

Completion of AFTC Contracts

33. As noted earlier, Eastway acquired the right to five AFTC Contracts, which are summarized below. The contracts are identified by number instead of the name of the municipality to respect confidentiality.

| Contract Number | Description | Contract Price | Down Payment | Customer Chassis Payment | Chassis Cost |
|------------------------|--------------------|-----------------------|---------------------|---------------------------------|---------------------|
| In Progress | | | | | |
| AF16-049 | Rescue-Pumper | \$ 514,184 | \$ 102,246 | \$ 268,096 | \$ - |
| AF16-057 | Pumper-Tanker | 345,000 | 69,000 | 106,863 | |
| AF16-036 | Tanker-Pumper | 567,795 | 85,126 | - | 289,046 |
| Not Started | | | | | |
| AF16-100 | Rescue | 162,048 | - | - | |
| AF16-139 (US) | Tanker- Pumper | | - | - | |
| | \$319K USD@1.25 | 398,750 | - | - | |

34. Three of the Arnprior Contracts included deposits paid by the customers to AFTC (shown in the table above as down payments) and these deposit liabilities were assumed by Eastway as part of the AFTC transaction.

35. As set out in its Second Report, the Receiver negotiated for the completion of AFTC Contracts AF16-049 and AF16-057 on the basis that the deposit liability would be honoured, but each of these customers would pre-pay for parts and materials. These arrangements were fully documented in completion agreements executed by the Receiver and the respective customers.

36. To segregate customer pre-payments for parts and materials from general operating funds, the Receiver opened a segregated trust account to which all pre-payments were deposited. As funds were utilized the purchase price was credited.

37. Customer under Contract AF16-049 paid \$124,300 into the segregated trust account on August 14, 2017.

38. Customer under Contract AF16-057 initially paid \$110,000 into the segregated trust account on August 16, 2017, and a further \$35,720 for upgrades and change orders on September 26, 2017.

39. All transfers from the segregated trust account into the operating account were tracked by purchase order number and fully reconciled so that funds were only used for these specific contracts and not co-mingled with any other funds.
40. AFTC Contracts AF16-049 and AF16-057 were both completed, ULC certified and delivered on January 31, 2018.
41. The net proceeds from these two contracts were \$365,943.16 plus applicable taxes. All funds in the segregated trust account were utilized during completion of each contract. The balance owing by each customer was paid in full upon delivery and the segregated account was closed with a zero balance on February 7, 2018.

Termination of AFTC Contracts

42. Two of the Arnprior Contracts which had yet to commence (contract numbers AF16-100 and AF16-139) were terminated by mutual agreement and the customers have chosen to re-tender, as they were not able to pre-pay for parts or chassis.
43. The fifth Arnprior Contract AF16-036 was is in its very early stages at the date of the Appointment Order. The truck body had been fabricated but no further work has been done. This customer was not in a position to pay for the chassis or pre-pay for parts and materials.
44. It was ultimately agreed that the value of the work in progress would be set off against the deposit paid by Customer AF16-036 and the fabricated truck body would be picked up by another manufacturer for completion. This was done on October 31, 2017.

Completion of Eastway Contract

45. At the date of the Appointment Order, aside from the AFTC Contracts discussed above, Eastway had one firetruck in progress that was under contract, such contract originating from the Eastway911 transaction in March, 2016.

46. The Receiver completed this contracted build, certified by ULC, and delivered it on November 9, 2017. Proceeds were \$276,798.56 plus applicable taxes.

Bid by Tender – Township of Beckwith

47. Eastway had one additional contract which it was awarded by tender by the Township of Beckwith (“**Beckwith**”) on June 7, 2017 at a contract price of \$389,900, however no work had commenced as at the date of the Appointment Order.

48. Eastway paid a \$10,000 deposit to Beckwith at the time of submitting its tender bid.

49. The Receiver kept Beckwith fully informed of the proceedings, including its efforts to seek a buyer for the Eastway business. Ultimately the process to seek a buyer was not successful and the Receiver informed Beckwith of this outcome.

50. The Receiver requested the return of the \$10,000 bid deposit but efforts to obtain same outside of litigation has not been successful as at the date of this Third Report.

Sale of Eastway Demonstrator Units

51. At the date of the Appointment Order, Eastway had two trucks available for sale in its inventory, one a smaller rescue truck and the second a large pumper truck. Both were demonstrator models (the “**Demo Units**”) which had yet to be sold.

52. The Demo Units were placed under contract on July 14, 2017, for a total price of \$662,410 plus tax. The purchaser requested several upgrades and options to be added to the base Demo Units, pushing out completion and delivery time.
53. One of the Demo Units (smaller rescue truck not requiring ULC certification) was delivered on October 3, 2017. The second Demo Unit (large pumper truck) was completed, ULC certified and delivered on December 8, 2017.
54. The total (before tax) realized from the sale of all firetrucks and rescue vehicles by the Receiver was \$1,306,898.
55. A subsequent claim by the Demo Unit customer for valve replacement in the large pumper truck was settled for \$10,000 (inclusive of taxes).

Collection of Accounts Receivable

56. Eastway generated accounts receivable through service work and parts sales. A total of \$75,446.56 of accounts receivable were collected. There are no further receivables to collect.

Sale of Remaining Assets

57. The Appointment Order authorized the Receiver to market the assets for sale, including advertising and soliciting offers for same, and negotiating such terms and conditions of sale as the Receiver deemed appropriate.

58. As set out in the Second Report, the Receiver prepared and distributed a detailed Confidential Information Memorandum (“CIM”) to interested parties who had first signed a confidentiality agreement.
59. The Receiver held meetings, discussions and site visits with interested parties.
60. One offer was received by the CIM deadline of September 22, 2017, but it was not in accordance with the terms and conditions of the CIM and contained conditions in favour of a third party which the Receiver was not in a position to negotiate. The offer was rejected.
61. The Receiver afforded the above offering party the opportunity to re-submit an offer in accordance with the CIM by October 6, later extended to October 11, 2017. The amended offer was not materially different from the original offer, still contained provisions which the Receiver was not in a position to agree to, and was rejected accordingly.
62. Given that no suitable offers were received for the sale of the business, the Receiver continued to operate the business to complete the work in process while taking steps to plan the orderly cessation of operations and liquidate the remaining assets.
63. To evaluate the fixed assets of Eastway (primarily machinery, equipment and vehicles) the Receiver obtained an appraisal from Rideau Auctions Inc., a copy of which was filed as an appendix to the Second Report.

64. The Receiver engaged an auction/liquidation company (Leveredge Asset Solutions Inc.) assist with the sale of the remaining assets, consisting primarily of shop equipment, parts and materials inventory and three vehicles.

65. All such assets were sold for a total of \$84,450 plus applicable taxes, save and except for a 2002 pick-up truck which is expected to be sold at auction shortly.

Repayments to Secured Creditor

66. As authorized by the Court, the Interim Receiver and Receiver obtained advances of \$440,659.21 from the Secured Creditor to finance ongoing operations. All advances have been repaid.

67. As further authorized by the Court, the Receiver repaid to the Secured Creditor \$250,000 towards the Company's indebtedness owing to the Secured Creditor.

68. The realization of the Company's assets is not sufficient to repay the Secured Creditor in full.

INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

69. Upon the making of the Appointment Order, the Receiver took control of the Company's bank accounts and continued to operate the business and utilize the Company's bank accounts for all operating receipts and disbursements (with the exception of monies that were paid to the Receiver into a segregated trust account by customers who agreed to prepay for parts and materials to complete their contracts, as described in the Second Report).

70. In its Second Report, the Receiver prepared two Interim Statements of Receipts and Disbursements, one specific to its trust account for handling the Pre-Payments, and a second for all of the receipts and disbursements which have been transacted through the Eastway operating account that is controlled by the Receiver.

71. The final transfer from the segregated trust account occurred on January 15, 2018 and the account was closed shortly thereafter. A summary of the activity in this account is shown below:

| | |
|--|----------------------|
| RECEIVER'S TRUST ACCOUNT (Customer Pre-Payments) | |
| Opened August 14, 2017 | |
| Closed February 7, 2018 | |
| Receipts | |
| Advances from Customer re Contract AF16-049 | \$ 124,300.00 |
| Advances from Customer re Contract AF16-057 | 145,720.00 |
| Total Receipts | \$ 270,020.00 |
| Disbursements | |
| Transfer to Eastway Operating Account re Contract AF16-049 | 124,300.00 |
| Transfer to Eastway Operating Account re AF16-057 | 145,720.00 |
| Total Disbursements | \$ 270,020.00 |
| Excess of Receipts over Disbursements | \$ - |
| CLOSING CASH POSITION as at February 7, 2018 | \$ - |

72. The Receiver's Interim Statement of Receipts and Disbursements as at July 31, 2018 attached hereto as **Appendix "F"** (the "**Interim R&D**") accounts for all of the receipts and disbursements from the date of the appointment of the Interim Receiver, through the amendment of the Appointment Order to remove the "Interim" designation on October 18, 2017, up to and including July 31, 2018.

73. The Interim R&D combines the receipts and disbursements of the Eastway operating account controlled by the Receiver, along with the Receiver's general operating trust account and the Receiver's segregated trust account.

74. The \$270,020 transferred from the segregated trust account to the operating account is contained within “Sale of Firetrucks and Rescue Vehicles” total of \$1,298,048.83 on the July 31, 2018 Interim R&D contained within this Third Report.

TAX MATTERS

Corporations Tax

75. Eastway’s taxation year end is December 31. The Receiver filed Eastway’s overdue 2016 federal income tax return and is in the process of preparing the 2017 federal income tax return.

76. The Receiver will also need to prepare and file a federal income tax return for 2018 before completing the administration of the receivership and seeking its discharge.

Harmonized Sales Tax

77. As set out in its Second Report, the Receiver became aware of outstanding requests from CRA to the Company for information pertaining to HST returns filed by the Company for the quarterly periods of March 11 to June 30, 2016, and for October 1 to December 31, 2016, that the Company had failed to respond to.

78. As a result of the Company’s failure to respond to CRA, Input Tax Credits (ITCs) claimed by Eastway on each of these returns were reduced to zero and caused Eastway to not receive HST refunds totalling \$33,636.

79. In addition, the Receiver was advised by CRA that the quarterly return for June 30, 2017, was also being flagged for review and until it was responded to a further refund of \$34,272 would also be withheld.
80. The Receiver prepared and submitted all of the necessary documentation to respond to CRA's requests for information for all periods under review.
81. All returns were eventually approved, with adjustments as appropriate, and refunds properly due to Eastway were received.
82. CRA set off the amount of \$10,976.88 plus penalties and interest from the refunds, such set off arising from Eastway's failure to remit the amount due on its September 30, 2016 HST return.

Employee Deductions at Source

83. Payroll is processed via a third-party service provider which attend to all remittances, and there are no indications of any unpaid amounts. The Receiver requested CRA conduct a payroll trust exam and one was conducted on December 11, 2017.

PROFESSIONAL FEES

84. In its first motion returnable July 11, 2017, the Receiver advised this Honourable Court that it was utilizing the services of Regent Law LLP of Ottawa, who also acts for the Applicant and Secured Creditor, DaVinci. In addition to being cost effective, the Receiver is of the view there is no conflict or controversy which would have precluded

Regent Law from acting for the Receiver on the return that motion or preclude Regent Law from acting for the Receiver on the return of this motion in Ottawa.

85. The Receiver also utilizes the services of Spark LLP of Toronto, who provided the independent legal opinion on the DaVinci Security.

86. The Receiver seeks to have its accounts and those of both of its legal counsel approved by this Court as follows:

- i) For the period of October 1, 2017 to July 31, 2018, the Receiver's fees and disbursements (inclusive of all applicable taxes) total \$69,957.48, which includes professional fees of the Receiver of \$53,725, disbursements of \$8,646.42 and HST of \$8,036.06. The Receiver's detailed accounts and the affidavit of Robert Link dated August 1, 2018 regarding its fees and disbursements are appended hereto as **Appendix "G"**.
- ii) For the period of October 19, 2017 to August 10, 2018, the fees and disbursements of the Receiver's Motion counsel, Regent Law LLP (inclusive of all applicable taxes) total \$5,650, which includes professional fees of \$5,000 up to and including the attendance of this motion, plus HST of \$650. Motion Counsel's detailed accounts and the affidavit of Jason Dutrizac dated August 2, 2018, regarding its fees and disbursements are appended hereto as **Appendix "H"**.
- iii) For the period of October 11, 2017 to July 31, 2018, the fees and disbursements of the Receiver's Independent legal counsel, Spark LLP (inclusive of all

applicable taxes) total \$1,869.30, which consists of \$1,612.00 in fees, \$42.25 in disbursements, and \$215.05 in HST. Counsel's detailed accounts and the affidavit of Sanjay Kutty dated August 2, 2018 regarding its fees and disbursements are appended hereto as **Appendix "I"**.

SUMMARY AND RECOMMENDATIONS

87. The future activities of the Receiver will include preparation of the 2017 income tax return (in progress) and since the taxable activities continued into 2018, a further income tax return for 2018 will be required.

88. Therefore, completion of the receivership and an application for discharge of the Receiver cannot take place until the 2018 tax return is filed and assessed in 2019.

89. A further modest distribution to the Secured Creditor is anticipated once the administration of the receivership is completed in 2019.

90. For the reasons set out in this Third Report, the Receiver respectfully requests that this Honourable Court issue an Order:

- i) Approving this Third Report and the actions, activities, conduct and findings of the Receiver and its counsel as described in this Third Report;
- ii) Approving the Receiver's Interim Statement of Receipts and Disbursements;
- iii) Approving the fees and disbursements of the Receiver and both of its counsel as submitted.

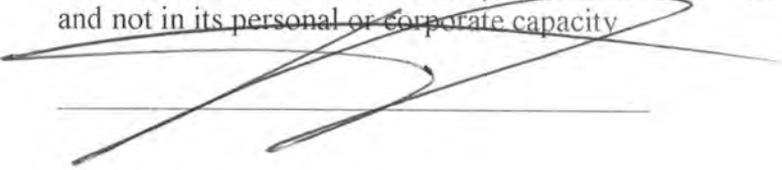
All of which is respectfully submitted this 2nd day of August, 2018.

LINK & ASSOCIATES INC.

Court-Appointed Receiver of

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

and not in its personal or corporate capacity



APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)

FRI DAY, THE 22^d

JUSTICE C. MACLEOD)

DAY OF JUNE, 2017

IN THE MATTER OF AN ANTICIPATED APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

ORDER APPOINTING INTERIM RECEIVER

THIS MOTION, made by the Applicant Davinci Capital Partners Inc. in its capacity as trustee of Davinci Capital Private Debt Fund (the "**Applicant**") for an Order pursuant to section 47(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 Interim Receiver (the "**Receiver**") without security, of all the assets, undertakings and properties of 9584358 Canada Ltd. o/a Eastway Fire and Rescue (the "**Debtor**") was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Application dated June 22, 2017, the Affidavit of Wayne Ehgoetz sworn June 22, 2017, the consent of Link & Associates Inc. to act as the Interim Receiver and on hearing the submissions of Counsel for the Applicant, no on appearing for the Respondent although duly served with the Notice of Application as evidence by an affidavit of service, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record 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 47 (1) of the BIA and section 101 of the CJA, in respect of the Debtor, Link & Associates Inc. is hereby appointed Receiver, without security, of all of the Debtor's assets, undertakings and properties of every nature and kind whatsoever, and wherever located, including all proceeds thereof, acquired for, or used in relation to a business carried on by the Debtor (collective the "**Property**"), until the earlier of:

- a. the taking of possession by a receiver, within the meaning of subsection 243(2) of the BIA, of the Debtor's property over which the interim receiver was appointed,
- b. the taking of possession by a trustee of the Debtor's property over which the interim receiver was appointed, or
- c. the expiry of 30 days after the day on which the interim receiver was appointed or of any period specified by the court

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 Debtpr, 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 receive and collect the receivables 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;
- (f) to settle, extend or compromise any indebtedness owing to the Debtor with respect to the Property;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect 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;
- (h) 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;
- (i) 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;

(j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding ~~\$250,000~~ ^{\$100,000}, provided that the aggregate consideration for all such transactions does not exceed ~~\$750,000~~; and ~~\$~~ ^{\$}500,000.00; 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, and in each case the Ontario *Bulk Sales Act* shall not apply.

(k) 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;

(l) 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;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(n) 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 Eastway;

(o) 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;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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 Debtors, 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 (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 6 or in paragraph 7 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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **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

8. **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.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **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

10. **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.

RECEIVER TO HOLD FUNDS

11. **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 upon further Order of this Court or on consent of the Applicants.

EMPLOYEES

12. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. 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

13. 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

14. **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

15. **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

16. **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, to a maximum of \$100,000.00, 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.

17. **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.

18. **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.

SERVICE AND NOTICE

19. **THIS COURT ORDERS** that the Receiver be at liberty to serve 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 electronic 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 notice by courier, personal delivery or electronic 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.

20. **THIS COURT ORDERS** that the Applicants, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.

GENERAL

21. **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.

22. **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.

23. **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.

24. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, as 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 or may be agreed between the parties.

25. **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, the Applicants 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.

SEALING OF COURT DOCUMENTS

26. **THIS COURT ORDERS** that the Application Record be sealed and not form part of the public record until such further order of the Court.

| | |
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| ENTERED AT OTTAWA INSCRIT A OTTAWA | |
| ON/LE | JUN 23 2017 |
| DOCUMENT # | <u>GH1</u> |
| IN BOOK NO. 73-13 | |
| AU REGISTRE NO. 73-13 | |



MR. JUSTICE C. MACLEOD

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE
Respondents

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
OTTAWA

ORDER APPOINTING INTERIM RECEIVER

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
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Ryan E. Flewelling, LSUC #49009W

Tel: 613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)

APPENDIX B



Court File No.: 33-2073560

Estate No.: 33-2073560

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF A NOTICE OF INTENTION TO MAKE A PROPOSAL OF
EASTWAY911 EMERGENCY VEHICLES LTD.
OF THE TOWN OF CARLETON PLACE
IN THE PROVINCE OF ONTARIO

FIRST COURT REPORT OF THE PROPOSAL TRUSTEE

AND

PROPOSED INTERIM RECEIVER

**DOYLE SALEWSKI INC.
(January 14, 2016)**

I. INTRODUCTION, PURPOSE AND QUALIFICATION

(a) Introduction

1. This report (the "First Report") is filed by Doyle Salewski Inc. ("DSI"), in its capacity as proposal trustee ("Proposal Trustee") and Proposed Interim Receiver ("Interim Receiver") in connection with the Notice of Intention to Make a Proposal (the "NOI") filed by Eastway911 Emergency Vehicles Ltd. ("Eastway911" or the "Company") on January 3, 2016 (the "Filing Date") under section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"). A copy of the NOI filed is attached as **Appendix "1"**.
2. The Proposed Interim Receiver has consented to act in the Interim Receiver proceedings in the event this Honourable Court grants the Interim Receiver Order sought. The Proposed Interim Receiver is a licensed trustee, has not acted as auditor of the Company and is not restricted from acting as Interim Receiver pursuant to Section 47(1) of the BIA.
3. On December 21, 2015, Waygar Capital Inc., as agent for Davinci Private Capital Debt Fund ("Davinci" or the "Secured Creditor"), a secured creditor, issued a Notice of Intention to Enforce Security (the "Notice") pursuant to section 244(1) of the BIA. The

Company signed a waiver with respect to the Notice. A copy of the Notice filed and Waiver is attached as **Appendix “2”**.

4. The Proposal Trustee obtained an independent opinion from Merovitz Potechin LLP dated January 13, 2016 (the “Merovitz Opinion”) who advised that the Davinci Security is valid and enforceable as against a trustee. A copy of the Merovitz Opinion is attached as **Appendix “3”**.
5. The Company manufactures custom emergency response vehicles, primarily fire trucks. Eastway911 was incorporated on August 22, 2014 and acquired the assets of Eastway Emergency Vehicles Inc. in December 2014. The Company and its predecessors have been manufacturing emergency vehicles since 1973. Eastway911, and its predecessors, has built trucks for hundreds of municipalities and fire districts, and has worked with customers in the aviation, mining and petrochemical industries. Eastway911 builds all vehicles to the National Fire Protection Association (NFPA), UL and ULC codes and standards. Eastway911 designs and manufactures vehicles—including “built-to-order” pumpers, tankers, rescues, wildlands, and hazmat vehicles—all to exact specifications and established budget.
6. Eastway911 operates out of rented premises in Carleton Place, Ontario and has employed upwards of 50 people. Eastway911 has temporarily laid off a majority of the staff pending its restructuring.
7. Further background information is outlined in the affidavit of Wayne Ehgoetz (the “Ehgoetz Affidavit”) sworn January 14, 2016 and filed with the Court. The Proposal Trustee has reviewed the Ehgoetz Affidavit filed in support of the Secured Creditor’s application.

(b) Purpose

8. The purpose of this first report of the Proposal Trustee and Proposed Interim Receiver dated January 14, 2016 (the “First Report”) is to provide information to the Court in connection with the following:
 - (a) Davinci’s request to be granted an order appointing Doyle Salewski Inc. as Interim Receiver pursuant to Section 47 the BIA;
 - (b) Obtaining a Vesting Order authorizing the Interim Receiver to: (i) complete a sale of an emergency vehicle to Laurentian; (ii) pay Lewis Motors for a chassis wrought into the vehicle; (iii) pay the HST exigible on the sale; and (iv) remit the balance of funds to the Davinci.
 - (c) the status of Eastway911’s restructuring activities and projected cash flows requirements subsequent to the filing of the NOI;
 - (d) Obtain authorization for the Interim Receiver to market for sale Eastway911’s business (the “Sales Process”) and approve the bidding procedures (the “Bidding Procedures”);

- (e) Obtain authorization and direct Eastway911 to enter into the asset purchase agreement (the "Stalking Horse Asset Purchase Agreement") with 9584358 Canada Limited and approve and accept the Stalking Horse Asset Purchase Agreement for the purposes of conducting this Sales Process, and;
- (f) Obtain authorization and grant Eastway911 an extension of time of 45 days in which to file a proposal from February 2, 2016 to March 18, 2016 pursuant to Section 50.4(9) of the "BIA".

(c) Qualifications

- 9. The information contained in this report has been obtained from the records of the Applicants and is based on discussions with, and representations made by, management of the Company and other professional advisors retained in this matter.
- 10. The financial information of the Applicants have not been audited, reviewed or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Applicants. Accordingly, the Proposal Trustee does not express an opinion or any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or is brought to its attention after the date of this report.
- 11. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use that any party makes of this report or any reliance on or decisions that are made based on this report is the sole responsibility of such party. All dollar amounts identified in this report are expressed in Canadian dollars, unless otherwise specified.

II. REPORT AND OBSERVATIONS OF THE PROPOSAL TRUSTEE

- 12. DSI representatives attended at Eastway911's premises in Carleton Place, Ontario on January 5, 2016 for the purpose of identifying issues to be addressed to facilitate Eastway911 to formulate a restructuring plan.
- 13. DSI also performed the following:
 - (a) conducting due diligence and analysis to prepare the NOI;
 - (b) preparing and filing the NOI;
 - (c) participating in teleconferences and discussions with the secured creditor;

- (d) reporting to and discussing with Management the status of the stay proceedings; and,
- (e) reviewing with Management its current financial situation and assisting in projected cash flow statements required; and

III. PROPOSED STALKING HORSE SALE PROCESS AND BIDDING PROCEDURE

- 14. Management of Eastway911 believes, and the Proposal Trustee agrees, that Eastway911 requires a sale of Eastway911's business to provide investment capital to enable Eastway911 to continue its operations and meets its ongoing costs.
- 15. An expedited Sales Process is required for reasons that include: (i) the urgent need to complete the transaction to preserve the customer base; (ii) extraordinarily tight cash flows; and (iii) to provide comfort to the employees that their employment will not end.
- 16. An offer has been received from 9584358 Canada Ltd. (the "Purchaser") to purchase the assets of Eastway911 by way of a stalking horse bid (the "Stalking Horse Agreement"). A stalking horse process will allow Eastway911 to continue operations with some certainty to its customers, suppliers and employees that Eastway911 will be sold and its operations will continue.
- 17. The Stalking Horse Agreement is to stand as an opening bid in the Sales Process.
- 18. Due to time constraints the Proposal trustee has not commissioned an appraisal on the assets of the Company. The Stalking Horse Agreement will allow Eastway911 to undertake a Sales Process, which will expose the opportunity to the market in order to maximize the proceeds of sale for the benefit of its creditors.
- 19. The Proposal Trustee has reviewed the terms of the Asset Purchase Agreement between the Purchaser and Eastway911 and the Bidding Procedures, which have been submitted for approval to this Honourable Court. The Stalking Horse Agreement includes a Break-Up Fee of \$50,000 and the Expense Reimbursement of up to \$75,000 and a Minimum Overbid of \$35,000. The Proposal Trustee believes that these amounts are reasonable in the circumstances and will not deter prospective purchasers. The Proposal Trustee also believes that the Break-Up Fee and Expense Reimbursement Charge is reasonable. Copies of the proposed Bidding Procedure is attached as **Appendix "4"**. Attached as **Appendix "5"** is a pro forma Stalking Horse Agreement. The definitive Stalking Horse Agreement will be handed directly to the Honourable Court at the hearing.
- 20. With the approval of the Honourable Court, the Interim Receiver intends to commence the Sales Process forthwith, with the intent that such Sales Process produces expressions of interest by January 22, 2016, offers by January 27, 2016, with an auction process to be conducted by January 29, 2016, if necessary.

- (a) contacting a list of interested parties who have been identified by the Proposal Trustee and by Eastway911's Management;
 - (b) preparing and distributing a confidential information memorandum highlighting some of the pertinent features of Eastway911 to interest parties, following receipt of a signed confidentiality agreement;
 - (c) preparing an electronic "data room", which will allow interested parties to access confidential information related to Eastway911 and coordinating due diligence efforts;
 - (d) qualifying bidders based on their reputation and their demonstrated ability to complete a purchase;
 - (e) receiving and reviewing bids, and negotiating offers to purchase; and
 - (f) determining the value of a qualified bid, and whether there will be an auction pursuant to the terms of the Bidding Procedures.
21. The timelines for the Sales Process will be as follows:
- (a) January 22, 2016 – deadline for determination of Interested Parties
 - (b) January 27, 2016 – deadline for the receipt of qualified bids
 - (c) January 29, 2016 – auction sale
 - (d) February 4, 2016 – sale approval hearing at Court
 - (e) February 10, 2016 – closing of approved sale

IV. CASH FORECAST AND RESULTS TO DATE

22. Eastway911 Management, with the assistance of the Proposal Trustee, prepared an eight week cash flow ending February 16, 2016 (the "Cash Flow Projections"). A copy of the Cash Flow Projections, along with the reports of the Proposal Trustee and the Debtor on the cash forecast as prescribed by section 50.4 of the BIA were filed with the Office of the Superintendent of Bankruptcy (the "OSB") on January 11, 2016. Subsequent to the filing it became apparent that a major firetruck sale/delivery (the "Laurentian Vehicle") could not be completed by the Company. The Laurentian Vehicle had been removed from the Company's storage premises by a Lewis Motors, creditor. An agreement was reached whereby the vehicle sale would be completed by the Interim Receiver pursuant to a Vesting Order. This necessitated that an Amended cash flow projection be filed to remove the sale from the Company's cash flow. The Cash Flow Statements are attached as **Appendix "6"**.
23. It is too early to determine if the cash flow projection deviate materially from actual results.

24. The Company believes it will not require a DIP Facility as the Secured Creditor has agreed to fund the Company during its restructuring.
25. Eastway911 Management has advised the Proposal Trustee that Eastway911 is continuing to operate its business in the ordinary course and wages and source deductions are being paid when due.

V. EXTENSION OF TIME TO FILE A PROPOSAL

26. As described above, the timelines in the Sales Process mean that a purchaser will not be identified before the bid deadline date of January 29, 2016. As a result, Eastway911 will not be in a position to file a Proposal on February 2, 2016 as would be required pursuant to section 50.4(8) of the BIA within the 30 limit allowed by the NOI, and as such, Eastway911 is seeking an extension of 45 days to March 18, 2016 to file its Proposal.
27. During the NOI period, the Proposal Trustee has been monitoring the operations of Eastway911 and believes that Eastway911 has continued operations in the normal course and has complied with the requirements of the BIA as follows:
 - (a) Eastway911 has acted, and continues to act, in good faith and with due diligence;
 - (b) Depending on the outcome of the Sales Process Eastway911 may be able to make a viable Proposal should the extension be granted; and
 - (c) No creditor will be materially prejudice if the extension is granted.

VI. CONCLUSION AND RECOMMENDATION

28. The Stalking Horse Agreement will provide certainty of a sale of Eastway911's assets and allow the Interim Receiver to undertake the Sales Process to expose the assets of Eastway911 to the market in an effort to obtain a superior offer.
29. At this time, the Proposal Trustee is not in a position to comment on the purchase price of the Stalking Horse Agreement. However, the Proposal Trustee believes that the terms of the Bidding Procedures, Break-Up Fee, Expense Reimbursement and Overbid Amount are reasonable and will not deter prospective purchasers. Therefore, the Proposal Trustee recommends that Eastway911 be authorized to enter into the Stalking Horse Agreement so that the Sales Process can be undertaken to determine if there are any other going-concern purchasers, and if the value of the Stalking Horse Agreement represents the highest possible value, which will maximize the recovery for the creditors.
30. Eastway911 has been able to maintain operations and meet its post filing obligations. Eastway911's request for an extension to file a Proposal for 45 days is reasonable and will

allow for the completion of the Sales Process, which will be for the benefit of Eastway911's creditors.

31. The Proposal Trustee recommends and respectfully request that the Court make an Order approving:
- (a) The appointment of an Interim Receiver;
 - (b) Approving a Vesting Order for the sale of the Laurentian Vehicle;
 - (c) Approve the Interim Receiver entering into a Stalking Horse Agreement;
 - (d) Allowing the Interim Receiver to commence the Sales Process in accordance with the Bidding Procedures;
 - (e) Eastway911's request for a 45 day extension to file a Proposal;
 - (f) Sealing this Report, including the Stalking Horse Agreement.

All of which is respectfully submitted on this 14th day of January, 2016.

DOYLE SALEWSKI INC.

In its capacity as Proposal Trustee and Proposed Interim Receiver
re Eastway911 Emergency Vehicles Ltd.
and not in its personal capacity



Paul E. Salewski, CPA, CA, CIRP
Executive Vice-President

IN THE MATTER OF THE PROPOSAL OF EASTWAY911 EMERGENCY VEHICLES LTD., OF
THE TOWN OF CARLETON PLACE, IN THE PROVINCE OF ONTARIO

Court File No.: 33-2073560
Estate No. 33-2073560

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Ottawa

**FIRST REPORT OF THE PROPOSAL TRUSTEE
AND PROPOSED INTERIM RECEIVER DOYLE
SALEWSKI INC. DATED JANUARY 14, 2016**

**DOYLE SALEWSKI INC.
404 BANK STREET
OTTAWA, ON K2P 1Y5**

Paul E. Salewski
Trustee

Tel: 613-569-4444
Fax: 613-569-1116

APPENDIX C

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MACLEOD

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)
)

TUESDAY, THE 11th
DAY OF JULY, 2017

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

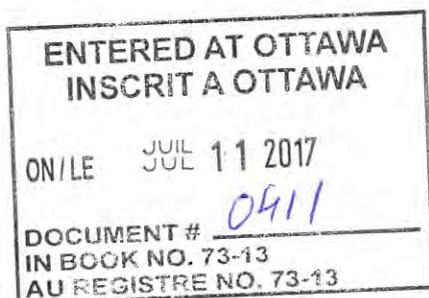
ORDER

THIS MOTION, made by Link & Associates Inc. (the "**Receiver**") in its capacity as Interim Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue ("**Eastway**") for an Order extending the duration of the interim receivership pursuant to section 47(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**"), and for such further and other relief as set out in the Notice of Motion dated July 6, 2017, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the First Report of the Receiver dated July 6, 2017 (the "**First Report**"), and on hearing the submissions of counsel for Receiver and the Respondent,

1. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion and the First Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report is hereby accepted and approved and the Receiver's activities as set out in the First Report be and are hereby approved.
3. **THIS COURT ORDERS** that the duration of the Receiver's appointment as set out in paragraph 2 of the June 23, 2017 Order appointing it as Interim Receiver (the "**Appointment Order**") is hereby extended for a further ninety (90) days to October 23, 2017, inclusive.
4. **THIS COURT ORDERS** and hereby directs Mr. Michael Cappy ("**Cappy**") to deliver to the Receiver \$17,463.55 USD (the "**Funds**") forthwith, which the Receiver shall hold in trust pending this Court's final determination of rights to said Funds.
5. **THIS COURT ORDERS** and hereby directs Cappy to refrain from directly or indirectly interfering with the operation of the Eastway's website, email and servers and to provide all necessary cooperation to the Receiver to transfer the Eastway' domain name eastwayfireandrescuevehicles.com, website and server backups to the Receiver.


MR. JUSTICE C. MACLEOD



DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-
Respondents

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Court File No...17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
OTTAWA

ORDER

REGENT LAW PROFESSIONAL CORPORATION
1401-150
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Lawyers for the Applicant

RCP-E 4C (July 1, 2007)

APPENDIX D

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

**SECOND REPORT OF THE INTERIM RECEIVER
LINK & ASSOCIATES INC.**

October 11, 2017

INDEX OF APPENDICES

TAB 1

- A. Order Appointing Interim Receiver dated June 23, 2017 (“Appointment Order”)
- B. First Report of the Interim Receiver (without Appendices)
- C. Order Amending Appointment Order dated July 11, 2017 (“Amending Order”)
- D. Correspondence from Regent Law LLP to Michael Cappy dated August 10, 2017, requesting compliance with the Amending Order
- E. Independent Legal Opinion on DaVinci Security
- F. Teaser requesting offers issued August 25, 2017
- G. Interim Statement of Receipts and Disbursements – Receiver’s Trust Account
- H. Interim Statement of Receipts and Disbursements – Eastway Operating Account
- I. Fee Affidavit of the Interim Receiver
- J. Fee Affidavit of Motion Counsel to the Receiver
- K. Fee Affidavit of Independent Counsel to the Receiver

TAB 2 CONFIDENTIAL APPENDIX

- A. Asset Appraisal dated September 15, 2017
- B. Confidential Information Memorandum dated August 25, 2017

INTRODUCTION

1. This is the second report (the “**Second Report**”) of Link & Associates Inc., filed in its capacity as the Court-Appointed Interim Receiver (in such capacity, the “**Receiver**”) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (“**Eastway**” or the “**Debtor**”).

2. The Receiver was appointed pursuant to the Order of the Honourable Mr. Justice Macleod of the Ontario Superior Court of Justice dated June 23, 2017 (the “**Appointment Order**”) for a period of 30 days. A copy of the Appointment Order is attached hereto as **Appendix “A”**.

3. The Receiver filed its first report dated July 6, 2017 (the “**First Report**”) for a motion returnable on July 11, 2017, which included a request for an amendment of the Appointment Order to provide a 90 day extension of the Receiver’s appointment. A copy of the First Report is attached hereto (without appendices) as **Appendix “B”**.

4. The First Report and the 90 day extension (to October 23, 2017) was approved by an Order of Justice Macleod dated July 11, 2017 (the “**Amending Order**”), a copy of which is attached as **Appendix “C”**.

5. Capitalized terms are as defined in the First Report unless defined otherwise herein.

Purpose of this Second Report

6. The purpose of this Second Report is to seek an Order:

- (a) amending the Appointment Order to delete reference to “Interim” and appoint Link & Associates Inc. as Receiver and Receiver/Manager of the Debtor’s property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (the “BIA”);
- (b) further amending the Appointment Order to expand the Receiver’s powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate;
- (c) accepting this Second Report and approving the actions, activities, conduct and findings of the Receiver as described therein;
- (d) sealing the Confidential Appendix as requested herein;
- (e) approving the Interim Statement of Receipts and Disbursements of the Interim Receiver;
- (f) Authorizing the Receiver to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so;
- (g) approving fees of the Interim Receiver and its legal counsel;
- (h) such further and other relief as to this Honourable Court may seem just and appropriate.

Notice to Reader

7. In preparing this Second Report and making the comments herein the Receiver has relied upon information prepared or provided by the Debtor and information from other third-party sources (collectively, the “**Information**”). Certain of the information contained in this Second Report may refer to, or is based on, the Information. As the Information has been provided by various third parties or has been obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness.

8. 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.

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

Confidential Appendix

10. In the Receiver’s judgment, disclosure of some of the documents referred to in this Second Report would negatively impact the Receiver’s ability to carry out its mandate.

11. 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 Eastway’s assets were any information to be made public concerning the specific details

of any appraisals, the terms of any offers of letters or intent, the parties or any of their advisors and/or any possible bidders, or any of them.

12. Accordingly, the Receiver has prepared a confidential appendix to this Second Report of the Receiver (the “**Confidential Appendix**”) for which the Receiver requests 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.

BACKGROUND

13. Eastway is a federally incorporated company that operates its business out of leased premises located at 100 Industrial Avenue, Units B and C, Carleton Place, Ontario, (the “**Carleton Place Premises**”) and 10 Didak Drive, Arnprior, Ontario (the “**Arnprior Premises**”).

14. Eastway is in the business of designing and manufacturing “built-to-order” pumper trucks, tanker trucks, and rescue, wildlands and hazmat vehicles.

15. In December 2014 Eastway Emergency Vehicles Inc. (“**EEVI**”) was acquired by Michael Cappy (“**Cappy**”) and re-branded as Eastway911 Emergency Vehicles Ltd. (“**Eastway911**”).

16. In November, 2015 Eastway911 ceased production when the landlord (and former owner of EEVI) locked the doors for non-payment of rent.

17. On January 3, 2016 Eastway 911 filed a Notice of Intention to Make a Proposal and through a Court-approved stalking horse bid process, 9584358 Canada Ltd. acquired the assets of Eastway911 on or about March 18, 2016.

18. On May 25, 2017, Eastway acquired certain assets of competitor Arnprior Fire Trucks Corp. (“AFTC”) from Plaintree Systems Inc. for nominal cash consideration and assumption of certain liabilities, including an agreement to lease the Arnprior Premises for one year.

19. The assets purchased from Arnprior included the rights to five (5) contracts to build rescue vehicles for various municipalities in Canada and the United States, in various stages of completion.

20. The assumed liabilities include customer deposits associated with three of these five contracts.

Appointment of Interim Receiver

21. On or about March 15, 2016, Eastway entered into a loan agreement with DaVinci for working capital and term loan facilities totalling \$1.9 million. The purpose of the loans was to provide Eastway with funds to acquire the operating assets of Eastway911 and to provide working capital to finance the day to day operations of Eastway.

22. In January 2017, Mr. Terry Kruk (“Kruk”) was appointed by DaVinci to monitor the Eastway loan, which included attendances at the Carleton Place Premises, as DaVinci was becoming increasingly concerned about the growing loan advances and lack of revolving activity in the loan facility.

23. Kruk's role evolved into that of Acting Chief Financial Officer until his signing authority and electronic access to the bank accounts were revoked by Cappy, thereby removing visibility of the Company's financial position to DaVinci.

24. The loan advances from DaVinci to Eastway continued to increase and are presently in the range of \$3.8 million. Efforts by DaVinci to regularize the loan in a forbearance agreement were not successful.

25. The nature of the Eastway business model is that it generally requires the customer to pay in full upon delivery of a completed vehicle, which means the Company carries the costs of a build and overheads for several months until completion, although in certain instances partial deposits are paid, and/or the customer purchases the chassis directly.

26. Eastway was unable to generate sufficient contract volume to be profitable. Without sufficient contracts in progress at all times, there is excessive downtime and inefficiencies, and a large amount of overheads draining cash flow.

27. Cash flow shortfalls appear to have always been covered via additional DaVinci loan advances. There is no evidence of any shareholder investment for this purpose.

28. The relationship between Cappy and DaVinci continued to deteriorate, resulting in DaVinci bringing an application for the appointment of the Interim Receiver.

29. The Interim Receiver was appointed on Friday, June 23, 2017, for a period of 30 days or further order of the Court.

Amending Order

30. The appointment was extended for a further 90 days, to October 23, 2017, in the Amending Order.

31. In addition to extending the period of the appointment for 90 days, the Amending Order also ordered Cappy to make certain repayments to the Receiver and take certain actions with respect to Eastway's website, domain name, and server backups.

32. To date, Cappy has not complied with the Amending Order with respect to the payment of monies or the transfer of the website or domain, nor responded to a request for same. Correspondence from Regent Law LLP to Cappy dated August 10, 2017 is attached hereto as **Appendix "D"**.

ACTIVITIES OF THE INTERIM RECEIVER SINCE FIRST REPORT

33. As set out in its First Report, the assets of the Debtor at the date of the Appointment Order consisted primarily of contracts, work in progress, a quantity of parts and materials inventory, and equipment and vehicles.

34. After taking control of the Debtor's bank accounts and conducting an initial review of the Debtor's business, the Receiver took several steps, including but not limited to the following:

- i) Continued to operate the business as it was authorized to do in the Appointment Order;

- ii) Implemented improved purchasing and control procedures which requires the Receiver to sign all purchase orders;
- iii) Arranged for Kruk to assist the Receiver on-site with management of the operations;
- iv) Entered into amended agreements to complete two of the Arnprior Contracts and agreed to the termination of two of the Arnprior Contracts;
- v) Completed the sale and delivery of Eastway's demonstrator rescue truck;
- vi) Arranged for Eastway to be certified and listed by Underwriters Laboratories of Canada;
- vii) Mutually agreed to terminate the employment of one of Eastway's managerial staff;
- viii) Instituted temporary layoff of three production employees;
- ix) Responded to HST audit;
- x) Arranged for completion of overdue corporate income tax return;
- xi) Arranged for continuing property, liability and garage insurance policies; and
- xii) Obtained an MTO exemption number to facilitate title transfers to customers.

Proposed Amendments to the Appointment Order

35. The activities of the Interim Receiver have been extensive, and in view of the foregoing, it is the Receiver's opinion that the "Interim" label should be removed and the Receiver should be appointed as a receiver as defined under section 243(2) of the BIA by way of an amendment to the Appointment Order.

36. Practically speaking, the difference will be the removal of a time limitation on the appointment, and the requirement of the Receiver to issue statutory notices to the creditors under section 245 and 246 of the BIA, and to file periodic interim reports with the Official Receiver.

37. In addition, the Receiver seeks an amendment to the Appointment Order to expand the Receiver's powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate.

Decision to Continue Operations

38. Upon completing its initial assessment of the business, the Receiver was of the opinion that the best manner in which to maximize recovery and try to preserve enterprise value was for DaVinci to continue to provide funding so that the Receiver could complete and deliver certain builds in progress, find buyers for the two demonstrator units, and seek out a buyer for the business as a going concern.

Arnprior Contracts

39. As noted above, Eastway acquired the right to complete five (5) contracts included in the assets purchased from Arnprior (the "**Arnprior Contracts**").

40. Eastway also hired the former Arnprior employees, which while significantly increasing payroll costs, also provided skilled and experienced production staff.

41. The terms of the Arnprior purchase provided that Eastway would act as a subcontractor to Arnprior pursuant to the terms of a subcontract agreement. Once the jobs were completed, Arnprior was to invoice the customer and pay Eastway.

42. By all accounts, AFTC is a company with no assets. The Receiver was of the opinion that completing work as a subcontractor to a possibly insolvent company while having no control over the invoicing or collection process, while incurring all of the costs, was not desirable or appropriate.

43. On this basis, the Receiver met with AFTC and advised that it could only consider completion of the Arnprior Contracts if the AFTC Subcontract Agreement was set aside and Eastway (by its Receiver) entered into new agreements directly with the customers.

44. AFTC agreed to this approach and has been kept informed as to the status of each of the Arnprior Contracts.

45. The Arnprior Contracts are summarized below. The contracts are identified by number instead of the name of the municipality to respect confidentiality concerns.

| Contract Number | Description | Contract Price | Down Payment | Customer Chassis Payment | Chassis Cost |
|------------------------|--------------------|-----------------------|---------------------|---------------------------------|---------------------|
| In Progress | | | | | |
| AF16-049 | Rescue-Pumper | \$ 514,184 | \$ 102,246 | \$ 268,096 | \$ - |
| AF16-057 | Pumper-Tanker | 345,000 | 69,000 | 106,863 | |
| AF16-036 | Tanker-Pumper | 567,795 | 85,126 | - | 289,046 |
| Not Started | | | | | |
| AF16-100 | Rescue | 162,048 | - | - | |
| AF16-139 (US) | Tanker- Pumper | | - | - | |
| | \$319K USD@1.25 | 398,750 | - | - | |

46. The Receiver contacted each of the Arnprior customers and offered them the opportunity to have their trucks completed at existing contract price and to honour the deposits they had paid to AFTC, but due to cash constraints they could only be completed by Eastway on the basis of each customer pre-paying for parts and materials, and for the chassis in cases where the chassis had not yet already been purchased or paid for.

47. Three of the Arnprior Contracts included deposits paid by the customers to AFTC as shown in the table above, and these deposit liabilities were assumed by Eastway as part of the Arnprior transaction.

Arnprior Contracts - Completion Agreements

48. Customers under contracts AF16-049 and AF16-057 agreed to the foregoing proposal which are fully documented in completion agreements (the “**Completion Agreements**”) executed by the Receiver and the respective customers.

49. To segregate customer pre-payments for parts and materials (the “**Pre-Payments**”) from general operating funds, the Receiver opened a segregated trust account to which all Pre-Payments have been deposited.

50. As and when Eastway requires funding to pay its suppliers for parts and materials specific to these two contracts, it submits a request to the Receiver with supporting documentation and the Receiver transfers funds to Eastway’s operating account. All trust transfers are tracked by purchase order number and reconciled upon each transfer being made.

51. Both of these contracts are in progress and scheduled for completion and delivery later this year.

52. The Completion Agreements are contained within the CIM which is attached as part of the Confidential Appendix to this Second Report.

Arnprior Contracts – Termination

53. Two of the Arnprior Contracts which had yet to commence (contract numbers AF16-100 and AF16-139) were terminated by mutual agreement and the customers have chosen to re-tender, as they were not in a position to pre-pay for parts or chassis.

Arnprior Contracts - Status to be Determined

54. The fifth Arnprior Contract AF16-036 is in its early stages. The truck body had been fabricated as at the date of the Appointment Order, but no further work has been done.

55. The Receiver met with customer AF16-036 and offered it the opportunity to pay in advance for parts and materials, however it would have also require the customer to acquire the cab and chassis directly from the supplier at a cost of approximately \$268,000.

56. Given the surrounding uncertainty it was agreed that customer AF16-036 would wait for the outcome of the Receiver's process of seeking a buyer.

Eastway Contracts and Demo Units

57. At the date of the Appointment Order, aside from the Arnprior Contracts, Eastway had one firetruck in progress that was under contract, such contract originating from the Eastway911 transaction in March, 2016.

58. The truck which was approximately 90% complete, and upon completion will generate revenue of \$276,798 plus tax. This truck is due for completion and delivery within the next 30 days, pending ULC certification.

59. Eastway has one additional contract which it was awarded by tender on June 7, 2017 at a contract price of \$389,900, however no work has commenced. According to the township which awarded this tender to Eastway, its bid was a full \$50,000 less than the second place tender. Eastway paid a \$10,000 tender deposit when submitting its bid.

60. Eastway also had two other trucks available for sale, one a smaller rescue truck and the second a large pumper truck. Both were demonstrator models (the “**Demo Units**”) which had yet to be sold. Eastway was in discussions with a municipality in Southwest Ontario to purchase both of the Demo Units at the date of the Appointment Order.

61. Through the efforts of the Eastway sales team, the Demo Units were placed under contract on July 14, 2017, for a total price of \$662,410 plus tax. The purchaser requested a number of upgrades and options to be added to the base Demo Units, pushing out completion and delivery time for approximately 90 days.

62. One of the Demo Units (smaller rescue truck) was delivered on October 3, 2017. The second Demo Unit (large pumper truck) is expected to be delivered within the next 30 days, pending ULC certification.

ULC Certification of Automobile Fire Fighting Apparatus

63. In general, contracts to supply firetrucks will require the manufacturer to adhere to Underwriters Laboratories of Canada (ULC) standards. Upon its appointment, the

Receiver contacted ULC to ascertain whether Eastway was ULC listed and to confirm that it could meet the contract terms for same.

64. In consultation with ULC, the Receiver was advised that in June 2013, ULC announced changes to its program which harmonized its Fire Apparatus certification programs into a single North American program known as VIP-S515. The new program covers inspection and certification under CAN/ULC-S515-13 and Fire Fighting Apparatus that are contracted after November 1, 2014 shall be inspected and tested to CAN/ULC-S515-13 standards.

65. ULC advised that Eastway was not eligible for ULC certification to this standard as it had not gone through the necessary audit process, which takes approximately 4 days and costs in excess of \$10,000.

66. The Receiver arranged for the ULC audit to be conducted. The on-site portion of the audit took place from October 3 – 7, and based upon preliminary results the Receiver expects Eastway to receive its certification before the end of October.

FUNDING AND REPAYMENTS DURING RECEIVERSHIP

67. Since the date of the Appointment Order, DaVinci has continued to fund the operating expenses of the Company.

68. The Receiver has continued to operate the business as authorized in the Appointment Order, which includes operating Eastway's credit facility and making periodic advances from, and repayments to, DaVinci.

69. Since the date of the Appointment Order to the date of this Second Report, DaVinci has advanced to Eastway \$420,659.21 and received repayments of \$259,109.18.

70. The only repayments made to DaVinci are for advances made by DaVinci to Eastway after the date of the Appointment Order. However, it is anticipated within the next 30 – 45 days that sufficient funds will become available to make payments to DaVinci against the principal amount of its secured debt.

71. The Receiver recommends and seeks approval to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so.

SECURITY AND LEGAL OPINION

72. Security was granted by Eastway to DaVinci in the form of a General Security Agreement dated March 15, 2016 (the “**GSA**”), as well as a share pledge and a personal guarantee from Cappy. The GSA was registered pursuant to the *Personal Property Security Act* (“**PPSA**”) on March 18, 2016.

73. The Receiver retained the law firm of Spark LLP (“**Independent Counsel**”) to provide an independent legal opinion on the security held by DaVinci.

74. A copy of the security opinion dated May 26, 2017 (the “**Security Opinion**”) is provided in **Appendix “E”** to this Second Report.

75. Subject to the assumptions, qualifications and discussions contained in the Security Opinion, Independent Counsel is of the view that DaVinci holds a properly perfected security interest against Eastway's assets.

UNSECURED CREDITORS

76. At the date of the Receiver's appointment Eastway had virtually no trade creditors due to its suppliers requiring either payment in advance or COD terms. The only material unsecured Eastway liabilities of which the Receiver is aware of, are as follows:

- i) customer deposits assumed in the Arnprior transaction, which as noted earlier in this Second Report such liabilities have been substantially reduced due to the pending completion of two of the three Arnprior Contracts for which customer deposits had been paid to AFTC;
- ii) its monthly lease obligations for both premises (all current);
- iii) an agreement to pay a 10% surcharge to a critical supplier on account of a debt owed by the predecessor company Eastway911, such surcharge being added to all Eastway orders until the old debt is repaid.

77. Upon the requested amendment to the Appointment Order being made, the Receiver will issue statutory notices to all creditors as required under sections 245(1) and 246(1) of the BIA.

INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

78. The Receiver took control of the Company's bank accounts and all receipts and disbursements are being paid through the Company account, with the exception of monies that were paid to the Receiver by customers who agreed to prepay for parts and materials to complete their contracts, as described earlier in this Second Report.

The Receiver has prepared two Interim Statements of Receipts and Disbursements, one specific to its trust account for handling the Pre-Payments, attached hereto as **Appendix "G"** (the "**Trust Account R&D**"), and a second for all of the receipts and disbursements which have been transacted through the Eastway operating account that is controlled by the Receiver, attached hereto as **Appendix "H"** (the "**Interim R&D**").

MARKETING OF ASSETS BY THE RECEIVER

79. The Appointment Order provides that the Receiver is authorized:

- 3(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;
- 3(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

80. The results of the Receiver's initial efforts to evaluate and market the assets of the Debtor are set out below.

Asset Appraisal

81. To evaluate the fixed assets of Eastway (primarily machinery, equipment and vehicles) the Receiver obtained an appraisal from Rideau Auctions Inc. ("**Rideau**").

82. A copy of the Rideau appraisal dated September 15, 2017 is included as **Exhibit "A" to the Confidential Appendix** to this Second Report.

Confidential Information Memorandum

83. The Receiver prepared a one page "teaser" document and distributed it to various parties in the industry, including direct competitors and other truck manufacturers, as well as equipment dealers/liquidators. A copy of the teaser is attached as **Appendix "F"** to this Second Report.

84. The teaser specifically indicated that preference would be given to those prospective purchasers which had interest in continuing the operations and offering employment to the current employees.

85. The teaser requested interested parties to contact the Receiver and to execute a confidentiality agreement to obtain a copy of a Confidential Information Memorandum (the “CIM”). A copy of the CIM is included as **Exhibit “B” to the Confidential Appendix** to this Second Report.

86. The Receiver required the execution of a confidentiality agreement given the inclusion of copies of municipal contracts.

87. Employee information was not included in the CIM, but was made available upon request, at the Receiver’s discretion, to those who expressed interest in offering continuing employment.

88. Twelve (12) confidentiality agreements were signed and the CIM was distributed accordingly to the requesting parties.

89. The Receiver held meetings, discussions and site visits with interested parties. One offer was received by the CIM deadline of September 22, 2017, but it was not in accordance with the terms and conditions of the CIM. Furthermore it contained conditions in favour of a third party which the Receiver was not in a position to negotiate or deal with, and accordingly the offer was rejected.

90. The Receiver afforded the offering party the opportunity to re-submit an offer in accordance with the CIM by October 6, later extended to October 11, 2017 and is awaiting receipt of same.

TAX MATTERS

Corporations Tax

91. Eastway's taxation year end is December 31st, which means its corporate tax return was due on June 30, 2017.

92. While the losses incurred by Eastway in its first fiscal year are significant and therefore there is no expectation of any corporate tax liability, the non-compliance in the corporate tax account means that any HST refunds due to Eastway will be held by Canada Revenue Agency ("CRA") until such non-compliance is rectified.

93. Subsequent to its appointment, the Receiver contacted Eastway's external accountant in early July to make arrangements for the completion and filing of the federal income tax return.

94. The Receiver executed an engagement letter on behalf of the Debtor for same and expects the tax return to be completed and filed shortly.

Harmonized Sale Tax (HST)

95. On July 14, 2017, the Receiver first became aware of a written request from CRA to the Company dated April 12, 2017, requesting the examination of GST/HST returns filed by the Company for the quarterly periods of March 11 to June 30, 2016, and for December 1 to December 31, 2016.

96. Also on July 14, 2017, the Receiver became aware of a subsequent letter to the Company dated May 17, 2017, advising that due to the Company's failure to respond to its

previous request for information, CRA intended to reduce Input Tax Credits (ITCs) claimed on each of those returns, to zero.

97. The Company does not appear to have taken any steps to respond to CRA's requests, and this failure to respond caused Eastway to not receive refunds totalling \$33,636.

98. The Receiver contacted CRA to seek additional time to respond and was advised that the review period had been closed; however the disallowed ITCs could be claimed by Eastway on a subsequent return.

99. Upon contacting CRA, the Receiver was advised that the quarterly return for June 30, 2017, was also flagged for review and until it was responded to a further refund of \$34,272 would also be withheld.

100. The Receiver has prepared and submitted all of the necessary documentation to respond to CRA's requests for information for all periods under review, and it is expected that all refunds due to Eastway will be received in the next 30 days.

Employee Deductions at Source

101. Payroll is processed via a third party service provider which attend to all remittances, and there are no indications of any unpaid amounts.

102. Notwithstanding that, the Receiver will be requesting a payroll trust exam be conducted by CRA in the near future.

PROFESSIONAL FEES

103. In its first motion returnable July 11, 2017, the Receiver advised this Honourable Court that it was utilizing the services of Regent Law LLP of Ottawa, who also acts for the Applicant DaVinci. In addition to being cost effective, the Receiver is of the view there is no conflict or controversy which would have precluded Regent Law from acting for the Receiver on the return that motion or preclude Regent Law from acting for the Receiver on the return of this motion in Ottawa.

104. The Receiver also utilizes the services of Spark LLP of Toronto, who provided the independent legal opinion on the DaVinci Security.

105. The Receiver seeks to have its accounts and those of both of its legal counsel approved by this Court as follows:

106. For the period of June 21, 2017 to September 30, 2017, the Receiver's fees and disbursements (inclusive of all applicable taxes) total \$72,803.85, which includes professional fees of the Receiver of \$57,600 plus disbursements of \$6,852.98 and HST of \$8,350.87. The Receiver's detailed accounts and the affidavit of Robert Link regarding its fees and disbursements are appended hereto as **Appendix "I"**.

107. For the period of June 23, 2017 to October 18, 2017, the fees and disbursements of the Receiver's Motion counsel, Regent Law LLP (inclusive of all applicable taxes) total \$12,480.85, which includes professional fees of \$11,045.00 up to and including the attendance of this motion, plus HST of \$1,435.85. Motion Counsel's detailed accounts and

the affidavit of Ryan Flewelling dated October 12, 2017 regarding its fees and disbursements are appended hereto as **Appendix “J”**.

108. For the period of July 17, 2017 to October 10, 2017, the fees and disbursements of the Receiver’s Independent legal counsel, Spark LLP (inclusive of all applicable taxes) total \$4,225.90, which consists of \$3,172.00 in fees, \$575.10 in disbursements, and \$478.80 in HST. Counsel’s detailed accounts and the affidavit of Sanjay Kutty dated October 10, 2017 regarding its fees and disbursements are appended hereto as **Appendix “K”**.

SUMMARY AND RECOMMENDATIONS

109. For the reasons set out in this Second Report, the Receiver respectfully requests that this Honourable Court issue an Order:

- (a) amending the Appointment Order to:
 - (i) delete any and/or all references to “Interim” and appointing Link & Associates Inc. as Receiver and Receiver/Manager of the Debtor’s property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the BIA in a form to be attached to the draft amending order; and
 - (ii) expand the Receiver’s powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate in a form to be attached to the draft amending order;

- (b) Approving this Second Report and the actions, activities, conduct and findings of the Receiver and its counsel as described in this Second Report;
- (c) Approving the Receiver's Interim Statement of Receipts and Disbursements as at October 10, 2017 for both its Trust Account and the Eastway Operating Account;
- (d) Sealing the Confidential Appendix and its exhibits as requested herein;
- (e) Authorizing the Receiver to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so;
- (f) Approving the fees and disbursements of the Receiver and both of its counsel as submitted.

All of which is respectfully submitted this 11th day of October, 2017.

LINK & ASSOCIATES INC.

Court-Appointed Interim Receiver of
9584358 Canada Ltd. o/a Eastway Fire and Rescue
and not in its personal or corporate capacity



APPENDIX E

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) TUESDAY, THE 18th
)
JUSTICE MACLEOD) DAY OF OCTOBER, 2017

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

ORDER

THIS MOTION, made by Link & Associates Inc. (the “**Receiver**”) in its capacity as Interim Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue (the “**Debtor**”) for an Order amending the Order appointing it as Interim Receiver, dated June 23, 2017 (the “**Appointment Order**”) and the Order of Justice MacLeod dated July 11, 2017 (the “**Amending Order**”) and for such further and other relief as set out in the Notice of Motion dated October 12, 2017, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion of the Receiver and the Second Report of the Receiver dated October 11, 2017 (the “**Second Report**”), and on hearing the submissions of counsel for Receiver, no one appearing for the Respondent,

1. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report is hereby accepted and approved and the Receiver's activities as set out in the Second Report be and are hereby approved.
3. **THIS COURT ORDERS** that the Interim Statement of Receipts and Disbursements of the Interim Receiver be and are hereby approved.
4. **THIS COURT ORDERS** and hereby authorizes the Receiver to make payments to the Applicant up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so.
5. **THIS COURT ORDERS** that the fees of: a) the Receiver totalling \$72,803.85, which includes professional fees of the Receiver of \$57,600 plus disbursements of \$6,852.98 and HST of \$8,350; and b) its legal counsel Regent Law Professional Corporation totalling \$12,480.85, which includes professional fees of \$11,045 up to and including the attendance of this motion, plus HST of \$1,435.85 and Spark LLP of Toronto for a total of \$4,225.90, which consists of \$3,172.00 in fees, \$575.10 in disbursements, and \$478.80 in HST, as set out in the Second Report and supporting affidavits, filed, be and are hereby approved.
6. **THIS COURT ORDERS** that, until further order of this Court Confidential Exhibits A and B to the Second 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.
7. **THIS COURT ORDERS** that the Appointment Order shall be and is hereby amended as follows:
 - (a) The following word deleted from the title of the Order Appointing Interim Receiver: "Interim".

- (b) The following word added to the title of proceedings after the operating style of the Respondent Eastway Fire and Rescue: "Vehicles".
- (c) **Paragraph 2** (and by extension, paragraph 3 of the Amending Order) deleted and replaced with the following: "**THIS COURT ORDERS** that pursuant to section 101 of the *Courts of Justice Act*, R.S.O. c. C. 43 ("**CJA**") and within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("**BIA**"), Link & Associates Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of every nature and kind whatsoever, and wherever located, including all proceeds thereof, acquired for, or used in relation to the business carried on by the Debtor (collectively the "**Property**")."
- (d) The following powers be added to **Paragraph 3** under the heading "**RECEIVER'S POWERS**":
 - (i) "q) to file an assignment in bankruptcy of the Debtor, or to consent to a bankruptcy order against the Debtor."
- (e) The following new paragraph be added as **Paragraph 27**: "**THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent."


MR. JUSTICE C. MACLEOD



DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE
Respondents

Court File No. 17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

AMENDING ORDER

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel: 613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)

APPENDIX F

Appendix F

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
Receiver's Interim Statement of Receipts and Disbursements
For the period of June 23, 2017 to July 31, 2018

| | CAD | USD |
|---|------------------------|----------------------|
| RECEIPTS | | |
| Cash In Bank | \$ 42,629.76 | \$ 20,198.93 |
| Advances from Secured Creditor | 440,659.21 | - |
| Sale of Firetrucks and Rescue Vehicles | 1,298,048.83 | - |
| Sale of Other Vehicles and Equipment | 84,450.00 | - |
| Collection of Accounts Receivable | 75,446.56 | - |
| HST Collected | 128,677.41 | - |
| HST Net Refunds/(Remittance) | (43,880.96) | - |
| Miscellaneous Refunds and Other | 1,279.96 | - |
| Transfer to/from CAD/USD | | 187,916.68 |
| Total Receipts | \$ 2,027,310.77 | \$ 208,115.61 |
| DISBURSEMENTS | | |
| Transfer to/from CAD/USD bank accounts | 240,204.50 | |
| Transfer to Prepaid VISA | 14,250.00 | |
| Rent - Carleton Place, ON | 25,255.50 | |
| Utilities - Carleton Place, ON | 3,488.32 | |
| Rent and Utilities - Arnprior, ON (including arrears) | 80,851.50 | |
| Gross Payroll and Commissions | 429,067.73 | |
| Employee reimbursable expenses | 19,926.33 | |
| Employee benefits | 20,499.08 | |
| Employer Health Tax (EHT) | 3,880.88 | |
| Workplace Safety & Insurance Board Premiums | 24,933.46 | |
| ULC/ESA certification and inspections | 14,434.08 | |
| Office Supplies and Miscellaneous | 5,639.96 | - |
| Purchase of Chassis | 64,432.77 | - |
| Purchase of Parts, Materials and Shop Supplies | 110,726.95 | 190,078.02 |
| Auction/Liquidation Costs | 8,944.00 | - |
| Bookeeping/Accounting/Tax | 3,900.77 | - |
| Freight and Courier | 11,164.93 | 337.24 |
| Insurance | 27,190.01 | - |
| Phone and Internet | 8,161.67 | - |
| Software Licenses and IT services | 10,745.88 | - |
| Licenses and Business Taxes | 4,129.02 | - |
| Repairs and Maintenance | 79.10 | - |
| Bank Charges and Fees | 3,900.07 | 236.80 |
| File Storage | 210.27 | |
| Other Misc | 399.09 | - |
| Appraisal | 960.50 | - |
| Filing Fees | 70.00 | |
| Receiver's Fees and Disbursements | 126,397.90 | - |
| HST on Receiver's Fees and Disbursements | 16,389.99 | - |
| Legal Fees | 17,906.64 | - |
| HST on Legal Fees | 2,275.30 | - |
| Total Disbursements | \$ 1,300,416.20 | \$ 190,652.06 |
| LESS: Repayment of Secured Creditor Advances in receivership | (440,659.21) | |
| LESS: Repayment to Secured Creditor | (250,000.00) | |
| LESS: Pre-Receivership Funds Transfer By Debtor | | (17,463.55) |
| Excess of Receipts over Disbursements | \$ 36,235.36 | 0.00 |

APPENDIX G

Appendix G

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

**AFFIDAVIT OF ROBERT G. LINK
SWORN AUGUST 1, 2018**

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

1. I am the President of Link & Associates Inc., in its capacity as Court-Appointed Receiver, without security (the “**Receiver**”) of all of the assets, undertakings and properties of 9584358 Canada Ltd. (the “**Debtor**”) pursuant to an Order of the Honourable Mr. Justice Macleod dated June 23, 2017 (the “**Appointment Order**”), an Order of the Honourable Mr. Justice Macleod dated July 11, 2017 (the “**First Approval and Amending Order**”), and an Order of the Honourable Mr. Justice Macleod dated October 18, 2017 (the “**Second Approval and Amending Order**”), and as such, have knowledge of the matters contained in this affidavit.

2. Details of the Receiver's activities from the date of the Appointment Order up to and including September 30, 2017 ("**Accounts Approval Period #1**") were provided in the Second Report of the Receiver dated October 12, 2017.

3. The Receiver's fees and disbursements for Accounts Approval Period #1 were approved by an order of the Honourable Mr. Justice Macleod dated October 18, 2017.

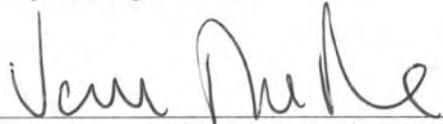
4. Details of the Receiver's activities from October 1, 2017 to July 31, 2018 ("**Accounts Approval Period #2**") are contained within the Third Report of the Receiver to Court dated August 1, 2018.

5. Attached hereto and marked as **Exhibit "A"** are true copies of the accounts rendered by the Receiver for **Accounts Approval Period #2** totaling \$69,957.48, which includes professional fees of the Receiver of \$53,275 plus disbursements of \$8,646.42 and GST/HST of \$8,036.06.

6. A total of 183.5 hours were expended by the Receiver in Accounts Approval Period #2 in performing services in its capacity as Receiver, which equates to an average hourly rate of \$290.33.

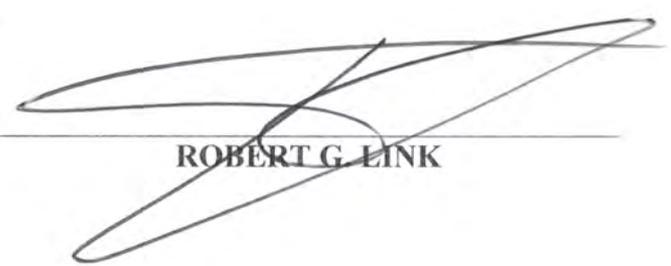
7. The hourly billing rates outlined in Exhibit "A" are normal average hourly rates charged by Link & Associates Inc., for services rendered in relation to engagements similar to its engagement as Receiver. These accounts accurately reflect the services provided by the Receiver in this matter.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario this 1st
day of August, 2018



Commissioner for Taking Affidavits

Vern D'Arre
(or as may be)



ROBERT G. LINK

This is Exhibit "A" to the Affidavit of
Robert G. Link sworn this 1st day of August, 2018

A handwritten signature in black ink, appearing to read "John D. [unclear]", written over a horizontal line.

A Commissioner etc.

Link & Associates Inc.
Receivers + Trustees

November 23, 2017

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
100 Industrial Avenue, Building 4, Unit B
Carleton Place, Ontario
K7C 3T2

Invoice #1114

*** INVOICE ***

Re: Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

To: Professional services rendered in our capacity as Court Appointed Receiver for the period of October 1 to October 31, 2017, as detailed in the attached timedockets.

| | |
|-------------------------------|-----------------------------------|
| Our Fee: | \$ 23,100.00 |
| Plus: Travel Time | included |
| Less: Courtesy Reduction | \$ (8,475.00) |
| Subtotal | \$ 14,625.00 |
| HST @ 13% | 1,901.25 |
| Subtotal Fee: | \$ 16,526.25 |
| Taxable Disbursements: | |
| Hotel | \$ 1,191.91 |
| Mileage | 1,620.00 |
| Parking | 6.64 |
| Meals | 124.74 |
| HST on Disbursements | 387.89 |
| Subtotal Disbursements | \$ 3,385.61 |
| TOTAL DUE: | \$ 19,911.86 |
| <i>Total HST on Invoice</i> | <i>\$ 2,289.14</i> |
| | |
| | Hours Hourly Rate Total |
| Robert Link, CIRP, LIT | 56.00 \$400 22,400.00 |
| James Merryweather, CPA, CGA | 2.00 \$350 700.00 |
| TOTAL | 58.00 \$ 23,100.00 |

HST #81903 2178

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|---|
| Receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles Robert Link - Time Docket For the billing period of October 1 to October 31, 2017 |
|---|

| <u>October 3, 2017</u> | 4.0 | Travel 4.5 |
|---|-----|---------------|
| Meet w/ A&B Ford (Perth); Travel to Carleton Place; deal w/ PO approvals, trust fund transfers, travel to Arnprior for meeting w/ NG Chief. | | |
| <u>October 4, 2017</u> | 4.5 | 1.0 |
| Attend at both locations for meetings, day to day management and operational matters, all tel and email re same. | | |
| <u>October 5, 2017</u> | 4.5 | 5.0 |
| Attend at Arnprior; production and purchasing meetings; meet w/ ULC auditor; meet w/ certain employees; attend Carleton Place, meeting w/ staff, deal with banking and financial matters, supplier issues; tel Beckwith; meet w/ CP landlord; drafting court report; all related tel and email; travel to TO. | | |
| <u>October 6, 2017</u> | 3.0 | |
| Deal w/ PO approvals, update R&D and drafting court report. | | |
| <u>October 10, 2017</u> | 3.0 | |
| Drafting Court Report. | | |
| <u>October 9, 2017</u> | 3.0 | |
| Drafting Court Report. | | |
| <u>October 12, 2017</u> | 3.0 | |
| Finalize and file Second Court Report; deal w/ purchasing and employee matters; consider offer; corr DaVinci; corr CRA and respond to request for additional ITC info. | | |
| <u>October 13, 2017</u> | 0.2 | |
| Tel CRA; email insurer. | | |
| <u>October 16, 2017</u> | 0.5 | |
| Deal w/ purchasing; banking and R&D update; tel from CP landlord re lease; | | |
| <u>October 17, 2017</u> | 4.0 | 4.0 |
| Travel to CP, PO approvals and chqs; tel customer re update on build; meet possible sub-tenant; attend at Arnprior to reivew build status, meet w/ employees individually. | | |
| <u>October 18, 2017</u> | 4.0 | 4.5 |
| Attend at Arnprior to conclude employee meetings; meet with landlord at CP; attend court motion for approval and amendment; review F/S and T2 for approval; reject offer; tel IT consultant re server; travel TO. | | |
| <u>October 19, 2017</u> | 1.0 | |
| Deal w/ banking, tax return filing; corr interested parties; update to DaVinci re court attendance. | | |
| <u>October 20, 2017</u> | 0.5 | |
| Corr Spartan; corr customer; deal w/ mgmt issues. | | |

October 23, 2017

Travel to CP; Meet w/ bookkeeper, deal with HST and other related matters; meet w/ auctioneer and deal w/ vacating unit C and all related issues for same; meet w/ landlord; tel CRA; travel to Arnprior, attend facility and review build progress. 4.5 4.0

October 24, 2017

Attend Arnprior, deal w/ corr to townships; meet prospective buyer; evaluate assets and realization of same; tel ESA re account and inspection; Attend at CP, deal w/ banking, premises, update R&D. 4.0

October 25, 2017

Attend at CP; Meet auctioneer; Draft 245/246 notice; prepare customer invoice for pending delivery of pumper/tanker; review banking, o/s chqs, update R&D; deal w/ prospective buyers; deal w/ Woolwich; review corr from ESA; review funding requirements; email insurer; Travel to TO. 4.0 4.0

October 26, 2017

Deal w/ premises issues at CP; insurance matters; tel bookkeeper; trust transfers; finalize and file 245/246 w/ OSB. 1.0

October 27, 2017

Corr prospective buyers; employee and premises matters, purchasing, day to day mgmt; trust account update; corr to CRA intake center w/ amended order; receive estate # from OSB, Ascend input; tel CRA 1.0

October 28, 2017

Deal w/ CP lease amendment, emails t/f LL and realtor re same. 0.3

October 30, 2017

Travel to CP; deal with payroll matter re employee advance, tel JM re same; vacate premises; review JM analysis; corr prospective purchaser; ESA approval. 3.0 4.0

October 31, 2017

Attend CP; deal w/ vacating Unit C; negotiate asset sales; payroll issues; all other tel and email. 3.0

| | | |
|--------------|-------------|-------------|
| TOTAL | 56.0 | 26.5 |
|--------------|-------------|-------------|

Timedocket James Merryweather
ENGAGEMENT NAME EASTWAY FIRE AND RESCUE VEHICLES
Insolvency Date:

| DATE | DESCRIPTION | TIME (hh/mm) |
|------------------------------|--|-----------------|
| JAMES MERRYWEATHER, CPA, CGA | | |
| 30-Oct-17 | prepare detailed payroll analysis, recommendations | 2.00 |
| TOTAL | JAMES MERRYWEATHER | 2.00 |

Link & Associates Inc.
Receivers + Trustees

December 14, 2017

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
100 Industrial Avenue, Building 4, Unit B
Carleton Place, Ontario
K7C 3T2

Invoice #1117

*** INVOICE ***

Re: Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

To: Professional services rendered in our capacity as Court Appointed Receiver for the period of November 1 to November 30, 2017, as detailed in the attached timedockets.

| | |
|---------------------------------|---------------------|
| Our Fee: | \$ 12,125.00 |
| Plus: Travel Time | N/C |
| Less: Courtesy Reduction | \$ (2,125.00) |
| Subtotal | <u>\$ 10,000.00</u> |
| HST @ 13% | 1,300.00 |
| Subtotal Fee: | \$ 11,300.00 |
| | |
| Disbursements: | |
| Hotel | \$ 827.69 |
| Mileage | 1,080.00 |
| Meals | 97.90 |
| GST/HST on Disbursements | 258.64 |
| Subtotal Disbursements | \$ 2,264.23 |
| | |
| TOTAL DUE: | \$ 13,564.23 |
| <i>Total GST/HST on Invoice</i> | <i>\$ 1,558.64</i> |

| | Hours | Hourly Rate | Total |
|------------------------------|--------------|-------------|---------------------|
| Robert Link, CIRP, LIT | 29.00 | \$400 | 11,600.00 |
| James Merryweather, CPA, CGA | 1.50 | \$350 | 525.00 |
| TOTAL | 30.50 | | \$ 12,125.00 |

HST #81903 2178

Tel.416.862.7785 Fax.416.862.2136
enquiries@linkassociates.ca
77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

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|---|
| Receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles Robert Link - Time Docket For the billing period of November 1 to November 30, 2017 |
|---|

| <u>November 1, 2017</u> | 4.0 | Travel 4.0 |
|--|-----|---------------|
| Attend at Carleton Place; deal w/ IT; deal w/ PO approvals, cheques, trust fund transfers; tel Chief Meunier; deal w/ sale of certain assets; tel DaVinci; tel and fax from CRA Insolvency re prior period assessments; travel TO. | | |
| <u>November 2, 2017</u> | 1.0 | |
| Conclude sale of certain assets, arrange transport; PO approvals; tel and email Chief Martin; update R&D. | | |
| <u>November 3, 2017</u> | 2.0 | |
| Tel Chief Meunier; emails Smith; tel Chief Martin; emails Joy; fax RC59 and GST10 to CRA; tel CRA insolvency; detailed fax letter to CRA audit and insolvency re HST refunds. | | |
| <u>November 6, 2017</u> | 0.5 | |
| Review banking; tel and email Spartan; corr R Brown re auction; review o/s items to purchase on builds corr Hutton re same. | | |
| <u>November 7, 2017</u> | 0.3 | |
| Emails Smith and Hutton; review HST data. | | |
| <u>November 8, 2017</u> | 0.5 | |
| Trust transfers; review USD account transactions; corr Brown re possible buyers; review payroll data. | | |
| <u>November 9, 2017</u> | 1.0 | |
| Complete delivery of Miss Mills, deposit of funds and process repayment to secured creditor; corr buyers and prospective buyers of assets; review banking and purchasing. | | |
| <u>November 10, 2017</u> | 0.8 | |
| Trust transfers; review USD account transactions; corr Brown re possible buyers; review payroll data; tel CRA. | | |
| <u>November 13, 2017</u> | 4.0 | 4.0 |
| Travel CP; meet at Cavanagh; review banking and update R&D; email Hutton re completion of builds; corr welding bureau; welland inspection itinerary; review corr from Beckwith; | | |
| <u>November 14, 2017</u> | 2.0 | 0.5 |
| Attend Arnprior, mtg with staff; attend CP; corr Beckwith; payroll re completion bonuses; corr prospective asset buyers; corr Brown. | | |
| <u>November 15, 2017</u> | 1.0 | 4.0 |
| Deal w/ payroll issue; tel Benedict; tel landlord; Travel TO; attend bank to open second trust account; approve wires. | | |
| <u>November 16, 2017</u> | 0.8 | |
| Corr re Welland inspection issues; emails Smith and Carswell; tel CRA; letter from CRA re payroll audit. | | |
| <u>November 17, 2017</u> | 0.3 | |
| Corr Hutton re vacation schedule, completion timelines, Welland upgrade CCO. | | |

| | | | |
|---|--|-------------|-------------|
| <u>November 20, 2017</u> | | 0.3 | |
| Email Smith and Hutton; tel/email from counsel to Woolwich; tel CRA. | | | |
| <u>November 21, 2017</u> | | 0.5 | |
| Deal w/ purchasing approvals, review build completion projections; email counsel to Woolwich. | | | |
| <u>November 22, 2017</u> | | 1.0 | |
| Review build completion timelines, file stub HST return, detailed corr to NG re completion, trust transfers; tel prospective buyer. | | | |
| <u>November 23, 2017</u> | | 1.0 | |
| Deal w/ possible asset sales, various daily management matters and related activities. | | | |
| <u>November 24, 2017</u> | | 1.0 | |
| Corr auction co re offers; deal with various employee and daily management matters, payroll issues; corr from customer; tel CRA. | | | |
| <u>November 27, 2017</u> | | 2.5 | 4.0 |
| Travel to CP; Deal w/ sale of CP assets and all related issues for same; tel CRA; email insurer; update R&D. | | | |
| <u>November 28, 2017</u> | | 2.5 | 0.5 |
| Attend Arnprior facility and review build progress and cost to complete, mtg w/ Smith and Hutton. | | | |
| <u>November 29, 2017</u> | | 1.5 | 4.0 |
| Attend CP; trust transfers; ULC scheduling; Triodetic invoicing; travel TO. | | | |
| <u>November 30, 2017</u> | | 0.5 | |
| Tel and email re sale of trade-in; corr Smith; banking and update R&D; employee issues. | | | |
| TOTAL | | 29.0 | 17.0 |

Timedocket James Merryweather
ENGAGEMENT NAME EASTWAY FIRE AND RESCUE VEHICLES
Insolvency Date:

| DATE | DESCRIPTION | TIME (hh/mm) |
|-------------------------------------|--|-----------------|
| JAMES MERRYWEATHER, CPA, CGA | | |
| 2-Nov-17 | review Employment Agreement, draft termination letter | 0.50 |
| 8-Nov-17 | amend adjusted payroll calculations; tc w C Joy re payroll adjustments | 0.50 |
| 10-Nov-17 | assist in analysis and preparation of payroll | 0.50 |
| TOTAL | JAMES MERRYWEATHER | 1.50 |

Link & Associates Inc.
Receivers + Trustees

December 31, 2017

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
100 Industrial Avenue, Building 4, Unit B
Carleton Place, Ontario
K7C 3T2

Invoice #1118

*** INVOICE ***

Re: Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

To: Professional services rendered in our capacity as Court Appointed Receiver for the period of December 1 to December 31, 2017, as detailed in the attached timedockets.

| | |
|---------------------------------|--------------------|
| Our Fee: | \$ 4,975.00 |
| Plus: Travel Time | N/C |
| Subtotal | \$ 4,975.00 |
| HST @ 13% | 646.75 |
| Subtotal Fee: | \$ 5,621.75 |
| Disbursements: | |
| Hotel | \$ 351.70 |
| Mileage | 486.00 |
| Meals | 66.38 |
| GST/HST on Disbursements | 117.53 |
| Subtotal Disbursements | \$ 1,021.61 |
| TOTAL DUE: | \$ 6,643.36 |
| <i>Total GST/HST on Invoice</i> | \$ 764.28 |

| | Hours | Hourly Rate | Total |
|------------------------------|--------------|-------------|--------------------|
| Robert Link, CIRP, LIT | 12.00 | \$400 | 4,800.00 |
| James Merryweather, CPA, CGA | 0.50 | \$350 | 175.00 |
| TOTAL | 12.50 | | \$ 4,975.00 |

HST #81903 2178

Tel.416.862.7785 Fax.416.862.2136
enquiries@linkassociates.ca
77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

| |
|---|
| Receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles Robert Link - Time Docket For the billing period of December 1 to December 31, 2017 |
|---|

| | | |
|---|------------|------------|
| <u>December 1, 2017</u> | 0.2 | Travel |
| Review PO's; review banking. | | |
| <u>December 4, 2017</u> | 0.3 | |
| Corr Brown re accounting for asset sales; emails Carswell and Smith re final prep for Wellland delivery. | | |
| <u>December 5, 2017</u> | 0.5 | |
| Tel Chief Kennedy; review funding and process supplier payments; email secured creditor. | | |
| <u>December 6, 2017</u> | 1.0 | |
| Tel CRA audit, review HST in QB and prepare reply; review o/s cheques and funding; email Chief Kennedy. | | |
| <u>December 7, 2017</u> | 0.5 | |
| Corr Carswell re possible sale of used truck and update on Wellland delivery; fax corr to CRA audit re Sept 30 return. | | |
| <u>December 8, 2017</u> | 0.5 | |
| Emails Smith, Hutton, Carswell, Joy; email Meunier; email t/f Brown re statement of account. | | |
| <u>December 11, 2017</u> | 3.5 | 4.0 |
| Travel CP, meeting CRA re payroll trust exam; meeting Carswell; deposit re welland sale and repayment to secured creditor; approve disbursements and expenses; update R&D; review payroll and funding needs; tel Brown re sales proceeds, HST adjustment. | | |
| <u>December 12, 2017</u> | 2.0 | 0.5 |
| Attend Arnprior; meet w/ Smith, Hutton; emails re payroll, holiday schedule, insurance matters. | | |
| <u>December 13, 2017</u> | 1.5 | 4.0 |
| Attend CP, attend to admin matters; travel TO. | | |
| <u>December 14, 2017</u> | 0.5 | |
| Emails t/f Beckwith; email Cavanagh; email re used pumper truck; supplier payments and customer invoicing. | | |
| <u>December 15, 2017</u> | 0.3 | |
| Emails insurer re extension to Jan 31/18; emails NG re delivery and payment. | | |
| <u>December 19, 2017</u> | 0.2 | |
| Emails re used pumper truck; possible sale of partial fabr body. | | |
| <u>December 20, 2017</u> | 0.3 | |
| Deal w/ admin matters, tel and emails. | | |
| <u>December 21, 2017</u> | 0.2 | |
| Review Trio invoices, HST refunds, emails counsel re billing. | | |

December 22, 2017

0.5

Emails Joy re: funding, payroll, terminations, all other admin and premises matters.

| | | |
|--------------|-------------|------------|
| TOTAL | 12.0 | 8.5 |
|--------------|-------------|------------|

Timedocket James Merryweather
ENGAGEMENT NAME EASTWAY FIRE AND RESCUE VEHICLES
Insolvency Date:

| DATE | DESCRIPTION | TIME (hh/mm) |
|------------------------------|---|-----------------|
| JAMES MERRYWEATHER, CPA, CGA | | |
| 12-Dec-18 | assist in analysis and preparation of payroll | 0.50 |
| TOTAL | JAMES MERRYWEATHER | 0.50 |

Link & Associates Inc.
Receivers + Trustees

March 31, 2018

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
100 Industrial Avenue, Building 4, Unit B
Carleton Place, Ontario
K7C 3T2

Invoice #1130

*** INVOICE ***

Re: Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

To: Professional services rendered in our capacity as Court Appointed Receiver for the period of January 1 to March 31, 2018, as detailed in the attached timedockets.

| | | | |
|---|--------------|-------------|---------------------|
| Our Fee: | | | \$ 24,025.00 |
| Plus: Travel Time | | | N/C |
| Subtotal | | | \$ 24,025.00 |
| Less: Courtesy Reduction | | | \$ (8,500.00) |
| Adjusted Subtotal | | | \$ 15,525.00 |
| Plus: HST @ 13% | | | 2,018.25 |
| TOTAL DUE | | | \$ 17,543.25 |
| <i>Total GST/HST on Invoice</i> \$ 2,018.25 | | | |
| | Hours | Hourly Rate | Total |
| Robert Link, CIRP, LIT | 53.50 | \$400 | 21,400.00 |
| James Merryweather, CPA, CGA | 7.50 | \$350 | 2,625.00 |
| TOTAL | 61.00 | | \$ 24,025.00 |

HST #81903 2178

Tel.416.862.7785 Fax.416.862.2136
enquiries@linkassociates.ca

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

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

| |
|---|
| Receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles Robert Link - Time Docket For the billing period of January 1 to March 31, 2018 |
|---|

| | | |
|--|------------|------------|
| <u>January 2, 2018</u> | 0.5 | Travel |
| Deal w/ admin and premises matters; AKW build update. | | |
| <u>January 3, 2018</u> | 0.4 | |
| Email and tel Cavanagh re iron worker and "credit" adjustment, other admin matters, service job. | | |
| <u>January 4, 2018</u> | 0.5 | |
| Email Dutrizac re Beckwith deposit matter; emails Smith re jobs status, purchasing. | | |
| <u>January 5, 2018</u> | 0.5 | |
| Deal w/ admin matters, purchasing. | | |
| <u>January 6, 2018</u> | 0.5 | |
| Numerous emails C Joy deal with accounting and admin matters. | | |
| <u>January 8, 2018</u> | 0.5 | |
| Email Hutton; corr re Enbridge; corr G&K re invoices and account closing; purchasing. | | |
| <u>January 9, 2018</u> | 1.0 | |
| Various emails re Bell, jobs status and ULC inspections; email Flewelling; email Benedict; completion bonuses for payroll. | | |
| <u>January 10, 2018</u> | 1.0 | |
| Emails t/f Poulin; emails t/f Benedict; deal w/ Bell Mobility; purchasing and admin matters; review affidavits and materials email Flewelling re same. | | |
| <u>January 11, 2018</u> | 0.5 | |
| Email Plaintree; email Poulin; email Wong; Email Joy re closing matters; tel and email G&K. | | |
| <u>January 12, 2018</u> | 0.3 | |
| Various emails. Deal w/ misc admin matters. | | |
| <u>January 15, 2018</u> | 3.0 | 4.0 |
| Travel to CP; deal w/ various premises and admin matters; corr BNS; e-file w/ Corporations Canada; email Dutrizac re Beckwith. | | |
| <u>January 16, 2018</u> | 4.0 | 0.5 |
| Deal w/ employee terminations and related activities; attend to final closing matters; trave to Arnprior, meet w/ Smith, Hutton; update on job status; meeting with Dutrizac and Flewelling; revise and approve ltr to Beckwith. | | |
| <u>January 17, 2018</u> | 1.5 | 4.0 |
| Attend CP; meet w/ G&K rep; corr utilities re discrepancies, closing of accounts; travel T.O. | | |
| <u>January 18, 2018</u> | 0.5 | |
| Email R Brown re: remaining assets; email G&K; emails JM and CJ re closing matters. | | |

| | | | |
|---|--|------------|------------|
| <u>January 19, 2018</u> | | 0.5 | |
| Arrange for sale of pickup truck; emails re benefits, other final payroll matters. | | | |
| <u>January 20, 2018</u> | | 0.5 | |
| Emails CJ re final completion bonuses, purchasing and supplier payments, final customer invoicing. | | | |
| <u>January 22, 2018</u> | | 0.5 | |
| Obtain AFTC ROE's re WEPP processing; corr re prospective asset purchaser; emails Smith and Hutton. | | | |
| <u>January 23, 2018</u> | | 1.5 | |
| Email Smith re updated asset listing; gather and fwd employee info for JM WEPP processing; tel and email GWL re employee terminations, closing of plan; AWK final invoicing; emails t/f Carswell. | | | |
| <u>January 24, 2018</u> | | 0.5 | |
| Emails Smith, Hutton re job completion; email Joy; corr benefits co.; email Salewski; termination letters. | | | |
| <u>January 25, 2018</u> | | 0.5 | |
| Emails Smith, Hutton, Joy; deal w/ ROE's; corr GWL; termination matters. | | | |
| <u>January 26, 2018</u> | | 0.8 | |
| Emails Hale; emails AKW re: final payment and delivery; draft and transmit employee letters re termination and ROEs. | | | |
| <u>January 27, 2018</u> | | 0.3 | |
| Prepare, e-file HST return; | | | |
| <u>January 29, 2018</u> | | 4.0 | 4.0 |
| Travel to CP; deal w/ matters pertaining to vacating CP premises, removal of server, computers, records; and all other admin, tel and emails. | | | |
| <u>January 30, 2018</u> | | 4.0 | 1.0 |
| Corr Bell; meet w/ prospective buyer; tel and emails re possible sale of Arnprior assets; A/R and A/P review, expenses; tel and email Carswell; all other tel and email. | | | |
| <u>January 31, 2018</u> | | 4.0 | 1.0 |
| Attend Arnprior and CP locations; deal w/ termination matters; Hale credit and recon; premises issues; confirm insurer extension; email benefits provider; confirm final truck delivery; attend bank, deposit NG and remit HST; numerous tel and email. | | | |
| <u>February 1, 2018</u> | | 3.0 | 0.5 |
| Attend Arnprior. Deal with various wind-up matters, meetings, sale of assets; attend CP, banking. | | | |
| <u>February 2, 2018</u> | | 3.0 | 4.0 |
| Attend Arnprior, meet w/ staff, deal w/ asset sales, meet buyers, attend CP. Travel TO. | | | |
| <u>February 4, 2018</u> | | 0.5 | |
| Email NG Chief; email customer invoicing for service job; email Leveredge re HST overpayment. | | | |
| <u>February 5, 2018</u> | | 1.0 | |
| Email Megram; email Fenton Fire; execute and submit GWL termination ltr; email insurer; email Enbridge; email Kooiman; make arrangements with Bell at AFTC; | | | |

| | | | |
|---|--|------------|------------|
| <u>February 7, 2018</u> | | 0.5 | |
| Email C Joy w/ updated list of closing matters to attend to; email BNS; email customer invoice; deal w/ supplier inquiries. | | | |
| <u>February 9, 2018</u> | | 0.3 | |
| Arrange completion of sale of service truck, tel and email buyer. | | | |
| <u>February 12, 2018</u> | | 0.3 | |
| Email WSIB legal dept. | | | |
| <u>February 14, 2018</u> | | 0.2 | |
| Supplier inquiries; email Smith; email Cannon. | | | |
| <u>February 15, 2018</u> | | 1.0 | |
| Prepare Hale recon and send to Otero for review and comment; tel Cannon. | | | |
| <u>February 16, 2018</u> | | 0.5 | |
| Email Plaintree; deal w/ various admin, supplier, employee issues. | | | |
| <u>February 20, 2018</u> | | 0.5 | |
| Corr Benedict re possible repair, all tel and email re same. | | | |
| <u>February 22, 2018</u> | | 0.2 | |
| Supplier inquiry; employee inquiry. | | | |
| <u>February 23, 2018</u> | | 0.2 | |
| F/U counsel re Beckwith; emails t/f Macgregor; email Filebank. | | | |
| <u>February 26, 2018</u> | | 0.2 | |
| Email Joy re ADP, JM re WEPP. | | | |
| <u>February 27, 2018</u> | | 0.3 | |
| Employee inquiries re WEPP, review vac entitlement for salaried; | | | |
| <u>February 28, 2018</u> | | 0.5 | |
| Corr Filebank; email Saunders; employee emails, auth final vac pay. | | | |
| <u>March 1, 2018</u> | | 3.0 | 4.5 |
| Attend former premises CP, retrieve mail; attend Arnprior to deal with various closing matters, meeting w/ Plaintree, arranging for removal and storage of records and computers. | | | |
| <u>March 2, 2018</u> | | 1.5 | 4.0 |
| Attend Arnprior, final matters, remove Bell equipment, email G&K re uniform retrieval; employee inquiries; email counsel to Pilot Point, travel TO. | | | |
| <u>March 5, 2018</u> | | 0.5 | |
| Email Bell insolvency re closure of accounts, return of equipment, final billing; file annual CBCA report. | | | |

| | | |
|--|--|------------------|
| <u>March 6, 2018</u> | | 0.2 |
| Email Joy re final AP, advice from ADP as to T4 delivery. | | |
| <u>March 9, 2018</u> | | 0.1 |
| Follow up ADP. | | |
| <u>March 14, 2018</u> | | 0.5 |
| Email and tel ADP, obtain electronic reports. | | |
| <u>March 20, 2018</u> | | 1.0 |
| Emails customers for A/R collection follow up; corr from suppliers; email t/f ADP to close account and obtain 2018 tax reports and T4s. | | |
| <u>March 23, 2018</u> | | 0.5 |
| Lengthy tel WSIB re company failure to file 2016 reconciliation, deal with establish new account, reallocate payments. | | |
| <u>March 26, 2018</u> | | 0.3 |
| Emails WSIB; former employees. | | |
| <u>March 27, 2018</u> | | 0.2 |
| Email ULC, G&K, Torbram re invoices. | | |
| <u>March 28, 2018</u> | | 0.5 |
| Deal w/ WSIB and payroll matters numerous emails, review reports and previous filings. | | |
| <u>March 29, 2018</u> | | 1.2 |
| Email reply to lawyer for Pilot Pt.; email Filebank arrange for box access and delivery; emails re ADP; email JM re WSIB recon; email t/f WSIB; Ben W re server access; issue cheques. | | |
| TOTAL | | 53.5 14.5 |

Timedocket **James Merryweather**
ENGAGEMENT NAME **EASTWAY FIRE AND RESCUE VEHICLES**
Insolvency Date:

| DATE | DESCRIPTION | TIME (hh/mm) |
|-------------------------------------|--|-----------------|
| JAMES MERRYWEATHER, CPA, CGA | | |
| 22-Jan-18 | prepare proofs of claim and letters, send to employees; register for WEPPA; prepare WEPPA claim, send letter to employee | 1.50 |
| 23-Jan-18 | review termination issues; update employee schedule; draft docs | 1.00 |
| 25-Jan-18 | update employee schedule; prepare proofs of claim | 0.50 |
| 31-Jan-18 | prepare termination calculations, proofs of claim and letters, send same to employees | 1.00 |
| 13-Feb-18 | process WEPPA, prepare letter and send to employee | 0.25 |
| 26-Feb-18 | process WEPPA, prepare letter and send to employees; prepare employee claims; prepare proofs of claim and letters. send to employees | 1.50 |
| 28-Feb-18 | process WEPPA, prepare letter and send to employee; prepare employee claims; prepare proofs of claim and letters. send to employees | 1.00 |
| 05-Mar-18 | process WEPPA, prepare letter and send to employees | 0.50 |
| 22-Mar-18 | process WEPPA, prepare letter and send to employee | 0.25 |
| TOTAL | JAMES MERRYWEATHER | 7.50 |

Link & Associates Inc.

77 King Street W., Suite 3000, PO Box 95, TD
Centre North Tower
Toronto ON M5K 1G8
(416) 862-7785
rlink@linkassociates.ca
GST Registration No.: 819032178

Link & Associates Inc.

Receivers + Trustees

INVOICE

INVOICE TO

9584358 Canada Ltd. o/a
Eastway Fire and Rescue

INVOICE # 1131

DATE 31-03-2018

DUE DATE 30-04-2018

TERMS Net 30

| ACTIVITY | QTY | RATE | AMOUNT | TAX |
|--|-----|----------|----------|-----------|
| Disbursements Hotel Jan - March | 1 | 1,149.54 | 1,149.54 | HST ON |
| Disbursements Mileage Jan - March | 1 | 1,336.50 | 1,336.50 | HST ON |
| Disbursements Meals Jan - March | 1 | 146.95 | 146.95 | HST ON |
| Disbursements Meals Jan - March | 1 | 14.21 | 14.21 | GST |
| Disbursements Meals Jan - March | 1 | 46.83 | 46.83 | Exempt |
| Disbursements Filing Fee Corporations Canada | 1 | 20.00 | 20.00 | Exempt |
| Disbursements Postage | 1 | 25.00 | 25.00 | HST ON |

| | |
|----------------|-------------------|
| SUBTOTAL | 2,739.03 |
| HST (ON) @ 13% | 345.54 |
| GST/HST @ 5% | 0.71 |
| TOTAL | 3,085.28 |
| BALANCE DUE | \$3,085.28 |

TAX SUMMARY

| | RATE | TAX | NET |
|----------------|------|--------|----------|
| HST (ON) @ 13% | | 345.54 | 2,657.99 |
| GST/HST @ 5% | | 0.71 | 14.21 |

Link & Associates Inc.
Receivers + Trustees

July 31, 2018

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
100 Industrial Avenue, Building 4, Unit B
Carleton Place, Ontario
K7C 3T2

Invoice #1135

*** INVOICE ***

Re: Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles

To: Professional services rendered in our capacity as Court Appointed Receiver for the period of April 1 to July 31, 2018, as detailed in the attached timedockets.

| | | | |
|---------------------------------|--------------|-------------|--------------------|
| Our Fee: | | | \$ 8,150.00 |
| Plus: HST @ 13% | | | 1,059.50 |
| TOTAL DUE | | | \$ 9,209.50 |
| <hr/> | | | |
| <i>Total GST/HST on Invoice</i> | | \$ 1,059.50 | |
| <hr/> | | | |
| | Hours | Hourly Rate | Total |
| Robert Link, CIRP, LIT | 12.50 | \$400 | 5,000.00 |
| James Merryweather, CPA, CGA | 9.00 | \$350 | 3,150.00 |
| TOTAL | 21.50 | | \$ 8,150.00 |

HST #81903 2178

Tel. 416.862.7785 Fax. 416.862.2136
enquiries@linkassociates.ca
77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

| |
|--|
| Receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles Robert Link - Time Docket For the billing period of April 1 to July 31, 2018 |
|--|

| | |
|--|------------|
| <u>April 3, 2018</u> | 0.8 |
| Corr file storage co; corr re Titan truck; corr to former IT consultant re server. | |
| <u>April 4, 2018</u> | 0.5 |
| Corr to/from Min of Finance re EHT account. | |
| <u>April 8, 2018</u> | 0.3 |
| Corr WSIB. | |
| <u>April 10, 2018</u> | 0.3 |
| Follow up email to WSIB re: account reconciliation, request reversal of penalties and interest. | |
| <u>April 25, 2018</u> | 1.0 |
| Email ADP re 2018 employee copy T4s; email WSIB w. copies of final payments; prepare and file HST returns. | |
| <u>May 3, 2018</u> | 1.5 |
| Prepare and file interim 246(2) report w/ OR's office. | |
| <u>May 9, 2018</u> | 0.2 |
| Email DaVinci w/ file update, R&D. | |
| <u>May 11, 2018</u> | 0.1 |
| Email from Welland Chief re pumper deficiencies. | |
| <u>May 18, 2018</u> | 0.2 |
| Email BNS branch manager re account status, changes. | |
| <u>June 5, 2018</u> | 0.3 |
| F/U with Bell re hardware returns and final account. | |
| <u>June 13, 2018</u> | 0.3 |
| Email counsel re Beckwith deposit issue; email Bell. | |
| <u>June 26, 2018</u> | 0.5 |
| Receive and review report from Welland on valve failure, email t/f Kennedy. | |
| <u>July 13, 2018</u> | 0.5 |
| Complete review of Welland claim, approve same. | |
| <u>July 21, 2018</u> | 0.2 |
| Prepare and file HST on RT0002. | |

July 25, 2018

Email WSIB re credit balance and account closure. File HST on RT0001.

0.3

July 30, 2018

Drafting 3rd report.

2.0

July 31, 2018

Continue drafting 3rd report, fee affidavit; emails t/f counsel.

3.5

TOTAL

12.5

Timedocket James Merryweather
ENGAGEMENT NAME EASTWAY FIRE AND RESCUE VEHICLES
Insolvency Date:

| DATE | DESCRIPTION | TIME (hh/mm) |
|-------------------------------------|--|-----------------|
| JAMES MERRYWEATHER, CPA, CGA | | |
| 09-Apr-18 | detailed payroll and WSIB reporting analysis; prepare reconciliation for same | 4.50 |
| 10-Apr-18 | update WSIB analysis and reconciliation; prepare and file 2017 and 2018 Reconciliation Forms; process WEPPA and letter. send to employee | 2.50 |
| 18-Apr-18 | detailed analysis and reconciliation of WSIB, prepare summary | 1.50 |
| 25-Apr-18 | prepare EHT reconciliation (2017 & 2018); process WEPPA for non-filing employees | 0.50 |
| TOTAL | JAMES MERRYWEATHER | 9.00 |

DAVINCI CAPITAL PARTNERS INC., in its capacity as trustee
of DAVINCI CAPITAL PRIVATE DEBT FUND
Applicant

-and-

9584358 CANADA LTD. o/a Eastway Fire and Rescue Vehicles

Respondents

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
OTTAWA

**AFFIDAVIT OF ROBERT G. LINK
SWORN AUGUST 1, 2018**

SPARK LLP

169 King Street East, Third Floor
Toronto, ON M5A 1J4

Jeff Rosekat LSUC No. 43352Q

jeffi@spark.law

Tel: 416.639.2151

Fax: 647.490.4888

Lawyers for the Court-Appointed Receiver
Link & Associates Inc.

APPENDIX H

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

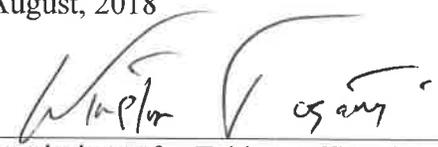
**AFFIDAVIT OF JASON DUTRIZAC
(SWORN AUGUST 2, 2018)**

I, Ryan Flewelling, of the City of Ottawa in the Province of Ontario, MAKE OATH
AND SAY:

- I. I am a lawyer at Regent Law Professional Corporation ("**Regent Law**"), litigation counsel for Link & Associates Inc., in its capacity as Court-Appointed Receiver, without security (the "**Receiver**") of all of the assets, undertakings and properties of 9584358 Canada Ltd. (the "**Debtor**") pursuant to an Order of the Honourable Mr. Justice Macleod dated June 23, 2017 (the "**Appointment Order**") and, as such, have knowledge of the matters contained in this affidavit.

2. Attached hereto and marked as **Exhibit "A"** is a copy of my Bill of Costs of Regent Law Professional Corporation for the period of October 19, 2017 to August 10, 2018 (the "**Accounts Approval Period**") totaling \$5,650, which includes professional fees of \$5,000 and HST of \$650. A copy of our account, delivered to the Receiver with supporting dockets, will be handed up and filed on the date of the hearing.
3. A total of 15.4 hours were expended by Regent Law in the Accounts Approval Period in performing services in its capacity as litigation counsel for the Receiver pursuant to the Appointment Order, which equates to an average hourly rate of \$325.
4. The hourly billing rates outlined in **Exhibit "A"** are normal average hourly rates charged by Regent Law for services rendered in relation to engagements similar to its engagement as litigation counsel to Receivers. These accounts accurately reflect the services provided by Regent Law in this matter.

SWORN BEFORE ME at the City of
Ottawa, in the Province of Ontario this 2nd
day of August, 2018


Commissioner for Taking Affidavits
(or as may be)

WINSTON FOGARTY


JASON DUTRIZAC

This is Exhibit 'A' to the
Affidavit of Jason Dutrizac ,
sworn this 2nd day of August, 2018
in the City of Ottawa and in the
Province of Ontario

Commissioner of Oaths/Notary

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE VEHICLES

Respondent

**BILL OF COSTS OF REGENT LAW PROFESSIONAL CORPORATION,
LAWYERS TO THE RECEIVER**

TO PROFESSIONAL SERVICES RENDERED to the Receiver with respect to the above estate
October 19, 2017 to August 10, 2018 and more particularly described as follows: correspondence
with Receiver regarding collection efforts of deposit; correspondence regarding collection;
research law; various telephone conversations with Receiver; review documents and preparation
of motion materials i.e. Notice of Motion, draft Order, and affidavit; review draft Third Report;
instructions to support staff regarding document and motion material preparation for filing and
short service; preparation for and attending hearing re Third Report before the Honourable Mr.
Justice MacLeod.

OUR FEE *fixed at* \$5,000.00

Jason Dutrizac 15.4 hours
Law Clerk 3.0 hours

HST 650.00

TOTAL FEES **\$ 5,650.00**

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-
Respondents

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

BILL OF COSTS

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel:613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)

DAVINCI CAPITAL PARTNERS INC., in its capacity as trustee
of DAVINCI CAPITAL PRIVATE DEBT FUND
Applicant

-and-

9584358 CANADA LTD. o/a Eastway Fire and Rescue

Respondents

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF JASON DUTRIZAC
SWORN AUGUST 2, 2018**

REGENT LAW PROFESSIONAL CORPORATION
1401 – 150 Metcalfe St.
Ottawa, ON K2P 1P1

Jason Dutrizac LSUC No. 50004T
Jason.dutrizac@regentlaw.ca

Tel: 613.319.9998
Fax: 613.903.6002

Lawyers for the Receiver

APPENDIX I

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN ANTICIPATED APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE

Respondent

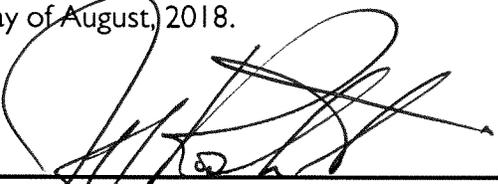
FEE AFFIDAVIT

I, SANJAY KUTTY, of the City of Toronto, in the Province of Ontario, HEREBY MAKE
OATH AND SAY:

1. I am a partner at the law firm Spark LLP, independent counsel for Link & Associates Inc. (the "Receiver") in this matter. My partner, Jeff Rosekat, has primary carriage of this matter. I am aware of the conduct of this matter and I have knowledge of the administration herein.
2. Attached to this affidavit as *Exhibit "A"* is a copy of the account Spark LLP rendered in the period ending November 30, 2017. The accounts are for a total of \$1,869.30, which consists of \$1,612.00 in fees, \$42.45 in disbursements, and \$215.05 in HST.

3. Spark LLP has not received, and does not hope or expect to receive, and no promises have been made that we will receive any remuneration or compensation other than the amounts claimed herein.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 2nd day of August, 2018.



Jeff Rosekat (LSUC# 43352Q), a commissioner for taking oaths, etc.



Sanjay Kuttu



Spark LLP

169 King Street East, 3rd Floor
Toronto, Ontario, M5A 1J4

o: 416.639.2150
f: 647.490.4888
www.spark.law

Link & Associates Inc.
77 King Street West, Suite 3000, PO Box 95
TD Centre North Tower
Toronto, Ontario
M5K 1G8
Attention: Mr. Robert Link

December 15, 2017

File #: 0145
Inv #: 406

RE: Eastway Fire and Rescue

| DATE | DESCRIPTION | HOURS | LAWYER |
|-----------|--|-------|----------|
| Oct-11-17 | Review materials and provide comments; various telephone calls and email exchanges; draft fee affidavit; | 2.10 | JR |
| Oct-12-17 | Further discussions about motion and draft order; | 0.80 | JR |
| Oct-19-17 | Review email and issued order; telephone call to R. Link; | 0.20 | JR |
| | Totals | 3.10 | 1,612.00 |
| | Total GST/HST on Fees | | 209.56 |

DISBURSEMENTS

| | | |
|-----------|--------------------------------|---------|
| Oct-13-17 | courier fees | 42.25 |
| | Total Disbursements | \$42.25 |
| | Total GST/HST on Disbursements | 5.49 |

This is Exhibit A to the affidavit

Total Fee & Disbursements of Sanjay Kutty sworn 1,869.30

August 2, 2018
[Signature]
1,869.30

Balance Now Due

A commissioner for taking oaths, etc.

FEE SUMMARY

| Lawyer | Hours | Rate | Fees |
|--------------|-------|--------|----------|
| Jeff Rosekat | 3.10 | 520.00 | 1,612.00 |

GST/HST Number 782662894 RT0001

Total GST/HST 215.05

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and-
9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE
Respondents

Court File No. 17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

MOTION RECORD OF THE APPLICANT

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel: 613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)