

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

Court File No. 31-1932502

BETWEEN:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF CRATE
MARINE SALES LIMITED**

Court File No. 31-1932534

BETWEEN:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF F.S.
CRATE & SONS LIMITED**

Court File No. 31-1932548

BETWEEN:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1330732
ONTARIO LIMITED**

Court File No. 31-1932557

BETWEEN:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1328559
ONTARIO LIMITED**

Court File No. 31-1932540

BETWEEN:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1282648
ONTARIO LIMITED**

**AFFIDAVIT OF BENN-JAY SPIEGEL
(Sworn December 4, 2014)**

I, **BENN-JAY SPIEGEL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. This affidavit is sworn in furtherance of the new information set out in the Second Report (the “**Second Report**”) of A. Farber & Partners Inc. (“**Farber**”) in its capacity as the interim receiver over the properties, assets and undertakings of the Debtors (as defined below).

Background

2. Crawmet Corp. (“**Crawmet**”) is one of the senior secured creditors and the largest creditor of Crate Marine Sales Limited, F. S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited and 1272648 Ontario Limited (collectively, the “**Debtors**”).

3. As set out in my previous affidavits filed in these proceedings, the Debtors are in default of their payment obligations to Crawmet under various loans. On November 4, 2014, Crawmet made demand and served a notice of intention to enforce security (the “**244 Notice**”) pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”). On November 14, 2014, the day on which the 244 Notice expired, the Debtors filed Notices of Intention to Make a Proposal (“**NOIs**”).

4. On November 21, 2014, Crawmet brought a motion before the Court for an order terminating the Debtors NOI proceedings and appointing Farber as receiver. Crawmet’s motion was brought on short service for the reasons set out in my affidavit sworn on November 20, 2014 (the “**November 20 Affidavit**”), which included Crawmet’s discovery that boats owned by Crawmet’s subsidiary were sold out of trust by the Debtors. A copy of my November 20 Affidavit without exhibits is attached hereto as **Exhibit “A”**.

5. Crawmet’s motion was heard on November 21, 2014 by Justice Penny. His Honour adjourned the hearing of Crawmet’s motion to December 1, 2014 in order to provide the Debtors an opportunity to respond and appointed Farber as interim receiver (the “**Interim Receiver**”) over the Debtors’ property pursuant to section 47.1 of the BIA on the terms of the Order attached as Appendix A to the Second Report (the “**Interim Receivership Order**”).

6. On December 1, 2014, the Debtors sought a further adjournment to December 9, 2014 being the date it proposed to seek a stay extension and approval of DIP financing and a priority charge in favour of the DIP lender.

7. In granting the adjournment, Justice Penny stated in his Endorsement (the “**Endorsement**”) that “he could not imagine approving DIP financing in the absence of a concrete proposal which holds out some hope, at least, of support from the creditors.” Justice Penny also stated that there was no evidence before him of “material prejudice in allowing the Debtors until December 9, 2014 to try to persuade the Creditors that they might be better off under a proposal scenario.”

8. As terms of the adjournment, Justice Penny:

(a) expanded the Interim Receiver’s powers to include investigation and review of the financial affairs of the Debtors; and

(b) directed the Debtors to “put all of [their] cards on the table or, to use language from another circumstance, [their] best foot forward”.

9. A copy of Justice Penny’s Endorsement together with an unofficial typed transcription is attached as Appendix C to the Second Report.

10. On December 3, 2014, the Interim Receiver served and filed its Second Report for the purpose of reporting on recently discovered facts and matters of an urgent and material nature. The facts and matters reported by the Interim Receiver, as supplemented by this affidavit, all of which were discovered subsequent to the December 1 hearing, demonstrate that Crawmet and other creditors have suffered and continue to suffer material prejudice by these proceedings. In the circumstances, Crawmet seeks to renew its motion to terminate the NOI proceedings prior to December 9, 2014.

Erosion of Crawmet’s Collateral

11. Crate Marine Sales Limited (“**Crate Marine**”) is the only Debtor that carries on an active business; it operates as a new and used boat dealer and a marina operator. The remaining Debtors are real estate holding companies (the “**Real Estate Debtors**”) for the approximately 30 acres of land that comprise Crate’s

marina located in Keswick Ontario (the “**Keswick Marina**”). The Debtors have acknowledged that Crate Marine is the sole source of funds to pay all of the Debtors’ operating expenses and debt servicing costs.

12. Crate Marine is indebted to Crawmet in an amount of approximately \$6.2 million for principal and interest, plus costs. As security for its loans, Crate Marine granted Crawmet a general security agreement and a collateral mortgage in an amount of \$2 million on the Keswick Marina.¹

13. In response to Crawmet’s motion, the Debtors filed responding materials, including two affidavits of Steven Crate each sworn on November 28, 2014. The Debtors responding materials did not contain any information as to the value of Crate Marine’s assets. Prior to the return of Crawmet’s motion on December 1, 2014, the Debtors also took the position that their books and records, including accounting records, have to be reviewed for privilege before they can be released to the Interim Receiver. As a result, the Interim Receiver was unable to conduct a fulsome assessment and review of the Debtors’ assets and cash flow position prior to the return of the December 1 motion. The issue of privilege was dealt by Justice Penny in his Endorsement dated December 1, 2014.

14. I have reviewed the Supplementary Second Report of the Interim Receiver dated December 4, 2014 (the “**Supplementary Second Report**”) and note the following information about Crate Marine’s assets:

- (a) Crate Marine’s owned new and used boat inventory on hand has a book value of approximately \$2.14 million. I am advised by Crawmet’s legal counsel, Chaitons LLP, that a review of a PPSA search in respect of registrations which are outstanding against Crate Marine as at October 29, 2014 indicates that at least two of the Crate Marine boats are subject to liens in favour of third parties in the total amount of \$225,000. Copies of the inventory list and the PPSA summary in respect of Crate Marine are collectively attached hereto as **Exhibit “B”**.

¹ Crawmet also made a loan available to the Real Estate Debtors in an amount of \$7 million. As security for that loan, Crawmet received a charge on the majority of the property that makes up the Keswick Marina. As I advised in my November 20 Affidavit, the Real Estate Debtors and Crate Marine are indebted to Crawmet in the approximate total amount of \$13.4 million for principal and interest, plus costs.

(b) Crate Marine has net total of accounts receivable of approximately \$889,000. The Interim Receiver estimates that the estimate of the realizable value of the accounts receivable may be approximately \$586,000.

15. Boat inventory and accounts receivable (in the total approximate amount of \$3 million) represent the substantial majority of Crate Marine's assets and Crawmet's collateral. Even if it is assumed that Crawmet can recover in full on its collateral mortgage of \$2 million (against the Keswick Marina), it is anticipated that Crawmet will suffer a shortfall of at least \$1.4 million on its loans to Crate Marine.

16. On December 2, 2014, I was advised by Chaitons that Dickinson Wright LLP, the Debtors' legal counsel, had confirmed to the Interim Receiver that it had received a \$100,000 retainer from the Debtors (which amount has been used up) and that as at November 30, 2014, the firm was owed an additional \$60,854.12. I am advised by Harvey Chaiton, that on November 7, 2014 he was contacted by Mr. Weinczok, a lawyer with Dickinson Wright, who advised him that he was just retained to act for the Debtors. The NOI proceedings were commenced on November 14, 2014.

17. Following an inquiry by Crawmet, I was also advised by the Interim Receiver that a retainer in an approximate amount of \$62,500 was paid prior to November 14, 2014 to the Proposal Trustee. Accordingly, it would appear that the fees and disbursements of the Debtors' counsel, the Proposal Trustee and its counsel incurred to November 30, 2014 were approximately \$222,500.

18. In connection with the December 1, 2014 hearing, the Debtors filed a revised Cash Flow for the time period commencing November 28, 2014 and ending January 30, 2015 (the "**Cash Flows**"). A copy of the Cash Flow is attached hereto as **Exhibit "C"**.

19. The Cash Flow showed that the Debtors were going to be cash flow positive to December 19, 2014. As is demonstrated by the Second Report, as at December 1, 2014, the Debtors have incurred expenses which exceed available cash and are holding "cheques in the drawer".

20. The Interim Receivership Order, among other things, restricted payments to Steven Crate, principal

of Crate Marine, and any related persons, other than payment of reasonable living expenses. I have reviewed the Second Report and learned that on November 28, 2014, the Debtors, in violation of the Interim Receivership Order, made a number of disbursements to related persons, which, on their face, appear to exceed the scope of “reasonable living expenses”. The Interim Receiver confirms in the Second Report that these payments were made without the approval of the Interim Receiver or the Proposal Trustee and in contravention of the protocol established by the Interim Receiver to control receipts and disbursements in accordance with the Interim Receivership Order.

Crawmet Holds a Veto

21. Crawmet’s motion to terminate the proposal proceedings and appoint a receiver is supported by Dwight Powell Investments Inc. and Dwight Powell (collectively, “**Powell**”). Crawmet and Powell are collectively owed approximately \$20 million of the approximately \$30 million of the Debtors’ total debts as reported by the Debtors. Crawmet has veto power on any proposal to secured creditors filed by the Debtors. Crawmet and Powell have indicated that under no circumstances are they prepared to support any proposal by the Debtors.

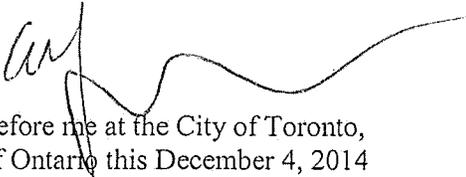
22. I am advised by Harvey Chaiton that on December 3, 2014, he received an email from Donald Rogers, a former customer of Crate Marine. As a result of fraudulent transactions by Crate Marine as described in Mr. Rogers’ emails to Mr. Chaiton and to the Interim Receiver, collectively attached hereto as **Exhibit “D”**, the Debtors are indebted to Mr. Rogers in an approximate amount of \$900,000. Mr. Rogers confirms in his email to Mr. Chaiton that he will not “support any application or plan by [Crate Marine] to financially restructure the company”.

Material Prejudice

23. At the time of the December 1 hearing Justice Penny was unaware that:

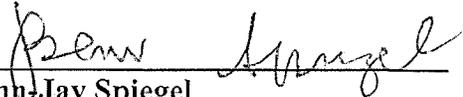
- (a) Crate Marine had not paid post filing source deduction obligations and therefore the stay of proceedings does not operate against as Canada Revenue Agency;

- (c) Crate Marine issued cheques in excess of available cash to cover those cheques;
- (d) Crate Marine made disbursements without prior approval of the Proposal Trustee and the Interim Receiver in contravention of the protocol established by the Interim Receiver to control receipts and disbursements in accordance with the Interim Receivership Order;
- (e) the indebtedness of Crate Marine to Crawmet is materially undersecured and that each day that passes continues to erode Crawmet's security by non-payment of source deductions and the substantial cost of these proceedings; and that
- (f) Crate Marine continues to incur expenses without the ability to fund those expenses.



SWORN before me at the City of Toronto,
Province of Ontario this December 4, 2014

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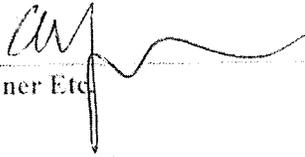


Ben Jay Spiegel

A Commissioner, etc.

THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF BENN-JAY SPIEGEL
SWORN BEFORE ME THIS 4th
DAY OF DECEMBER, 2014

A Commissioner Etc.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a wavy line and a vertical stroke.

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ONTARIO LIMITED

Court File No. 31-1932540

BETWEEN:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 1282648
ONTARIO LTD.

AFFIDAVIT OF BENN-JAY SPIEGEL
(Sworn November , 2014)

I, **BENN-JAY SPIEGEL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a General Manager with the Applicant, **Crawmet Corp.** ("**Crawmet**"), and have personal knowledge of the matters to which I hereinafter depose.

2. **Crawmet** is a senior secured lender of **Crate Marine Sales Limited** ("**Crate Marine**"), **F.S. Crate & Sons Limited** ("**FS Crate**"), **1282638 Ontario Limited** ("**128**"), **1328559 Ontario Limited** ("**132**") and **1330732 Ontario Limited** ("**133**", and together with **Crate Marine**, **FS Crate**, **128** and **132**, the "**Debtors**"). On November 14, 2014, the Debtors filed Notices of Intention to Make a Proposal (the "**Proposal Proceedings**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c.B-3 (the "**BIA**"). **Dodick Landau Inc.** was named as trustee of the Debtors in the Notices of Intention.

3. I have been authorized by **Crawmet** to swear this affidavit in support of its motion for an order, among other things:

- (a) terminating the Proposal Proceedings pursuant to section 50.4(11) of the BIA;
- (b) appointing **A. Farber & Partners Inc.** ("**Farber**") as receiver over the properties, assets and undertakings of the Debtors; and
- (c) substituting **Farber** as trustee in bankruptcy of the Debtors.

OVERVIEW

4. **Crate Marine** operates a large marina in **Keswick, Ontario** (the "**Keswick Marina**"). **FS Crate**, **128**, **132** and **133** (collectively, the "**Real Estate Debtors**") are the registered owners of adjacent parcels of land that collectively comprise the **Keswick Marina**. In addition, **Crate Marine** carries on business as a full service boat and yacht dealership of used and new boats from the **Keswick Marina** and other locations in the province of Ontario and one location in the province of Quebec.

5. Crawmet and related persons made a number of loan facilities available to Crate Marine in the total principal amount of approximately \$6.2 million. The purpose of these loans was, among other things, to finance the purchase of boats for sale in the ordinary course of business.

6. A portion of the amount owing by Crate Marine to Crawmet relates to the purchase by a Crawmet related entity at the request of Crate Marine of 8 boats for sale by Crate Marine in the ordinary course of business (the "Crawmet Boats"). The purchase price for each of the Crawmet Boats plus interest at 10% per annum was to be repaid to Crawmet upon the sale of each boat. Crawmet retained title to the Crawmet Boats until payment for each boat sold was received.

7. Crawmet also provided financing to the Real Estate Debtors in the principal amount of \$7 million. As security for the loans to Crate Marine and the Real Estate Debtors, Crawmet was granted a general security agreement by Crate Marine, a first ranking charge in the property owned by FS Crate (which constitutes approximately half of the Keswick Marina property) and a second ranking charge in the remaining Keswick Marina property owned by the numbered Debtors.

8. On October 26, 2014, I attended at a meeting with the principals of Crate Marine where I learned, among other things, that:

- (a) contrary to Crate Marine's previous representations, Crate Marine was hopelessly insolvent;
- (b) Crate Marine owes at least \$6 million for accrued unremitted HST; and
- (c) Crate Marine owes approximately \$4 million to trade creditors and other creditors.

9. Until this meeting, Crate Marine concealed the dire state of its financial affairs from Crawmet. As a result of its failure to disclose, Crawmet and related persons made available to Crate Marine four short term loan facilities in the months of August and September 2014 in the approximate total principal amount of \$1.7 million which would not have been made if Crawmet had been aware of Crate Marine's insolvency.

10. On November 4, 2014, Crawmet demanded repayment of all amounts owing by Crate Marine and served a notice of intention to enforce its security under the BIA. On November 14, 2014, the Debtors commenced the Proposal Proceedings.

11. On November 18, 2014, Crawmet learned that at least 4 out of 8 Crawmet Boats have been sold out of trust by Crate Marine without Crawmet's knowledge and none of the proceeds were remitted to Crawmet. As Crawmet retained title to the Crawmet Boats, the sale of these boats by Crate Marine could only have been effected through means of fraud and misrepresentation. Notwithstanding these fraudulent sales, Crate Marine continued to list these boats on its inventory lists provided to Crawmet as part of Crate Marine's reporting.

12. On November 19, 2014, Crawmet also learned that in the morning of November 14, 2014, on the eve of its filing, Crate Marine, returned a Marquis 50 foot boat valued at approximately \$1 million to the manufacturer of the boat in exchange for payment of approximately \$200,000 by the manufacturer to Crate Marine. The boat released to the manufacturer is a boat in respect of which Crawmet has priority.

13. As a result of the foregoing Crawmet has completely lost trust in Crate Marine's management. Crate Marine's actions to date have been highly prejudicial to Crawmet's security and have caused Crawmet to become seriously concerned over the state of its remaining security. The boats in Crate Marine's possession have been wrapped up for the winter. As a result, it is impossible for Crawmet to ascertain if any of the boats, including Crawmet Boats, have been or are being disposed of by Crate Marine.

14. In light of the foregoing, Crawmet seeks an order immediately terminating the Proposal Proceedings and appointing Farber as receiver over the Debtors' properties, assets and undertakings for the following reasons:

- (a) The Debtors are not acting in good faith and with due diligence. The Proposal Proceedings were commenced as a defense tactic to prevent Crawmet from protecting

and enforcing on its security;

- (b) The Debtors have taken and continue to take steps to significantly prejudice the value of Crawmet's security. In light of the circumstances described herein, Crawmet has no trust in the Debtors' existing management and has serious concerns for the safety of its security;
- (c) Crate Marine operates from multiple locations, including Quebec. Crawmet has no confidence that the proposal trustee has taken or can take the necessary steps under its current mandate to preserve and protect the business and assets of Crate Marine and Crawmet's collateral;
- (d) There is no likelihood of a viable proposal being made by the Debtors. Crawmet will not support any proposal put forth by the Debtors. Without Crawmet's support, it is unlikely that a viable proposal can be made to the Debtors' creditors as Crawmet will be entitled to enforce on its security;
- (e) A going concern sale of the Keswick Marina as a whole represents the best alternative for all of Crate Marine's stakeholders, including creditors, suppliers and customers. In light of the concerns identified above, it is necessary for a sale to be carried on by a court officer through a court-supervised process for the benefit of all stakeholders. As described in greater detail below, in order to preserve the business and maximize recovery for all stakeholders it is necessary that the sale process be carried out in the winter before the Keswick Marina re-opens in the spring 2015.

BACKGROUND

15. Crawmet is a privately owned real estate investment company with a registered office located in the city of Toronto, Province of Ontario. Crawmet is owned indirectly by members of the Spiegel family.

16. The Debtors are Ontario corporations owned indirectly by members of the Crate family. A copy of the Debtors' corporate chart is attached hereto as Exhibit "A". Copies of the Debtors' corporate profiles are collectively attached hereto as Exhibit "B".

17. Crate Marine operates the Keswick Marina. The Keswick Marina consists of 30 acres of lakefront property and approximately 500 boat slips which are rented on seasonal basis. The Keswick Marina includes a gated facility with a fitness centre and two swimming pools, a sales and repair facility and a full service Petro Canada gasdock.

18. In addition, Crate Marine carries on business as a full service boat and yacht dealership of used and new boats. The dealership business operates from the following marina locations:

- (a) the Keswick Marina;
- (b) a marina located in Lagoon City, Ontario;
- (c) a marina located in Port McNicoll, Ontario; and
- (d) a marina located in Willow Beach, Ontario.

19. Crate Marine also has two sales offices located in Port Credit, Ontario and St. Paul, Quebec. It is my understanding that with the exception of the Keswick Marina, all other locations are leased by Crate Marine.

20. The Real Estate Debtors are the registered owners of adjacent parcels of land that collectively comprise the Keswick Marina. FS Crate owns the land parcels that house the common use facility, the fitness centre, one of the swimming pools, the roadway to the Keswick Marina and a number of slips. The land parcels collectively owned by 128, 132 and 133 include the gasdock, one of the swimming pools, a number of slips, the travelift and the sale and repair facility. For reference, copies of the property index map dated as at October 30, 2014 are attached hereto as Exhibit "C". An aerial map of the Keswick Marina is also attached hereto as Exhibit "D".

LOANS TO THE DEBTORS

21. I have been a customer of Crate Marine for approximately eight years. I rent a slip at the Keswick Marina on a seasonal basis and have also purchased boats from Crate Marine.

22. As a result of my relationship with Crate Marine, I became friendly with the owner and president of Crate Marine, Steven Crate ("Steven") and other members of the Crate family. Steven and I became very close over the course of the last eight years and, until recently, I considered him to be one of my best friends and trusted him completely.

23. It was my understanding that General Electric Canada Equipment Finance G.P. and/or its affiliates, including GE Commercial Distribution Finance Canada (collectively, "GE") previously provided floor plan financing to Crate Marine to finance the purchase of their boat inventory. In or around December 2011, I was advised by Steven that GE was withdrawing its loan facilities. Steven inquired if Crawmet was interested in providing financing for boat inventory.

24. As a result of my friendship with Steven, in or around 2007 Crawmet financed the purchase of various boats for sale by Crate Marine in the ordinary course of business. These loans were repaid to Crawmet.

25. In December 2011, Crawmet replaced GE as Crate Marine's operating lender. Pursuant to an offer letter dated December 22, 2011, as amended (the "Loan Agreement"), Crawmet extended a revolving loan facility to Crate Marine in the principal amount of \$2,085,244.24 for the purpose of financing the purchase of boats for sale in the ordinary course of business ("Facility A"). A copy of the Loan Agreement is attached hereto as Exhibit "E". Facility A did not ultimately operate as a revolving loan. For ease of administration, Facility A was subsequently converted by Crawmet to a term loan with an interest rate of 10% per annum payable in 60 monthly blended principal and interest payments of \$22,408.15.

26. As security for Facility A, Crawmet obtained, among other things:

- (a) a general security agreement from Crate Marine dated December 22, 2011 (the "GSA"), a copy of which is attached hereto as Exhibit "F";
- (b) a collateral mortgage/charge in the principal amount of \$2,000,000 (the "FS Mortgage") against the FS Crate Property, a copy of which is attached hereto as Exhibit "G".

The Loan Agreement, the GSA and the FS Mortgage are hereinafter collectively referred to as the "Crate Loan and Security Documents").

27. In addition to Facility A, the following loans were subsequently extended by Crawmet to Crate

Marine for the purpose of financing specific boats for sale by Crate Marine in the ordinary course of business:

- (a) a term loan in the original principal amount of \$318,440 payable with interest at the rate of 10% per annum in 12 monthly blended principal and interest payments of \$4,208.21 commencing on June 1, 2014 ("Facility B"); and
- (b) a term loan in the original principal amount of \$900,000 payable with interest at the rate of 10% per annum and bonus interest of \$10,000 in 3 monthly blended principal and interest payments of \$308,417 commencing on September 20, 2014 ("Facility C").

28. At Crate Marine's request, in December 2013, Crawmet also agreed to provide financing in an amount of US\$1.5 million for the purchase of the Crawmet Boats from KCS International Inc. and Marquis Yachts, LLC, U.S. boat manufacturers ("Facility D", and together with Facility A, B and C, the "Crate Loans"). The parties agreed that the Crawmet Boats will be delivered to and sold by Crate Marine. The parties further agreed that Crate Belleville Inc. ("Belleville"), a wholly owned subsidiary of Crawmet, would retain title to the Crawmet Boats until payment of the purchase price paid to the manufacturer for the boat sold by Crate Marine together with interest at 10% per annum was received by Crawmet.

29. Belleville retained the original Builder's Certification and First Transfer of Title (the "Certificate") provided by the manufacturers for each of the Crawmet Boat. Copies of the Certificates are attached hereto as Exhibit "H". In order to transfer title to a purchaser of a Crawmet Boat, Crate Marine was required to notify Crawmet of the pending sale and provide post dated cheques to be cashed on closing date for the cost of the boat paid by Crawmet to the manufacturer plus the applicable interest. Title to the boat could not be transferred without the original Certificate, which would be provided by Crawmet following receipt of payment.

30. In addition, I personally extended the following loans to Crate Marine which loans were subsequently assigned to Crawmet (collectively the "Spiegel Loans"):

- (a) a term loan in the original principal amount of \$525,000 payable with interest at the rate of 10% per annum in 5 monthly blended principal and interest payments of \$107,639.52 commencing June 25, 2014 ("Facility E");
- (b) a 45 day term loan in the original principal amount of \$246,862 payable with interest at the rate of 10% per annum on September 19, 2014 ("Facility F");
- (c) a term loan in the original principal amount of \$300,000 payable with interest at the rate of 10% per annum in 3 monthly blended principal and interest payments of \$101,704 commencing September 20, 2014 ("Facility G"); and
- (d) a term loan in the original principal amount of \$300,000 payable with interest at the rate of 10% per annum in 3 monthly blended principal and interest payments of \$101,600 commencing September 20, 2014 ("Facility H").

31. A copy of the assignment agreement in respect of the Spiegel Loans is attached hereto as Exhibit "I". The Crawmet Loans and the Spiegel Loans are hereinafter collectively referred to as the "Crate Loans".

32. In addition to the Crate Loans, Crawmet also provided financing to the Real Estate Debtors in the principal amount of \$7,000,000 (the "Real Estate Loan"). As security for the Real Estate Loan, the Real Estate Debtors granted to Crawmet a charge against the Keswick Marina property in the principal amount of \$7,000,000 (the "Real Estate Mortgage", and together with the Crate Loan and Security Documents, the "Loan and Security Documents"). A copy of the Real Estate Mortgage is attached hereto as Exhibit "J".

33. The purpose of the Real Estate Loan was to:

- (a) repay personal tax liabilities of Crate family members in an approximate amount of \$1 million;
- (b) refinance a private mortgage against the Keswick Marina property in favour of Cesaroni Management Limited in an approximate amount of \$2.25 million; and
- (c) fund Crate Marine's working capital.

OTHER SECURED CREDITORS

34. Attached hereto collectively as Exhibit "K" are the title searches for the Keswick Marina property, obtained by Crawmet's legal counsel, Chaitons LLP, and a summary of outstanding charges and mortgages registered against the Keswick Marina property. The title searches disclose the following charges/mortgages registered against the Keswick Marina property:

(a) against the FS Crate Property:

- i. a first ranking charge in favour of Crawmet in the principal amount of \$7,000,000;
- ii. a second ranking collateral charge in favour of Crawmet in the principal amount of \$2,000,000; and
- iii. a third ranking charge in favour of Dwight Powell Investments Inc. ("Powell") in the principal amount of \$7,500,000.

(b) against the Remaining Marina Property:

- i. a first ranking charge in favour of Powell in the principal amount of \$7,500,000;
- ii. a second ranking charge in favour of Powell in the principal amount of \$550,000 (collectively items i and ii herein shall be referred to as the "Powell Mortgage"); and
- iii. a third ranking charge in favour of Crawmet in the principal amount of \$7,000,000.

35. Attached hereto as Exhibit "L" is a search from the Ontario Personal Property Security Registration System (the "PPSR") in respect of registrations which are outstanding against Crate Marine as at October 29, 2014 and a summary of the search. The search discloses a number of registrations against specific inventory and accounts of Crate Marine many of which were registered subsequent to Crawmet's registration. To the best of my knowledge, Crawmet has not received any purchase money security interest notices pursuant to section 33 of the *Personal Property Security Act* (Ontario).

36. The PPSR search also discloses a registration in favour of GE in respect of inventory, accounts, equipment and motor vehicles registered prior to Crawmet's registration. I am advised by Steven that there are no monies owing by any of the Debtors to GE.

37. I am advised by Chaitons that it obtained searches from the Ontario PPSR in respect of registrations which are outstanding against FS Crate and 128 dated October 29, 2014 and November 10, 2014, respectively. The searches disclose the particulars of one registration against FS Crate and 128 in favour of GE Commercial Distribution Finance Canada in respect of accounts and other. Copies of the searches are collectively attached hereto as Exhibit "M".

38. I am advised by Chaitons that it obtained searches from the Ontario PPSR in respect of registrations which are outstanding against 132 and 133 as at November 10, 2014. The searches do not disclose any outstanding registrations against these companies. Copies of the searches are collectively attached hereto as Exhibit "N".

39. I am advised by Chaitons that it obtained tax certificates from the Town of Georgina which show property tax arrears on the Keswick Marina in an approximate amount of \$206,000. Copies of the tax certificates are attached hereto as Exhibit "O".

40. As indicated herein, Crate Marine is also indebted to CRA in respect of unremitted HST obligations in an amount of at least \$6,000,000.

DEFAULT

41. At all relevant times until the end of October 2014, I had no knowledge the Debtors were experiencing financial difficulties. The Debtors were meeting their payment obligations under the Loans.

42. In or around August 2014, Steven requested that Crawmet hold on to certain post-dated cheques in respect of the monthly amounts owing under a number of the loan facilities. The delay in payment was explained by Steven as a delay in completing the sale of certain boats.

43. In August 2014 and September 2014, Crawmet and I personally extended four additional loan facilities to Crate Marine in the approximate total principal amount of \$1.7 million. Had Crate Marine's

financial condition been disclosed to me, these loans would not have been made.

44. In or around October 2014, I learned that Crate Marine retained consultants to assist with a review of their business and the preparation of a business plan. On October 26, 2014, I, together with Stuart Mitchell from Farber, met with Steven and Lynn Marko (Steven's sister) to discuss the company's business plan and a potential restructuring.

45. At this meeting, I was advised by Steven of Crate Marine's HST liability of at least \$6 million. I was also advised by Steven that Crate Marine owes approximately \$2 million to its trade creditors and another \$2 million to other creditors. At the meeting, I requested a listing of Crate Marine's accounts receivable, accounts payable and inventory and an appraisal of the FS Crate Property which Steven indicated he had obtained. As at the date of this affidavit I have not been provided with any of the requested information.

46. It had become apparent during the meeting that Crate Marine is hopelessly insolvent. A review of the plan presented by Crate Marine indicated that even after a restructuring is completed, the company would continue to lose approximately \$1 million per year. The plan was based on a number of assumptions which in my understanding were unrealistic and unachievable. Accordingly, the anticipated losses under the plan would in actuality be substantially higher than \$1 million per year. A copy of the business plan presented to me by Crate Marine at the meeting is attached hereto as Exhibit "P".

47. At the time of the October meeting, Crate Marine was in default for nonpayment of a number of loan facilities. On November 4, 2014, Crawmet demanded repayment of all amounts due under the Crate Loans and issued to the Debtors a Notice of Intention to Enforce Security pursuant to Section 244(1) (the "BIA Notice") of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Attached hereto collectively as Exhibit "Q" are copies of Crawmet's demand letter and BIA Notice.

48. The Real Estate Debtors are in default of the Real Estate Loan for, among other things, failure to

pay property taxes. As at November 20, 2014, the Debtors are indebted to Crawmet in an approximate amount of \$13.4 million for principal and interest, plus costs.

49. In addition, I am advised by Powell, that the Real Estate Debtors are in default of their payment obligations to Powell. I am further advised by Powell that the Real Estate Debtors are indebted to Powell under their loans in an approximate amount of \$7.5 million.

FRAUDULENT TRANSFERS AND BREACH OF TRUST

50. The Crawmet Boats are the property of Crawmet's affiliate, Belleville. As described above, a sale of a Crawmet Boat required the transfer of the original Certificate by Crawmet to the purchaser, which would only have been provided after Crawmet received payment for the boat by way of a post dated cheque.

51. Until August 2014, Steven would provide Crawmet with inventory listings on regular basis. The Crawmet Boats were included in these lists.

52. Attached hereto as Exhibit "R" is the last inventory list provided by Steven dated July 16, 2014. The list shows that as at July 16, 2014 all of the Crawmet Boats remain unsold.

53. On November 18, 2014, I called KCS International Inc., ("KCS") one of the manufacturers of the Crawmet Boats and inquired as to whether they had any information as to the status of the Crawmet Boats. I spoke with Dan Zenz, vice president of sales for KCS who traced the serial numbers on the Crawmet Boats to determine if title to these boats remained with Belleville. Mr. Zenz advised me that the following four Crawmet Boats were sold by Crate Marine:

- (a) 38 Cruiser – warranty registered in the name of the new owner on May 22, 2014;

- (b) 45 Cruiser – warranty registered in the name of the new owner on July 1, 2014;
- (c) 20 Cruiser – warranty registered in the name of the new owner on July 7, 2014; and
- (d) 20 Cruiser – date of registration unknown, but advised that title is now in the name of a new owner.

54. The inventory lists provided by Steven on July 16, 2014 included all of the Crawmet Boats described in paragraph 51 above. At no point in time did Crate Marine advise Crawmet of these sales. On the contrary, Crate Marine misrepresented that the boats remained in Crate Marine's inventory. The proceeds from the sale of these boats were to be used by Crate Marine to pay the purchase price paid by Crawmet plus interest. I have not been provided with any accounting for the sale proceeds from the sale of the Crawmet Boats and assume, given Crate Marine's insolvency, that it misapplied the funds and used the sale proceeds without our consent for working capital and other unauthorized purposes.

55. Crawmet retains possession of the original Certificates for the sold Crawmet Boats. To the best of my knowledge, the only way that Crate Marine could have transferred title to those boats is by fraudulent means or misrepresentation.

56. On November 19, 2014, I spoke with a sales manager with Marquis Yachts, LLC ("Marquis") who advised me that a boat valued in an approximate amount of \$1 million manufactured by Marquis and financed by Northpoint Commercial Finance LLC, a company related to Marquis, was returned by Crate Marine to Marquis hours prior to the commencement of the Proposal Proceedings. I was advised by the Sales Manager, that in exchange for the return of the boat, Marquis made a payment to Crate Marine in an amount of approximately \$200,000. I understand that the boat returned to Marquis is a boat in respect of which Crawmet has priority.

THE PROPOSAL PROCEEDINGS SHOULD BE TERMINATED

57. The Debtors are not acting in good faith and with due diligence. Crate Marine misappropriated Crawmet's property and has perpetrated breaches of trust. On the eve of insolvency it has also taken steps to prefer the interest of one creditor over Crawmet and disposed of inventory subject to Crawmet's security in an amount of approximately \$1 million. In light of these and other circumstances described herein, Crawmet has lost all trust in Crate Marine's management and has serious concerns for the safety of its property and security.

58. To the best of my knowledge, 4 out of 8 Crawmet Boats remain in Crate Marine's possession. Crawmet is concerned that Crate Marine will continue to sell Crawmet Boats. Since the boats in Crate Marine's possession have been wrapped up for the winter, there is no easy way to ascertain which boats remain in possession of Crate Marine.

59. Crate Marine operates from multiple locations, including Quebec. Crawmet has no confidence that the proposal trustee has taken or can take the necessary steps under its current mandate to preserve and protect the business and assets of Crate Marine and Crawmet's collateral.

60. I am advised by Steven that Crate Marine has prematurely invoiced an approximate amount of \$1 million for spring 2015 rentals to generate funding for its working capital. These invoices in the ordinary course of business would not be issued until early next year. Given the state of the company's financial position, these receipts will be used to fund current debt obligations of Crate Marine and not to provide the services paid for by the slip renters, including, cable and utilities.

61. Crawmet will not support any proposal put forth by the Debtors. Without Crawmet's support, any proposal by one or more of the Debtors is likely to fail as Crawmet will be entitled to enforce its security.

THE NEED FOR A RECEIVER

62. A going concern sale of the Keswick Marina as a whole represents the best alternative for all of Crate Marine's stakeholders, including creditors, suppliers and customers. In light of the concerns identified herein, it is necessary for current management of Crate Marine to be replaced by a court-appointed receiver with the power to carry out a court-supervised sale proves for the benefit of all stakeholders.

63. Winter time is the off season for the marina and is the best time to market the Keswick Marina for sale to allow any purchaser to commence operations in the spring when the boating season begins. Furthermore, a receiver is necessary to take immediate control over the receipts and disbursements of Crate Marine to preserve and protect the funds received.

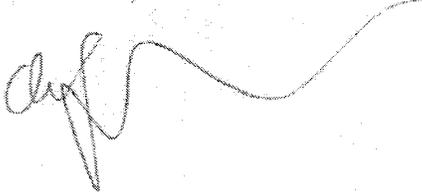
64. Crawmet proposes that Farber be appointed as receiver and manager of the Debtors. Farber has advised Crawmet that it is prepared to act as receiver if so appointed. Attached hereto as Exhibit "S" is a copy of Farber's executed consent.

65. I am advised by Chaitons that if the Proposal Proceedings are terminated, the proposal trustee will automatically become the trustee in bankruptcy of the Debtors. It is unnecessary to have separate bankruptcy and receivership proceedings. Accordingly, Crawmet also seeks an order substituting Farber be appointed as the Debtors' trustee in bankruptcy. Attached hereto as Exhibit "T" is a copy of Farber's executed consent to act as trustee in bankruptcy of the Debtors.

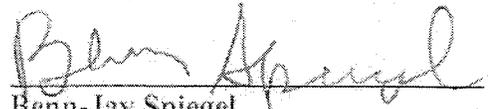
66. This affidavit is sworn in support of Crawmet's application for the relief set out herein.

SWORN before me at the City of Toronto,
Province of Ontario this 20th day of November, 2014

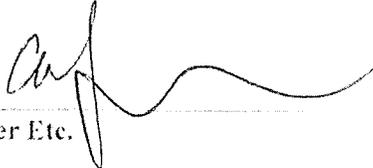
A Commissioner, etc.



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)


Benn-Jay Spiegel

THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF BENN-JAY SPIEGEL
SWORN BEFORE ME THIS 4th
DAY OF DECEMBER, 2014

A handwritten signature in black ink, appearing to be 'C. J. Spiegel', written over a horizontal line.

A Commissioner Etc.

5400 78 SEA-RAY 30 SEDAN BRIDG CM CM SF U A 13-May-13 560 \$ 5,081.00 Lagoon City

Quebec Inventory

5424 04 Bayliner 245 CQC CQC CC U A 31-May-13 542 \$ 22,509.50 St-Paul-Del'ile, QB
 5485 14 Four Winns V305 CQC CQC EC U A 05-Apr-14 233 \$ 121,783.04 Keswick Showroom
 5508 13 Regal 35SC CQC CQC SC U A 26-Sep-14 59 \$ 215,810.00 St-Paul-Del'ile, QB
 5533 11 Cobalt 262WSS W Trailer CQC CQC R U A 04-Oct-14 51 \$ 81,000.00 800 Industriel Bld, QB

Belleville Inventory (represented to be owned by Crate Marine)

5269 90 MAURICU MARO 211 CENER CM CM FB U A 05-Nov-12 749 \$ 8,441.57 Belleville
 5700 03 CARVER P ILOT HOUSE CM CM MY U A 09-Jul-14 138 \$ 455,120.87 Belleville

Boat on Inventory Listing which is being held by M Baisdon Trucking and was being shipped to Marquis as at the date of Farber's appointment

5544 14 MARQUIS YACHTS 500 SFO CM CM SC N A 10-Dec-13 349 \$ 1,178,665.00 Returned to

Boat on Inventory List but not found

5349 89 THUNDERCRAFT 290SE CM CM EC U A 26-Feb-13 636 \$ 5,000.00
 5821 15 CARVER C 37 CM CM EC N SA 02-Nov-14 22 \$ 363,537.50
 4859 09 DYNAMAX DYNA AIRE CM CM DYN N A 14-Apr-11 1,320 \$ 30,000.00

Boats on Inventory List which are represented to be owned by Customers

5824 11 CHAPARRA L 186 SSI & RI CM CM BR U SA 17-Nov-14 7 \$ - Field by playground
 5822 01 CARVER 4 06 AFT CABINE CM CM C U SA 11-Nov-14 13 \$ - Front Yard
 5823 09 MARQUIS YACHTS 50 CM CM C U SA 17-Nov-14 7 \$ - Quebec

Costs Incurred by Crate Marine on boats represented to be owned by Belleville - policy for Belleville to reimburse upon sale

5784 15 CRUISERS 208 CM CM BR N A 30-Jun-14 147 \$ 7,099.93 Showroom
 5788 15 CRUISERS 208 CM CM BR N A 30-Jun-14 147 \$ 2,035.00 Showroom
 5789 15 CRUISERS 208 CM CM BR N A 30-Jun-14 147 \$ 2,337.62
 5552 14 CRUISERS 350 EXPRESS CM CM EC N A 10-Dec-13 349 \$ 8,511.78 South Harbour
 5548 14 CRUISERS 258 CM CM BR N A 19-Dec-13 340 \$ 2,996.15 Belleville

Total Above not including Quebec

Total Per Report \$ 3,301,596.17

Company Inventory including Quebec \$ 3,301,596.00 (new + used)

Actual Company Inventory per Farber \$ 3,742,698.71

Variance \$ 2,142,515.73

\$ 1,600,182.98

Variance is made up of:

Marquis 50 - in process of being returned to mfr \$ 1,178,665.00 Boat held at Pickering
 Carver 37 - sold to M Proulx, delivered in FLA Nov 19 \$ 363,537.50 Sale not yet recorded
 \$ spent by Crate Marine on boats now owned by Belleville \$ 22,980.48 s/b recoverable
 Thundercraft not located \$ 5,000.00 immaterial
 Dynamax trailer reported to be at Greg Crate's cottage \$ 30,000.00
 Unreconciled \$ 1,600,182.98

CRATE MARINE SALES LTD
Inventory Listing of Crate Owned Boats provided by Crate Marine
03-Dec-14

List Prepared

24-Nov-14

Note: inventory listing based on inventory identified by management during walk through of the Keswick and Lagoon City locations with Farber. Due to the fact that most boats were shrink wrapped, it was impractical for Farber to confirm that boats represented by management were the boats on the list below. Farber could assess for reasonability only and has put "Apparent Location" for the location of a shrink wrapped boat. Farber has labelled boats it didn't even see as the "Represented Location".

STOCK NO	DESCRIPTION	LOCN	LOT	TYPE	New or Used	STATUS	SERIAL NO	CHASSIS NUMBER	DATE RCV	D DAY	Total Cost	Apparent Location	Represented Location
Keswick Inventory													
3956 87	CARVER 2	CM	CM	AC	U	A	CDR0114687		18-Apr-07	2,777	\$	5,000.41	Front yard
4322 69	CHRIS-CR	CM	CM	AC	U	A			01-Oct-08	2,245	\$	25,373.05	Mid yard
4335 31	CHRIS-CR	CM	CM	R	U	A			14-Oct-08	2,232	\$	1,000.00	Showroom
4483 88	CARVER 3	CM	CM	EC	U	A			10-Sep-09	1,901	\$	11,292.80	South harbour
4638 02	REGAL 26	CM	CM	BR	U	A	RGMW4024J102		01-Jun-10	1,637	\$	15,600.00	North washrooms
4696 89	CARVER 3	CM	CM	AC	U	A	CDRC0053B989		13-Aug-10	1,564	\$	31,637.64	South harbour
4745 07	ZODIAC D	CM	CM	INF	U	A	XDCR222KK607		05-Oct-10	1,511	\$	8,000.00	Trailer lift
5128 95	TROJAN 3	CM	CM	EC	U	A	TRUR1027K495		27-Apr-12	941	\$	34,550.82	Keswick
5195 63	CHRIS-CR	CM	CM	CON	U	A			07-Aug-12	839	\$	9,487.34	South harbour
5312 97	CARVER 3	CM	CM	SF	U	A	CDRM20041697		30-Jan-13	663	\$	50,000.00	Front yard
5341 06	DONZI 43	CM	CM	PB	U	A	DNACZ006K506		25-Feb-13	637	\$	127,630.76	Compound
5779 12	BOAT TRA & TRAILER	CM	CM	BT	I	A	IM9TB4330CC495563		31-Jul-14	116	\$		Compound
5363 89	CRUISERS	CM	CM	PB	U	A	DNAC2008D637		27-Feb-13	635	\$	22,279.14	Trailer lift
5437 10	LARSON 2	CM	CM	EC	U	A	FRS8448BC989		28-Mar-13	606	\$	7,000.00	South harbour
5496 90	WELLCRAF	CM	CM	BR	U	A	LAR89725E910		21-Jun-13	521	\$	40,000.79	Showroom
5564 92	SEA-RAY	CM	CM	PB	U	A	WELP6159J990		04-Sep-13	446	\$	20,620.65	Compound
5565 06	RINKER 2	CM	CM	BR	U	A	SERVA423A292		21-Jan-14	307	\$	3,087.72	Trailer lift
5567 10	REGAL 21	CM	CM	CC	U	A	RNK73048B03		21-Jan-14	307	\$	28,995.26	Compound
5600 08	MONTEREY	CM	CM	BR	U	A	RGMCB2030010		22-Jan-14	306	\$	30,000.56	Showroom
5601 03	SEA-RAY	CM	CM	CC	U	A			14-Apr-14	224	\$	21,000.00	Showroom
5732 11	REGAL 23	CM	CM	AC	U	A	SERFR9467203		14-Apr-14	224	\$	169,482.06	North washrooms
5647 11	CRUISERS	CM	CM	BR	U	A	RGMDR327D11 Trailer SVIw		22-May-14	186	\$	52,000.00	Front yard
5670 04	CONQUEST	CM	CM	EC	U	A	CRSFDA70D011		05-Jun-14	159	\$	170,309.20	Compound
5671 97	LARSON 2	CM	CM	BR	U	A	KWEDD1301304		18-Jun-14	158	\$	16,218.05	Showroom
5672 97	DORAL 19	CM	CM	BR	U	A			19-Jun-14	158	\$	12,000.10	Compound
5679 00	WELLCRAF	CM	CM	AC	U	A	QJA06303A797		23-Jun-14	154	\$	14,347.89	Mid yard
5777 88	DORAL 26	CM	CM	R	U	A			26-Jun-14	151	\$	6,000.00	Front yard
5781 99	REGAL 32	CM	CM	AC	U	A	A152917888		24-Sep-14	61	\$	5,180.75	Mid yard
5795 12	SEA-RAY	CM	CM	EC	U	A			25-Sep-14	60	\$	44,115.04	South harbour
5808 03	BAYLINER	CM	CM	AC	U	A	US-SERT4011U112		02-Oct-14	53	\$	50,000.00	Compound
5816 99	RINKER 2	CM	CM	BR	U	A			17-Oct-14	38	\$	17,500.00	South harbour
5820 96	THOMPSON	CM	CM	BR	U	A	259403963		23-Oct-14	32	\$	13,000.00	Compound
4762 10	SICA-DOO	CM	CM	AC	U	A	KNK61752C959		03-Nov-14	21	\$	14,379.79	South harbour
4858 09	DYNAMAX	CM	CM	SD	N	A	TMS37895K595		31-Oct-10	1,485	\$	7,839.99	Trailer lift
5538 14	REGAL 25	CM	CM	DYN	N	A	YDVI2689C010		24-Mar-11	1,341	\$	30,000.00	Front yard
5725 14	PHOENIX	CM	CM	CC	N	A	1D9FE362391358008		25-May-14	183	\$	71,718.61	Showroom
	522-501B	CM	CM	BT	N	A	RGMMO242D414			165	\$	3,503.36	Mid yard
		CM	CM				5VWB222XFE006450						
Lagoon City Inventory													
5662 88	CARVER 2	CM	CM	AC	U	A	CDR0023088		16-Jun-14	161	\$	5,237.18	Lagoon City
5704 87	PROWLER	CM	CM	AC	U	A			14-Jul-14	133	\$	17,980.66	Lagoon City
4682 88	PROWLER	CM	CM	AC	U	A			26-Jul-10	1,582	\$	20,000.13	Lagoon City



Chaitons LLP

**PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SEARCH SUMMARY WITH RESPECT TO:
CRATE MARINE SALES LIMITED**

eSummary Requested By: Lynn Lee
PPSA Enquiry ID: 556748
File Currency: 09NOV 2014

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PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

PPSA #	Item #	Year	Reg. #	Year	Collateral Description	Debtor Name	Address	City	Province	Country	
1.	70035052 PPSA	2	20141002	1152	1750 0007	CRATE MARINE SALES LIMITED	IRWIN JACOBS 8096 EXCELSIOR BLVD HOPKINS MN 55343			X	
		Amount Secured: \$200000 Maturity Date: October 2, 2015 2011 CRUISERS 35 (VIN: CDSFDA14G809) General Collateral Description: PLEASURE CRAFT									
		3	20141002	1306	1750 0008	CRATE MARINE SALES LIMITED	IRWIN JACOBS 8096 EXCELSIOR HOPKINS MN 55343			X	
2.	700359939 PPSA	4	20141002	1311	1750 0009	CRATE MARINE SALES	IRWIN JACOBS 8096 EXCELSIOR BLVD.			X	
		Amount Secured: \$150000 Maturity Date: October 2, 2015 2011 FOUR WINNS 305 (VIN: PFWCJ003K011) General Collateral Description: PLEASURE CRAFT									
		3	20141002	1152	1750 0007	CRATE MARINE SALES LIMITED	IRWIN JACOBS 8096 EXCELSIOR BLVD HOPKINS MN 55343			X	

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

6.	698977665 PPSA	20140815 1702 1462 5510 Reg. 4 year(s)	CRATE MARINE SALES LTD	ED LEARN FORD LINCOLN 375 ONTARIO STREET ST. CATHARINES ON L2R5L3	X				X
2015 GMC YUKON (VIN: 1GKS2HKC1FR122108)									
General Collateral Description: VEHICLE									
7.	698026644 PPSA	20140715 1529 6083 6660 Reg. 1 year(s)	CRATE MARINE SALES LTD. STEVEN CRATE	MP ACCOUNTING SERVICES INC. 27 ARNOLD HEIGHTS DR. MARKHAM ON L6L 0E8					X
Amount Secured: \$491550									
General Collateral Description: CARVER 57 PH YACHT CDRNA123H203 PORT 1101059471 STB 11001060124									
8.	692546652 PPSA	20131212 1039 1529 9347 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X				X
No Fixed Maturity Date									
2013 FORD F150 (VIN: 1FTFW1EF6DFD29252)									
9.	692556759 PPSA	20131212 1257 3064 4331 Reg. 05 year(s)	CRATE MARINE SALES LIMITED	MARQUIS YACHTS, LLC 790 MARKHAM DRIVE PULASKI WI 54162	X	X	X	X	X

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

11	20140122 1612 5064 5492	CRATE MARINE SALES LIMITED	MARQUIS YACHTS, LLC (Assignor)						
	D ASSIGNMENT		NORTHPOINT COMMERCIAL FINANCE LLC (Assignee) 11675 RAINWATER DRIVE, SUITE 450 ALPHARETTA GA 30009						
10.	692303742 PPSA	20131203 1030 1529 1650 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7		X	X	X	X
		No Fixed Maturity Date							
		2013 FORD F150 (VIN: 1FTFW1EF6DKF88072)							
11.	691143624 PPSA	20131017 1444 1793 8328 Reg. 5 year(s)	CRATE MARINE SALES LTD	PLAZA KIA OF THORNHILL 7079 YONGE STREET THORNHILL ON L3T2A7			X		X
		Amount Secured: \$150000							
		No Fixed Maturity Date							

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

2011 FORMULA 310SS VOLVO 8.1 (VIN: F1VRDB007V011)		20130708 1229 1793 3722 Reg. 5 year(s)		CRATE MARINE SALES LIMITED (Corp. No.: 124052)	STRUCTFORM CENTRAL CORP. 84 PASSMORE AVENUE TORONTO ON M1V4S9				X	
12.	688420764 PPSA	14	20130708 1229 1793 3722 Reg. 5 year(s)	CRATE MARINE SALES LIMITED (Corp. No.: 124052)	STRUCTFORM CENTRAL CORP. 84 PASSMORE AVENUE TORONTO ON M1V4S9				X	
General Collateral Description: 2007 CARVER 466 - SERIAL NUMBER CDRD01781607 MOTOR VOLVO D9 7009127313 D97009127167										
13.	688218948 PPSA	15	20130702 0933 7036 8792 Reg. 1 year(s)	STEVE CRATE CRATE MARINE SALES LTD.	LEEWAY AUTO SALES LTD. P.O. BOX 279 KING CITY ON L7B1A6				X	
Amount Secured: \$200000 No Fixed Maturity Date										
General Collateral Description: 2007 CARVER 466MY BOAT MOTOR YACHT CDRD0179C607										
		16	20140630 1643 7036 4394 B RENEWAL Renew 1 year(s)	STEVE CRATE						
14.	684533905 PPSA	17	20130206 0957 6005 5554 Reg. 05 year(s)	CRATE MARINE SALES LIMITED	NATIONAL LEASING GROUP INC. 1525 BUFFALO PLACE (2611466) WINNIPEG MB R3T 1L9				X	

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

2013 CONOLIFT YH-915 MARINE (VIN: 2C9BE3263DP050003)									
<p>General Collateral Description: ALL TRAILER OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2611466 BETWEEN MAYO AND ASSOCIATES LTD, AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.</p>									
15.	682211898 PPSA	20121017 1043 1529 1752 Reg. 5 year(s)	CRATE MARINE SALES LIMITED GREGORY CRATE (DOB: 07APR1958)	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X
No Fixed Maturity Date									
2010 FORD F150 (VIN: 1FTFW1EV2AFB89848)									
16.	681222375 PPSA	20120905 1948 1531 4730 Reg. 3 year(s)	CRATE MARINE SALES LIMITED	KCS INTERNATIONAL, INC. 804 PECOR STREET OCONTO WI 54153-0078	X	X			
<p>General Collateral Description: ONE CRUISERS YACHTS YACHT, MODEL 380 EXPRESS, HULL IDENTIFICATION NO. CRSEE129E113, PORT SIDE ENGINE S/N A174910, STARBOARD SIDE ENGINE S/N A174909, PORT SIDE DRIVE TRAIN S/N A168492, STARBOARD SIDE DRIVE TRAIN S/N A168493, AND ONE CRUISERS YACHTS YACHT, MODEL 310 EXPRESS, HULL IDENTIFICATION NO. CRSEA111113, PORT SIDE ENGINE S/N A190388, STARBOARD SIDE ENGINE S/N A190387, PORT SIDE DRIVE TRAIN S/N A190842, STARBOARD SIDE DRIVE TRAIN S/N A190843, AND THE PROCEEDS OF THE FOREGOING.</p>									
17.	677540457 PPSA	20120412 1450 1530 2649 Reg. 3 year(s)	CRATE MARINE SALES LIMITED	MARQUIS YACHTS, LLC 790 MARKHAM DRIVE, P.O. BOX 1010 PULASKI WI 54162-1010	X	X	X	X	X

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

21.	673696071 PPSA	33	20111017 1947 1531 3877 Reg. 4 year(s)	CRATE MARINE SALES LIMITED	FINANCIALINX CORPORATION 2001 SHEPPARD AVE. E., 6TH FLR TORONTO ON M2J 4Z8	X	X	X	X
<p>General Collateral Description: ONE CRUISERS YACHTS YACHT, MODEL 310 EXPRESS, HULL IDENTIFICATION NO. US-CRSEA104G112, PORT SIDE ENGINE S/N A179972, STARBOARD SIDE ENGINE S/N A179973, PORT SIDE DRIVE TRAIN S/N A180795, STARBOARD SIDE DRIVE TRAIN S/N A180796. ONE CRUISERS YACHTS YACHT, MODEL 350 EXPRESS, HULL IDENTIFICATION NO. US-CRSEC111H12, PORT SIDE ENGINE S/N A182743, STARBOARD SIDE ENGINE S/N A182744, PORT SIDE DRIVE TRAIN S/N A182473, STARBOARD SIDE DRIVE TRAIN S/N A182474. ONE CRUISERS YACHTS YACHT, MODEL 380 EXPRESS, HULL IDENTIFICATION NO. US-CRSEE109H12, PORT SIDE ENGINE S/N A183271, STARBOARD SIDE ENGINE S/N A183270, PORT SIDE DRIVE TRAIN S/N A181953, STARBOARD SIDE DRIVE TRAIN S/N A181954. ONE CRUISERS YACHTS YACHT, MODEL 41 CANTUS, HULL IDENTIFICATION NO. US-CRSXF103H12, PORT SIDE ENGINE S/N A187358, STARBOARD SIDE ENGINE S/N A187359, PORT SIDE DRIVE TRAIN S/N 3194012674, STARBOARD SIDE DRIVE TRAIN S/N 3194012675. AND THE PROCEEDS OF THE FOREGOING.</p>									
<p>Amount Secured: \$88942</p> <p>Maturity Date: October 11, 2015</p> <p>2011 CADILLAC ESCALADE AWD (VIN: 1GYS4CEF6BR190052)</p>									
22.	671768019 PPSA	34	20110727 1456 1530 6363 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X
<p>No Fixed Maturity Date</p> <p>2011 FORD F350 (VIN: 1FT8W3BTXBEC59367)</p>									

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

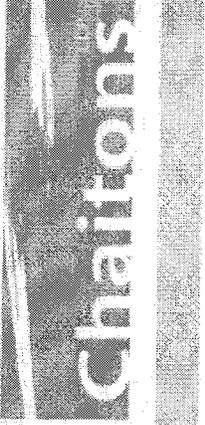
23.	670226562 PPSA	35	20110530 1146 1590 2453 Reg. 10 year(s)	CRATE MARINE SALES LIMITED (Corp. No.: 124052)	1728259 ONTARIO INC. 100 GRANDVIEW ROAD PORT MCNICOLL ON L0K 1R0	X	X	X
Amount Secured: \$469906								
Maturity Date: May 1, 2021								
General Collateral Description: 75 TONNE MARINE TRAVELIFT BEARING SERIAL #3480-0910								
24.	661282434 PPSA	36	20100511 1444 8077 1064 Reg. 6 year(s)	CRATE MARINE SALES LIMITED LLOYD CRATE (DOB: 14MAR1925) LLOYD F CRATE (DOB: 14MAR1925) GREG CRATE (DOB: 07APR1958) GREGORY CRATE (DOB: 07APR1958) GREG J CRATE (DOB: 07APR1958) GREGORY J CRATE (DOB: 07APR1958)	VFS CANADA INC. 205 INDUSTRIAL PKWY N. UNIT 5 AURORA ON L4G 4C4	X	X	X
No Fixed Maturity Date								
2010 MACK CXU613 (VIN: 1M1AW07Y7AN009782)								

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

25.	658824723 <i>PPSA</i>	40	20100120 1420 5064 3733 Reg. 06 year(s)	CRATE MARINE SALES LIMITED	GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P. 5500 NORTH SERVICE ROAD, 8TH FLOOR BURLINGTON ON L7L 6W6	X	X	X	X	X	X
			No Fixed Maturity Date								
			2009 CONOLIFT YH-1520XD (VIN: 2C9BXXSY2X9P050029)								
26.	658691082 <i>PPSA</i>	41	20100112 1454 1530 2286 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X	X
			No Fixed Maturity Date								
			2010 FORD F150 (VIN: 1FTFW1EVXAF39034)								
27.	658691091 <i>PPSA</i>	42	20100112 1454 1530 2287 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X	X
			No Fixed Maturity Date								
			2010 FORD F150 (VIN: 1FTFW1EV6AFA80468)								

PPSA (ONTARIO) SEARCH SUMMARY
 CRATE MARINE SALES LIMITED

28.	900793782	43	CRATE MARINE SALES LIMITED	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>CSRA No.: 079378</p> <p>THIS REGISTRATION WAS MADE UNDER THE CORPORATION SECURITIES REGISTRATION ACT (R.S.O. 1980, C.94) OR A PREDECESSOR THEREOF. A COPY OF THE INSTRUMENT IS AVAILABLE FOR INSPECTION IN THE OFFICES OF THE MINISTRY OF CONSUMER AND BUSINESS SERVICES, LOCATED AT: 375 UNIVERSITY AVENUE, 3RD FLOOR TORONTO, ONTARIO M5G 2J5 TEL. (416) 325-8810</p> </div> <div style="width: 50%; border-left: 1px dashed black; border-right: 1px dashed black; height: 100px;"></div> </div>
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Chaitons LLP

**PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SEARCH SUMMARY WITH RESPECT TO:
CRATE MARINE SALES LIMITED**

eSummary Requested By: Lynn Lee
PPSA Enquiry ID: 556748
File Currency: 09NOV 2014

DISCLAIMER:

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PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

6.	698977665 PPSA	20140815 1702 1462 5510 Reg. 4 year(s)	CRATE MARINE SALES LTD	ED LEARN FORD LINCOLN 375 ONTARIO STREET ST. CATHARINES ON L2R5L3	X				X
2015 GMC YUKON (VIN: 1GKS2HKC1FR122108)		General Collateral Description: VEHICLE							
7.	698026644 PPSA	20140715 1529 6083 6660 Reg. 1 year(s)	CRATE MARINE SALES LTD. STEVEN CRATE	MP ACCOUNTING SERVICES INC. 27 ARNOLD HEIGHTS DR. MARKHAM ON L6L 0E8					X
Amount Secured: \$491550									
General Collateral Description: CARVER 57 PH YACHT CDRNA123H203 PORT 1101059471 STB 11001060124									
8.	692546652 PPSA	20131212 1039 1529 9347 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X
No Fixed Maturity Date									
2013 FORD F150 (VIN: 1FTFW1EH6DFD29252)									
9.	692586759 PPSA	20131212 1257 5064 4331 Reg. 05 year(s)	CRATE MARINE SALES LIMITED	MARQUIS YACHTS, LLC 790 MARKHAM DRIVE PULASKI WI 54162	X	X	X	X	X

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

2011 FORMULA 310SS VOLVO 8.1 (VIN: FIVRDB007V011)

12.	688420764 PPSA	14	20130708 1229 1793 3722 Reg. 5 year(s)	CRATE MARINE SALES LIMITED (Corp. No.: 124052)	STRUCTFORM CENTRAL CORP. 84 PASSMORE AVENUE TORONTO ON M1V4S9					X
General Collateral Description: 2007 CARVER 466 - SERIAL NUMBER CDRD0178J607 MOTOR VOLVO D9 7009127313 D97009127167										
13.	688218948 PPSA	15	20130702 0933 7036 8792 Reg. 1 year(s)	STEVE CRATE CRATE MARINE SALES LTD.	LEEWAY AUTO SALES LTD. P.O. BOX 279 KING CITY ON L7B1A6					X
Amount Secured: \$200000 No Fixed Maturity Date										
General Collateral Description: 2007 CARVER 466MY BOAT MOTOR YACHT CDRD0179C607										
		16	20140630 1643 7036 4394 B RENEWAL Renew 1 year(s)	STEVE CRATE						
14.	684553905 PPSA	17	20130206 0957 6005 5554 Reg. 05 year(s)	CRATE MARINE SALES LIMITED	NATIONAL LEASING GROUP INC. 1525 BUFFALO PLACE (2611466) WINNIPEG MB R3T 1L9					X

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

	<p>General Collateral Description: ONE CRUISERS YACHTS YACHT, MODEL 310 EXPRESS, HULL IDENTIFICATION NO. US-CRSEA104G112, PORT SIDE ENGINE S/N A179972, STARBOARD SIDE ENGINE S/N A179973, PORT SIDE DRIVE TRAIN S/N A180795, STARBOARD SIDE DRIVE TRAIN S/N A180796. ONE CRUISERS YACHTS YACHT, MODEL 350 EXPRESS, HULL IDENTIFICATION NO. US-CRSEC111HH112, PORT SIDE ENGINE S/N A182743, STARBOARD SIDE ENGINE S/N A182744, PORT SIDE DRIVE TRAIN S/N A182473, STARBOARD SIDE DRIVE TRAIN S/N A182474. ONE CRUISERS YACHTS YACHT, MODEL 380 EXPRESS, HULL IDENTIFICATION NO. US-CRSEE109H112, PORT SIDE ENGINE S/N A183271, STARBOARD SIDE ENGINE S/N A183270, PORT SIDE DRIVE TRAIN S/N A181953, STARBOARD SIDE DRIVE TRAIN S/N A181954. ONE CRUISERS YACHTS YACHT, MODEL 41 CANTILUS, HULL IDENTIFICATION NO. US-CRSEF103H112, PORT SIDE ENGINE S/N A187358, STARBOARD SIDE ENGINE S/N A187359, PORT SIDE DRIVE TRAIN S/N 3194012674, STARBOARD SIDE DRIVE TRAIN S/N 3194012675. AND THE PROCEEDS OF THE FOREGOING.</p>				
21.	673696071 PPSA	33	20111017 1947 1531 3877 Reg. 4 year(s)	CRATE MARINE SALES LIMITED	FINANCIALINX CORPORATION 2001 SHEPPARD AVE E, 6TH FLR TORONTO ON M2J 4Z8
		Amount Secured:			
		\$88942			
		Maturity Date:			
		October 11, 2015			
2011 CADILLAC ESCALADE AWD (VIN: 1GYS4CEF6BR190052)					
22.	671768019 PPSA	34	20110727 1456 1530 6363 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7
		No Fixed Maturity Date			
2011 FORD F350 (VIN: 1FT8W3B1XBECS9367)					

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

23.	670226562 PPSA	35	20110530 1146 1590 2453 Reg. 10 year(s)	CRATE MARINE SALES LIMITED (Corp. No.: 124052)	1728259 ONTARIO INC. 100 GRANDVIEW ROAD PORT MCNICOLL ON L0K IR0		X	X
		Amount Secured: \$469906						
		Maturity Date: May 1, 2021						
		General Collateral Description: 75 TONNE MARINE TRAVELLIFT BEARING SERIAL #3480-0910						
24.	661282434 PPSA	36	20100511 1444 8077 1064 Reg. 6 year(s)	CRATE MARINE SALES LIMITED LLOYD CRATE (DOB: 14MAR1925) LLOYD F CRATE (DOB: 14MAR1925) GREG CRATE (DOB: 07APR1958) GREGORY CRATE (DOB: 07APR1958) GREG J CRATE (DOB: 07APR1958) GREGORY J CRATE (DOB: 07APR1958)	VFS CANADA INC. 205 INDUSTRIAL PKWY N. UNIT 5 AURORA ON L4G 4C4		X	X X
		No Fixed Maturity Date						
		2010 MACK CXU613 (VIN: 1M1AW07Y7AN009782)						

PPSA (ONTARIO) SEARCH SUMMARY
CRATE MARINE SALES LIMITED

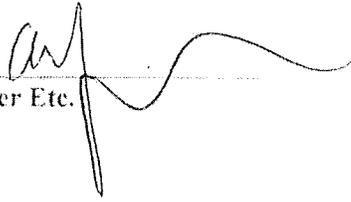
25.	658824723 <i>PPSA</i>	40	20100120 1420 5064 3733 Reg. 06 year(s)	CRATE MARINE SALES LIMITED	GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P. 5500 NORTH SERVICE ROAD, 8TH FLOOR BURLINGTON ON L7L 6W6	X	X	X	X	X
		No Fixed Maturity Date								
		2009 CONOLJET YH1-1520XD (VIN: 2C9BXXSY2X9P050029)								
26.	658691082 <i>PPSA</i>	41	20100112 1454 1530 2286 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X
		No Fixed Maturity Date								
		2010 FORD F150 (VIN: 1FTFW1EVXAF39034)								
27.	658691091 <i>PPSA</i>	42	20100112 1454 1530 2287 Reg. 5 year(s)	CRATE MARINE SALES LIMITED	FORD CREDIT CANADA LIMITED PO BOX 2400 EDMONTON AB T5J 5C7	X	X	X	X	X
		No Fixed Maturity Date								
		2010 FORD F150 (VIN: 1FTFW1EV6AF80468)								

PPSA (ONTARIO) SEARCH SUMMARY
 CRATE MARINE SALES LIMITED

28.	900793782	43	CRATE MARINE SALES LIMITED					
			CSRA No.: 079378	THIS REGISTRATION WAS MADE UNDER THE CORPORATION SECURITIES REGISTRATION ACT (R.S.O. 1980, C.94) OR A PREDECESSOR THEREOF. A COPY OF THE INSTRUMENT IS AVAILABLE FOR INSPECTION IN THE OFFICES OF THE MINISTRY OF CONSUMER AND BUSINESS SERVICES, LOCATED AT: 375 UNIVERSITY AVENUE, 3RD FLOOR TORONTO, ONTARIO M5G 2J5 TEL. (416) 325-8810				

THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF BENN-JAY SPIEGEL
SWORN BEFORE ME THIS 4th
DAY OF DECEMBER, 2014

A Commissioner Etc.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long, wavy horizontal line that extends to the right and then curves downwards.

Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1282648 Ontario Limited, 1328559 Ontario Limited,
 1330732 Ontario Limited, 1382416 Ontario Ltd., and 1382415 Ontario Ltd.
 Consolidated Cash Flow Forecast
 For the Period of November 22, 2014 to January 30, 2015
 SCDN

Week Ending	1	2	3	4	5	6	7	8	9	10	Total
	w/e Nov 28	w/e Dec 5	w/e Dec 12	w/e Dec 19	w/e Dec 26	w/e Jan 2	w/e Jan 9	w/e Jan 16	w/e Jan 23	w/e Jan 30	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Receipts											
Accounts Receivable Collections	2	49,600	76,566	47,747	5,383	14,229	27,817	1,776	2,000	5,836	308,546
Vessel Sales	3	-	-	-	-	-	-	-	-	-	-
Slip Rental Sales	4	13,962	24,615	17,991	16,724	18,180	80,818	84,710	89,326	46,260	418,275
Service & Other Sales	5	33,407	30,224	23,541	14,509	109,786	62,141	15,544	41,981	-	335,939
Other	5	825	-	-	-	-	-	-	-	-	825
Total Receipts		97,794	132,430	80,247	26,912	142,196	170,776	102,030	133,307	52,096	1,063,585
Disbursements											
Vessel Purchases	6	-	-	-	-	-	-	-	-	-	-
Payroll, Employee Benefits and Payroll Taxes	7	(148,516)	(16,979)	(81,090)	(5,650)	(16,979)	(34,943)	(5,650)	(34,943)	(5,650)	(386,053)
Facilities	8	-	(55,943)	(8,236)	(19,419)	(46,454)	(12,905)	(15,667)	(1,650)	(30,301)	(193,625)
Parts and Fuel Purchases	9	-	-	-	-	(27,000)	(51,200)	(42,000)	(5,000)	(44,500)	(169,700)
Sales Commissions	10	(26,420)	-	(21,264)	-	-	(16,684)	-	(16,684)	-	(97,736)
Marketing and Advertising	11	-	-	-	-	(19,285)	(19,285)	(19,285)	(19,285)	-	(77,140)
Other	12	(8,138)	(26,494)	(4,927)	(4,156)	(16,196)	(9,060)	(9,532)	(7,578)	(6,457)	(97,472)
Interim Financing Interest	14	(183,074)	(99,416)	(115,517)	(29,225)	(60,321)	(144,077)	(92,134)	(85,140)	(89,450)	(5,085)
Total Disbursements		(85,280)	(33,014)	(10,279)	(51,022)	(33,408)	(13,739)	(26,899)	(9,896)	(48,167)	(36,775)
Net Cash Flow from Operations		(12,486)	99,416	90,526	77,934	108,794	154,515	75,136	143,157	101,246	1,026,810
Net Cash Flow		(12,486)	99,416	90,526	77,934	108,794	154,515	75,136	143,157	101,246	1,026,810
Professional Fees											
Interim Financing Fees and Costs	13	(20,000)	(50,000)	(26,500)	-	(65,500)	(35,000)	(30,500)	-	-	(227,500)
Other	14	(105,280)	(33,936)	(16,221)	(51,022)	(98,908)	(6,301)	(20,604)	(48,167)	(37,354)	(16,950)
Net Cash Flow		(125,280)	(83,936)	(42,721)	(106,922)	(164,408)	(41,301)	(51,104)	(88,167)	(77,354)	(207,675)
Opening cash position											
Opening cash position		122,215	16,935	321,999	305,778	356,800	271,631	263,330	242,726	290,893	122,215
Net cash flow		(105,280)	(33,936)	(46,221)	(51,022)	(98,908)	(6,301)	(20,604)	(48,167)	(37,354)	(207,675)
Interim Financing Advances / (Repayments)	14	-	339,000	-	-	339,000	339,000	339,000	339,000	339,000	339,000
Closing cash position		16,935	321,999	305,778	356,800	271,631	263,330	242,726	290,893	253,539	253,539
Interim Financing											
Opening Interim Financing Position		-	-	-	-	-	-	-	-	-	-
Advances / (Repayments)	14	-	339,000	-	339,000	339,000	339,000	339,000	339,000	339,000	339,000
Closing Interim Financing Position		-	339,000	-	339,000	339,000	339,000	339,000	339,000	339,000	339,000

This statement of forecast cash flow of Crate Marine Sales Ltd. should be read in conjunction with the accompanying notes.

CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED,
 1282648 ONTARIO LIMITED, 1328559 ONTARIO LIMITED, 1330732 ONTARIO LIMITED,
 1382416 ONTARIO LTD., AND 1382415 ONTARIO LTD.
 (COLLECTIVELY, "CRATE MARINE" OR THE "COMPANY")

MAJOR ASSUMPTIONS
 CONSOLIDATED CASH FLOW FORECAST

FOR THE PERIOD NOVEMBER 22, 2014 TO JANUARY 30, 2015 (THE "PERIOD")

1. Crate Marine's financial forecast has been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. In addition to the financial forecast of Crate Marine Sales Limited, the sole operating entity, ("Operating Company") cash receipts and disbursements also include the financial forecast for the additional six related legal entities which filed Notices of Intention to Make Proposals ("NOI") on November 14, 2014 and which are holding companies. These entities are: 1282648 Ontario Ltd., 1328559 Ontario Limited, 1330732 Ontario Ltd., 1382415 Ontario Limited, 1382416 Ontario Limited and F.S. Crate & Sons Limited (collectively, the "Holding Companies"). The Holding Companies do not engage in active business but rather own the land on which the Operating Company operates its Keswick, Ontario marina location. The Operating Company has four marinas of which three are located in Ontario and one in Quebec.

Crate Marine's financial forecast is based on the hypotheses that:

- (1) Crate Marine will complete a successful proposal;
- (2) Crate Marine will continue to employ the current staff at current levels to complete the winterization service, and thereafter will reduce staff weekly as this service is completed which is forecast to occur by the beginning of December (last day worked December 5th paid on December 12th with savings starting on the December 26th); and
- (3) Crate Marine will be shutting down one of its Ontario locations in the week ending November 30th.

On November 21, 2014, an Interim Receiver was appointed over the assets, properties and undertakings of Crate Marine for the period of November 21, 2014 to December 1, 2014. On December 1, 2014 a hearing will take place to determine whether a Receiver should be appointed over Crate Marine or whether Crate Marine should be given further time to file a

proposal. Should a Receiver be appointed over the assets of Crate Marine on December 1, 2014, the assumptions in Crate Marine's cash flow forecast will materially change.

2. Accounts Receivable Collections

Accounts Receivable collections are composed of collections from customers for various services from each of the four marinas.

3. Vessel Sales

Vessel sales are revenue earned from the sale of new, used and brokerage vessels. Crate carries an inventory of both used and new vessels for sale. In addition there are brokerage sales where Crate earns a commission to broker a vessel sale between the vendor and the buyer. The cash flow includes the gross value of the sale collected from the customer as well as the cost to pay out either the vendor or the distributor. Until a vessel transaction has closed, proceeds received by Crate Marine are to be held in a separate trust account. Currently, there is \$2,000 in Crate's trust account which is not included in this cash flow statement. During the Period, it is forecast that no sales will close and any sales which occur at the January 2014 boat show are expected to close after the Period and any related deposits will be held in trust.

4. Slip Rental Sales

Slip rental sales is cash received from the rental of a slip for the upcoming calendar year. A slip offers a docking space for an individual's vessel. The forecast assumes that all slips are rented for a period between 6 to 12 months. Slip rentals are paid either in lump sum in advance for the calendar year, for six months at a time or monthly.

5. Service and Other Sales

Service sales primarily consist of repair and maintenance performed on customer vessels as well as winterization sales. Winterization of a vessel involves hauling it out of the water, winterizing its engines and water systems and shrink wrapping it to protect it from the winter elements.

6. Vessel Purchases

Represent the cash outflow required to close a sale of a vessel which is forecast to occur by the Company in the Period. These payments are made either to the manufacturer of the vessel for

new vessel purchases or to the individual owner for used vessel purchases. No vessel purchases are forecast in the Period.

7. Payroll, Employee Benefits and Payroll Taxes

Presently, there are approximately 67 staff currently working at the four locations and the Keswick, Ontario head office.

The payroll costs reflect expected costs over the period including salaries, source deductions to be withheld and remitted and employee benefits to be paid. Payroll is paid bi-weekly five days in arrears. Payroll is processed at the Keswick head office for the Ontario locations. For the Quebec location payroll is funded by way of a third party payroll service which remits all source deductions on behalf of that location. At the time of the NOI filings source deduction remittances were approximately \$220,000 in arrears regarding the Ontario payrolls.

8. Facilities

These amounts represent utilities, insurance, municipal taxes, rent where applicable and other miscellaneous expenses required to maintain Crate Marine's operations and various properties.

9. Parts and Fuel Service

These amounts represent parts and fuel that will be purchased to service customer vessels during the Period.

10. Sales Commission

Sales staff receive a commission on the sale of new, used or brokered vessels. Commissions range between 2 - 4% of the net sale price of the vessel. Accrued commissions owing to sales staff are disbursed to sales staff over the calendar year at various amounts.

11. Marketing and Advertising

Represents costs associated with attending the annual Toronto boat show which takes place every January 2014. In order to reduce costs associated with attending the Toronto boat show, Crates received commitments from certain boat suppliers to fund certain costs associated with Crates attending the show.

12. Other Disbursements

Represent vehicle, office, communication, merchant fees and other miscellaneous overhead expenses.

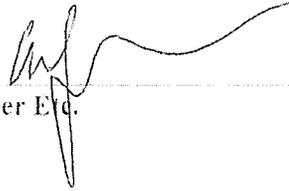
13. Professional Fees

Represent forecast professional fees of Crate Marine's legal counsel, the Proposal Trustee, and the Proposal Trustee's legal counsel over the Period.

14. Interim Financing

The Company has received a commitment for debtor-in-possession financing ("DIP Loan") for approximately Cdn \$339,000, less financing fees of approximately \$16,900 to be held in reserve by the lender. The DIP Loan is forecast to be received in the week-ending December 5, 2014 and remains subject to receipt of Court approval by the Company. If received, the DIP Loan is forecast to be sufficient to finance Crate Marine's cash flow needs in the Period.

THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF BENN-JAY SPIEGEL
SWORN BEFORE ME THIS 4th
DAY OF DECEMBER, 2014



A Commissioner Etc.

Brendan Bissell

From: Stuart Mitchell <smitchell@farberfinancial.com>
Sent: November-28-14 1:29 PM
To: Brendan Bissell R. (bissell@gsnh.com); Michael Rotsztain (rotsztain@gsnh.com)
Subject: FW: Boat Financing

From: Donald Rogers [mailto:don.rogers@rogers.com]
Sent: Friday, November 28, 2014 11:24 AM
To: Stuart Mitchell
Subject: Boat Financing

Don Rogers
416-565-2738

Boats subject to unpaid bank loans.

National Bank loan.

2010 Crusiers 455
Kick Aft (registered name)
Subject to a Marine Mortgage

Serial #CRSUBA01A910

Bank of Montreal loan.

2008 Carver 47
Aquanauts (registered name)
Subject to a Marine Mortgage

Serial # CDRW1053C708

Sequence of events

I bought 2008 Carver 47 In March of 08 and financed with BMO
I traded the above Carver in Jan 2010 to purchase the Crusiers 455. The 455 was financed by National Bank. Crates did not pay out the BMO loan at the time of the above purchase of the 455. I found out some time later that BMO was getting payments directly from Crates and this has continued to this date. This vessel (2008 Carver 47) is at Crates Marine and not sure but I think the name of who has possession - Miller.
The Crusiers 455 was a piece of junk and Crates agreed to take it back and replace it. Crates sold the 455 kept the proceeds and never replaced it. National Bank was never paid out from the sales proceeds. This boat was sold to a Mr. Daley and I believe the vessel is in Kingston.

A year later after much pushing Crates provided a 2010 Regal and a 2007 Carver as security for the loans they never paid off. Crates however (in spite of the vessels being in my name) sold these boats as well and kept the proceeds. They are not the boats subject to BMO and National loans but rather boats he had in inventory and I was promised he would sell and apply funds to the bank loans. The Regal was shipped to the U.S. However the 2007 Carver (collateral boat- not sure who the purchaser was) is still at the Crates Marina.

Boat given as collateral

2007 Carver 446

Serial # CDRD0174C607

Registration # ON3031383

Sold and is located

On Crates property

2010 Regal 44

Serial # RGMKE014E910

registration # QC2130376

Sold and shipped to US

I have vessel licenses for these boats in my name as well.

My current boat

2001 Sea Ray 46

Serial # SERP5292C101

Vessel Registration #

ON2429571

I hope this makes sense.

Donald Rogers

1-416-565-2738

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Maya Poliak

From: Harvey G. Chaiton
Sent: December-03-14 12:43 PM
To: Maya Poliak
Subject: FW: Crate Marine

From: Donald Rogers [<mailto:don.rogers@rogers.com>]
Sent: Wednesday, December 03, 2014 11:17 AM
To: Harvey G. Chaiton
Subject: Re: Crate Marine

Harvey

Further to your inquiry I believe the BMO loan is approximately \$370,000 and National Bank approximately \$525,000.

The boats financed by the above loans were sold by Crates and funds were never used to repay the respective bank loans. My email describing the transactions is true.

I have no confidence that Crates has the financial ability to repay these debts.

I will not support any application or plan by Crates to financially restructure the company.

Donald Rogers

1-416-565-2738

On Dec 2, 2014, at 9:28 PM, Harvey G. Chaiton <Harvey@chaitons.com> wrote:

Hi Don

Hope this email finds you well. As you may know, I act for Crawmet. I understand that you had a boat sold by Crate and were not paid the sale proceeds making you a creditor of Crate Marine. I was hoping you would be prepared to talk with me about this matter. If so, let me know where and when I can talk with you. Thx

Harvey G. Chaiton
Partner
Direct Tel: 416.218.1129
Direct Fax: 416-218-1849
<mailto:Harvey@chaitons.com>

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**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

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