

TAB D

Court File Number: 31-1932502

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Re CRAVE MARINE SALES LTD
Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: _____
- Time Table approved (as follows):

December 4/14

The matter by Crave Marine Corp is adjourned to be heard by me on Monday, December 8/14. In the meantime the interim receiver is to notify all banks holding accounts of Crave Marine Sales Limited that no ^{disbursements} ~~payments~~ are to be ~~made~~ without the ^{written} consent in writing of the interim receiver.

The Crave respondents are to deliver and file any material they wish by 12 pm. tomorrow.

_____ Date

[Signature]
Judge's Signature

Additional Pages _____

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

Court File No. 31-1932502

B E T W E E N:

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

Court File No. 31-1932534

B E T W E E N:

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

Court File No. 31-1932548

B E T W E E N:

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

Court File No. 31-1932557

B E T W E E N:

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

Court File No. 31-1932540

B E T W E E N:

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

**ENDORSEMENT OF MR. JUSTICE NEWBOULD DATED DECEMBER 4, 2014
(Unofficial typed transcription)**

The motion by Crawmet Corp. is adjourned to be heard by me on Monday December 8, 2014. In the meantime the interim receiver is to notify all banks holding accounts of Crate Marine Sales Limited that no disbursements are to be made without the prior consent in writing of the interim receiver.

The Crate respondents are to deliver and file any material they wish by 12 p.m. tomorrow.

(Original handwritten endorsement signed by F. Newbould, J.)

T A B L E



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)

JUSTICE NEWBOULD)

MONDAY, THE 8TH DAY

OF DECEMBER, 2014

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 LTD.**

ORDER

(Terminating the Proposal Debtors' Proposal Proceedings and Appointing a Receiver)

THIS MOTION made by Crawmet Corp. ("**Crawmet**") for an Order:

1. validating the service and filing of the consolidated reply motion record, factum and brief of authorities of Crawmet be filed solely in court file number 31-1932502;
2. pursuant to section 50.4(11) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c.B-3 (the "**BIA**"), declaring that the period for filing a proposal by Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1282638 Ontario Ltd., 1328559 Ontario Limited and 1330732 Ontario Limited (collectively, the "**Debtors**") be terminated;
3. pursuant to section 243(1) of the BIA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. Farber & Partners Inc. ("**Farber**") as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario; and
4. substituting Farber as bankruptcy trustee (the "**Trustee**") of the Debtors and 1382415 Ontario Ltd. and 1382416 Ontario Ltd. (together with the Debtors, the "**Proposal Debtors**").

ON READING the affidavit of Benn-Jay Spiegel sworn November 20, 2014, the supplementary affidavit of Benn-Jay Spiegel sworn November 30, 2014, the Report of Dodick Landau Inc., in its capacity as Proposal Trustee of the Debtors (the "**Proposal Trustee**"), the Affidavits of Steven Crate each sworn November 28, 2014, the First Report of Farber in its capacity as Interim Receiver of the Debtors (the "**Interim Receiver**"), the Second Report of the Interim Receiver, the Supplementary Report to the Second Report of the Interim Receiver, the Second Report of the Proposal Trustee, the Affidavit of Steven Crate sworn December 5, 2014, the Affidavit of Benn-Jay Spiegel sworn December 7, 2014 and the Third Report of the Interim Receiver, on hearing the submissions of counsel for Crawmet, counsel for the Debtors, counsel

for the Proposal Trustee, counsel for the Interim Receiver and such other counsel as are present, and on reading the consents of Farber to act as the Receiver and the Trustee,

FILING

1. **THIS COURT ORDERS** that the service and filing by Crawmet, the Proposal Trustee, the Interim Receiver and the Debtors of consolidated materials be hereby validated and directs that these materials be filed solely in Court File No. 31-1932502.

TERMINATION OF THE PROPOSAL PROCEEDINGS

2. **THIS COURT ORDERS AND DECLARES** that, pursuant to section 50.4(11) of the BIA, the period for filing a proposal by each of the Proposal Debtors in their respective proceedings be and hereby is terminated and that A. Farber & Partners Inc. be and hereby is substituted as the bankruptcy trustee of the Proposal Debtors.

APPOINTMENT

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

RECEIVER'S POWERS

4. **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 Proposal Debtors, 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 Proposal Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Proposal Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Proposal Debtors and to exercise all remedies of the Proposal Debtors in collecting such monies, including, without limitation, to enforce any security held by the Proposal Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Proposal Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Proposal Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Proposal Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) 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.

- (l) 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;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the

Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Proposal Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Proposal Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Proposal Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Proposal Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Proposal Debtors, (ii) all of their 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.

6. **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 Proposal Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **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

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

NO PROCEEDINGS AGAINST THE PROPOSAL DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Proposal Debtors, 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 Proposal Debtors to carry on any business which the Proposal Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Proposal Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Proposal Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services,

centralized banking services, payroll services, insurance, transportation services, utility or other services to the Proposal Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Proposal Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Proposal Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<<http://www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al>>’.

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

GENERAL

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

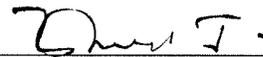
28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

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

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in black ink, appearing to read "D. J.", is written above a horizontal line.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF CRATE MARINE SALES LIMITED, ET. AL.

Court File No. 31-1932502

**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

ORDER

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Lawyers for Crawmet Corp.

T A B F

Court File Number: 31-1932502

Superior Court of Justice
Commercial List

31-1932534
31-1932548
31-1932557
31-1932540
31-1932553
31-1932555

FILE/DIRECTION/ORDER

No Credit Macaw Sales Ltd et al

Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

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

Number 8, 2014

The motion by Crawford is to terminate the NOI proceedings and to appoint a receiver under its securities.

Certain of the debtors move to approve interim DIP facilities of \$200,000 with a priority charge, ~~and~~ to permit annual the NOIs of two of the debtors 7 S. Hrdco and West Hrdco, and to extend Section 50.4(1) of the BIA.

Date

Judge's Signature

Additional Pages 1576

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

the stay of proceedings to January 26, 2015.

Section 50.4(9) of the BIA permits an extension of a stay if the court is satisfied that (a) the insolvent person has acted in good faith and due diligence;

(b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and

(c) no creditors would be materially prejudiced by the extension.

Section 50.4(11) of the BIA permits a stay to be terminated if the court is satisfied that the converse of (a), (b) & (c) in section 50.4(9) is the case.

I am satisfied that the NOI proceedings should be terminated. The motion brought today by the debtors is audacious but hopelessly misconceived.

The debtors have not been acting in good faith. As disclosed in the second report of

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

The interim receiver, Gede Maine has issued cheques in excess of available cash, it has not paid out filing fees & deductions and it has made disbursements without prior approval of the Personal Trustee and the interim receiver, contrary to the protocol established by the interim receiver. The debtors have not attempted to explain why this occurred.

The debtors are not likely to be able to make a viable proposal. They recently disclosed to Casmost personnel that they have suffered large losses since 2010, have not filed proper tax returns & have lied to the tax authorities by filing false returns. They now say that they realize that one of the Gede family should be involved in running the business and that a new operator should be found. Raising money in their circumstances seems hopeless in any reasonable ~~time~~ foreseeable time.

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

Cawmet and Powell hold 1st, 2nd & 3rd mortgage securities on the lands used by the Cape Marine business. They Cawmet has made it clear that it is not prepared to support any proposal of the debtors and Powell supports Cawmet. ~~As in~~ In some circumstances assertions of non-support for a future proposal or arrangement are taken with a grain of salt as negotiating positions. In light of the evidence disclosed, I do not so take the positions of Cawmet and Powell. They have legitimate reasons to want to see the properties now taken care of under the auspices of a receiver.

~~As proposed trustee~~. Without the support of Cawmet and Powell, any proposal would not bind them and they would be free to deal with their securities.

The proposal ~~has~~ has acknowledged in its third report that if Cawmet and Powell

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

maintain their positions, the contemplated proposal in the affair of M. Gato is unlikely to succeed.

Splitting the Keswick Marine property and having the debtors retain the part of the Marine with the largest number of boat slips + other common facilities would clearly diminish Gowan's security. The notion that the debtors could operate any marine business is fanciful and would be to the detriment of all stakeholders, including employees. The Keswick Marine business should be maintained as a whole.

The tests for appointing a receiver are well settled. See Bank of Montreal v. Carnival Bearing Ltd, 2011, 74 C.B.R. (5th) 300. Gowan is entitled to the appointment of a receiver as requested.

Mr. Wetmore raises an issue on behalf of 2124915 Ontario Inc. re the Laguna City Marine and ~~other~~ takes the position that it should be carved out of the properties under receivership.

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

I think the receiver, Counsel and the #d co should have a little time to consider this and perhaps some agreement can be reached. If not, the matter may be brought back on.

Mr. Prophet on behalf of Upland's Charitable Foundation and Kowit Investment Ltd opposes the receiver's charge to ranking prior to his clients' 1 million first mortgages. I think a discussion with the receiver and Counsel should also take place on this issue and if agreement cannot be reached, the matter may be brought back on.

The notices of intention to file proposals of the seven debtors are furnished. A. Fisher & Partners Inc is appointed receiver of the assets of the seven debtors without security and is appointed trustee in bankruptcy of the seven debtors.

J. D. J.

TAB G



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)

JUSTICE NEWBOULD)

MONDAY, THE 8TH DAY

OF DECEMBER, 2014

BETWEEN:

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

Court File No. 31-1932502

BETWEEN:

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

Court File No. 31-1932534

BETWEEN:

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

Court File No. 31-1932548

BETWEEN:

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

Court File No. 31-1932557

BETWEEN:

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

Court File No. 31-1932540

AMENDED ORDER

(Terminating the Proposal Debtors' Proposal Proceedings and Appointing a Receiver)

THIS MOTION made by Crawmet Corp. ("Crawmet") for an Order:

1. validating the service and filing of the consolidated reply motion record, factum and brief of authorities of Crawmet be filed solely in court file number 31-1932502;
2. pursuant to section 50.4(11) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c.B-3 (the "BIA"), declaring that the period for filing a proposal by Crate Marine

Sales Limited, F.S. Crate & Sons Limited, 1282648 Ontario Ltd., 1328559 Ontario Limited and 1330732 Ontario Limited (collectively, the "**Debtors**") be terminated;

3. pursuant to section 243(1) of the BIA and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. Farber & Partners Inc. ("**Farber**") as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario; and
4. substituting Farber as bankruptcy trustee (the "**Trustee**") of the Debtors and 1382415 Ontario Ltd. and 1382416 Ontario Ltd. (together with the Debtors, the "**Proposal Debtors**").

ON READING the affidavit of Benn-Jay Spiegel sworn November 20, 2014, the supplementary affidavit of Benn-Jay Spiegel sworn November 30, 2014, the Report of Dodick Landau Inc., in its capacity as Proposal Trustee of the Debtors (the "**Proposal Trustee**"), the Affidavits of Steven Crate each sworn November 28, 2014, the First Report of Farber in its capacity as Interim Receiver of the Debtors (the "**Interim Receiver**"), the Second Report of the Interim Receiver, the Supplementary Report to the Second Report of the Interim Receiver, the Second Report of the Proposal Trustee, the Affidavit of Steven Crate sworn December 5, 2014, the Affidavit of Benn-Jay Spiegel sworn December 7, 2014 and the Third Report of the Interim Receiver, on hearing the submissions of counsel for Crawmet, counsel for the Debtors, counsel for the Proposal Trustee, counsel for the Interim Receiver and such other counsel as are present, and on reading the consents of Farber to act as the Receiver and the Trustee,

FILING

1. **THIS COURT ORDERS** that the service and filing by Crawmet, the Proposal Trustee, the Interim Receiver and the Debtors of consolidated materials be hereby validated and directs that these materials be filed solely in Court File No. 31-1932502.

TERMINATION OF THE PROPOSAL PROCEEDINGS

2. **THIS COURT ORDERS AND DECLARES** that, pursuant to section 50.4(11) of the BIA, the period for filing a proposal by each of the Proposal Debtors in their respective proceedings be and hereby is terminated and that A. Farber & Partners Inc. be and hereby is substituted as the bankruptcy trustee of the Proposal Debtors.

APPOINTMENT

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

RECEIVER'S POWERS

4. **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 Proposal Debtors, 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 Proposal Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on

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

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Proposal Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Proposal Debtors and to exercise all remedies of the Proposal Debtors in collecting such monies, including, without limitation, to enforce any security held by the Proposal Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Proposal Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Proposal Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Proposal Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) 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.

- (l) 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;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Proposal Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Proposal Debtors, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Proposal Debtors;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Proposal Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **THIS COURT ORDERS** that (i) the Proposal Debtors, (ii) all of their 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.

6. **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 Proposal Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **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

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

NO PROCEEDINGS AGAINST THE PROPOSAL DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Proposal Debtors, 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 Proposal Debtors to carry on any business which the Proposal Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Proposal Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in

priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

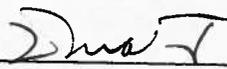
SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al>>'.

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

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF CRATE MARINE SALES LIMITED, ET. AL.

Court File No. 31-1932502

**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

ORDER

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Lawyers for Crawmet Corp.

T A B H



Court File No. 31-1932502
Court File No. 31-1932534
Court File No. 31-1932548
Court File No. 31-1932557
Court File No. 31-1932540

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

THE HONOURABLE *Mr.*

JUSTICE *NEWBOLD*

)
)
)

FRIDAY, THE 12TH DAY

OF DECEMBER, 2014

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED,
1330732 ONTARIO LIMITED, 1328559 ONTARIO LIMITED, 1282648 ONTARIO LTD.,
1382415 ONTARIO LTD., and 1382416 ONTARIO LTD.

ORDER

THIS MOTION made by A. Farber & Partners Inc. in its capacities as the Court appointed Receiver (the "**Receiver**") and as the trustee in bankruptcy (the "**Trustee**") of the estates of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited 1282648 Ontario Limited, 1382415 Ontario Ltd., and 1382416 Ontario Ltd. (collectively, the "**Debtors**") for an Order:

- a) directing the Commercial List Office to open a new Commercial List Court File number for the receiverships of the Debtors, to be managed on a consolidated basis;
- b) directing that the bankruptcy estates of F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited 1282648 Ontario Limited, 1382415 Ontario Ltd., and 1382416 Ontario Ltd. (collectively the "**Holdcos**") be procedurally consolidated, without prejudice to the rights of any party to seek or oppose substantive consolidation;

was heard this day at 330 University Avenue, Toronto.

ON READING the First Report of the Receiver and Trustee, and on hearing the submissions of counsel for the Receiver and Trustee,

1. **THIS COURT ORDERS** that the time for service of the Receiver and Trustee's Motion Record dated December 11, 2014 be and hereby is abridged and validated so that this motion is properly returnable today and hereby dispenses with any further requirement for service.

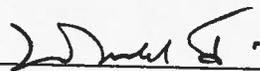
1. **THIS COURT ORDERS** that the receivership proceedings in respect of the Debtors be dealt with in a new Commercial List Court File under the following title of proceeding:

IN THE MATTER OF THE RECEIVERSHIP OF
CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED,
1330732 ONTARIO LIMITED, 1328559 ONTARIO LIMITED, 1282648 ONTARIO LTD.,
1382415 ONTARIO LTD., and 1382416 ONTARIO LTD.

2. **THIS COURT ORDERS** that, without prejudice to the right of any party to seek or oppose substantive consolidation in respect of any or all of the Debtors, the bankruptcy estates of the Holdcos shall be procedurally consolidated and the Trustee be and hereby is authorized to administer the estates of the Holdcos on a consolidated basis for all purposes in carrying out the Trustee's administrative duties and other responsibilities as Trustee under the *Bankruptcy and Insolvency Act*, including, without limitation, the following:

- a) sending notices to creditors of the Holdcos pursuant to one consolidated notice;
- b) calling and conducting any meetings of creditors of the Holdcos pursuant to one combined advertisement and one meeting;
- c) seeking the appointment of one consolidated board of inspectors for the Holdcos;
- d) issuing consolidated reports in respect of the estates of the Holdcos;
- e) preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the estates of the Holdcos on a consolidated basis; and

f) bring motions to this Honourable Court on a consolidated basis.

_____ 

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF CRATE MARINE
SALES LIMITED, F.S. CRATE & SONS LIMITED, 1330732 ONTARIO LTD., 1328559 ONTARIO LTD.,
1282648 ONTARIO LTD. 1382416 ONTARIO LTD. and 1382415 ONTARIO LTD.

Court File No.: 31-193502
Court File No.: 31-193534
Court File No.: 31-193548
Court File No.: 31-193557
Court File No.: 31-193540
Court File No.: 31-193555
Court File No.: 31-193553

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

Proceeding commenced at TORONTO

ORDER

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Lawyers for A. Farber & Partners Inc. in its capacities
as the Court appointed Receiver and as the trustee in
bankruptcy of Crate Marine Sales Limited, F.S. Crate &
Sons Limited, 1330732 Ontario Limited, 1328559
Ontario Limited 1282648 Ontario Limited, 1382415
Ontario Ltd., and 1382416 Ontario Ltd.

T A B I

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

Court File No. 31-1932502

B E T W E E N:

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

Court File No. 31-1932534

B E T W E E N:

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

Court File No. 31-1932548

B E T W E E N:

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

Court File No. 31-1932557

B E T W E E N:

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

Court File No. 31-1932540

B E T W E E N:

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

SECOND REPORT OF THE INTERIM RECEIVER

DECEMBER 3, 2014

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- “A” Appointment Order dated November 21, 2014 of the Honourable Mr. Justice Penny
- “B” Endorsement of the Honourable Mr. Justice Penny dated November 21, 2014
- “C” Endorsement of the Honourable Mr. Justice Penny dated December 1, 2014
- “D” List of disbursements made by the Companies on November 28, 2014
- “E” E-mails between the Interim Receiver and the Proposal Trustee regarding disbursements made on November 28, 2014
- “F” E-mails between counsel for the Interim Receiver and for the Companies regarding funding for disbursements
- “G” Companies’ report on 2015 boat slip rental income for the Keswick facility that has been received

Court File #31-1932502
31-1932534
31-1932548
31-1932557
31-1932540

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

**CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED
1330732 ONTARIO LIMITED, 1328559 ONTARIO LIMITED AND 1282648 ONTARIO
LIMITED**

SECOND REPORT OF THE INTERIM RECEIVER

December 3, 2014

A. Farber & Partners Inc., in its capacity as the Court-Appointed Interim Receiver (the “**Interim Receiver**”) of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1323559 Ontario Limited and 1282648 Ontario Limited (collectively the “**Companies**”) hereby reports to the Court as follows:

INTRODUCTION

1. On November 14, 2014, the Companies each filed a Notice of Intention to Make a Proposal (the “**NOI’s**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), and named Dodick Landau Inc. as proposal trustee (“**Proposal Trustee**”).
2. On November 20, 2014, the currently-known largest secured creditor, Crawmet Corp. (“**Crawmet**”) filed motion material for a November 21, 2014 hearing seeking to (i) have the NOI’s immediately terminated; (ii) appoint the Interim Receiver as a receiver over the properties, assets and undertakings of the Companies and (iii) to substitute the Interim Receiver to become the bankruptcy trustee of the Companies. At the November 21, 2014 hearing, this motion was adjourned to December 1, 2014.

3. At the November 21, 2014 hearing, the Interim Receiver was appointed Interim Receiver pursuant to section 47.1 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) of the Companies to preserve and protect the assets, undertakings and properties of the Companies acquired for, or used in relation to the business carried on by the Companies, including all proceeds thereof (the “**Property**”) pursuant to the November 21, 2014 Order of the Honourable Mr. Justice Penny (the “**Appointment Order**”). A copy of the Appointment Order is attached at **Appendix “A”**. A copy of the endorsement dated November 21, 2014 is attached at **Appendix “B”**.

4. At the December 1, 2014 hearing, the powers of the Interim Receiver were expanded and the Court made certain directions regarding the business and financial affairs of the Companies pending the next hearing on December 9, 2014. A copy of the endorsement of Mr. Justice Penny of that date, along with an unofficial typed transcription prepared by counsel for the Interim Receiver, is attached at **Appendix “C”**.

PURPOSE OF THIS REPORT

5. This is the second report of the Interim Receiver (the “**Second Report**”). Its purpose is to report to the Court and the stakeholders of the Companies regarding certain facts and matters recently discovered by the Interim Receiver, which the Interim Receiver believes are of an urgent and material nature such that they require immediate disclosure in advance of the scheduled hearing on December 9, 2014.

LIMITATION OF REVIEW

6. The Interim Receiver has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and has not independently reviewed or verified such information. The Interim Receiver has prepared this Second Report for the sole use of the Court and of the other stakeholders in these proceedings.

A) FACTS AND MATTERS RECENTLY DISCOVERED BY THE INTERIM RECEIVER

Disbursements by the Companies on November 28, 2014

7. The Interim Receiver called the Companies on the afternoon of November 28, 2014 enquiring if any cheques needed approval as the Interim Receiver understood that a payroll was expected to be released. The Interim Receiver was advised that payroll cheques had been approved by the Proposal Trustee and were already released. The Interim Receiver was advised that its pre-approval was inadvertently missed and that a list of cheques released on November 28, 2014 would be emailed to the Interim Receiver.

8. The list of cheques released on November 28 was only provided after 4:00pm on December 1, 2014 after follow up requests made by the Interim Receiver. The Interim Receiver has not been provided with any explanation for the delay in providing that information. The information provided revealed that the Companies had issued many payments on November 28, 2014. A listing of the payments made is attached as **Appendix “D”**.

9. The disbursements made in Appendix “D” were not approved by the Interim Receiver. This departed from the procedures established since the appointment of the Interim Receiver pursuant to which all other disbursements that the Companies had wished to make had been presented to the Interim Receiver for approval and, where approval had not been granted, the disbursements in question had not been made (confirmed by subsequent review of the banking activity as described in the First Report). An exception to this procedure was the disbursement to Dickinson Wright LLP made on November 27, 2014 and described in more detail in the First Report.

10. The Interim Receiver has also not been provided with information from the Companies about the degree to which, if any, the payments made on November 28 were in respect of “ordinary living expenses” within the meaning of paragraph 7 of the November 21, 2014 Order (attached as Appendix “A”).

11. The Interim Receiver inquired of the Proposal Trustee, and was advised that the Proposal Trustee had also not approved the disbursements made in Appendix “D”. A copy of the communications with the Proposal Trustee in that regard is attached as **Appendix “E”**.

Banking Issues Relevant to the Disbursements by the Companies on November 28, 2014

12. The Interim Receiver’s review of the funds available in the Companies’ bank accounts as compared to the total of the disbursements made on November 28, 2014 and also the cheques previously written but which have not yet cleared the Companies’ banks suggests that the Companies have written cheques in a greater amount than the funds on hand. The amount by which the Companies are short for honouring all cheques written was approximately \$60,000 on November 28, 2014, comprised as follows:

- Balance in BMO operating account	\$111,000
- Balance in other bank accounts	<u>\$27,000</u>
Less:	
- November 21 cheques not yet cleared	\$33,000
- November 25 cheque requests approved but not yet cleared	\$40,000
- November 28 cheques released (w/o approval)	<u>\$125,000</u>
<u>Shortfall</u>	<u>\$60,000</u>

13. The Interim Receiver understands that not all the cheques that have been written have been released and that the Companies were expecting additional receipts in December. The accounting employees of the Companies have acknowledged the shortfall, but the management of the Companies have not, to date, provided details about how this shortfall in funds for cheques already written will be addressed.

14. Inquiries by the Interim Receiver’s counsel to counsel for the Companies have not resulted in a substantive answer. The e-mail exchange on that is attached as **Appendix “F”**, but no further information or advice has been received from counsel for the Companies either.

15. The funds available for payment of disbursements that the Companies have made, or need to make, is further complicated by the extent of 2015 boat slip rental income that has already been received by the Companies. The Interim Receiver has been advised that \$642,251.03 of 2015 slip rental fees for the Keswick facility have already been received, and a copy of the Companies' report on that is attached as **Appendix "G"**. The Companies are presently unable to advise of the amounts of 2015 slip rental income that has been received for the Lagoon City or Willow facilities. The extent to which any of this \$642,251.03 relates to payments received post-NOI on November 14, 2014 is not yet known and is under review by the Interim Receiver.

16. Deposits (net of returned items) to the Companies' accounts for December 1 and 2 appear to be approximately \$21,000. The Companies have stated that none of these deposits relate to 2015 slip rentals that would not be available for current operations pursuant to the December 1 Endorsement in Appendix "C".

Non-payment of CRA source deductions on payroll

17. The Interim Receiver has also learned late in the day on December 2, 2014 that the Companies have not made two source deduction payments during the NOI period in respect of payroll issued to employees.

18. The Interim Receiver has been advised by the Companies' accounting and controller employees that payroll source deductions are due the week following payments to employees. The Companies have made payments to employees on November 14, 2014 and on November 28, 2014 (some of the disbursements in Appendix "D" were for payroll) for which the applicable source deductions have not been provided for or remitted.

19. The Interim Receiver authorized a disbursement requested by the Companies on November 25, 2014 for payroll source deductions in the amount of \$39,320.07. This amount was comprised of conventional source deduction obligations of \$35,948.79 plus a further amount of \$3,371.28 for Family Responsibility Office garnishments against funds payable to employees. The Interim Receiver has not seen any records to indicate that this payment has in fact been made and this amount has not been presented to the banks for payment.

20. In addition, the Companies estimate that a further \$33,818.88 of source deductions will be due this week relating to the payroll released on November 28, 2014; accordingly, based on advice from the Companies' accounting employees, the total post-NOI the outstanding source deduction payments that have arisen after November 14, 2014 are approximately \$69,767.

21. In addition to the \$60,000 shortfall (described at paragraph 12 above) to cover the cheques already written (one of which is the \$39,320.07 for payroll source deductions noted at paragraph 19, above), the Interim Receiver therefore believes that the Companies must also pay a further \$33,818.88 of priority source deduction obligations to CRA and there are also no funds at this time to cover those required payments. The same response from the Companies noted in paragraph 13, above, (about whether and if so how the shortfall in funds for cheques already written is to be made up) applies to these unpaid source deductions, and in particular the accounting employees have indicated a desire to pay the source deduction obligations today but acknowledge a lack of funds to do so. As a result the Interim Receiver is unable to conclude that the Companies will be in a position to comply with these obligations before December 9, 2014.

22. The Interim Receiver believes that the non-payment of source deduction obligations post-NOI terminates the stay against CRA in respect of all source deduction arrears, including pre-NOI arrears (which are approximately \$220,000 for the Ontario payrolls of the Companies according to the notes to the cash flows prepared by the Proposal Trustee) pursuant to subsection 69(3) of the *Bankruptcy and Insolvency Act*. CRA is therefore entitled to exercise all collection powers available to it.

23. As a result of the circumstances described above:

- a) it is unclear how the Companies will be able to fund the payment of necessary expenses for the period ending December 9, 2014; and
- b) there is now a significant priority amount owed to CRA ranking ahead of the interests of existing creditors, which is a deterioration in position since the filing of the NOI.

B) CONCLUSION

24. The Interim Receiver accordingly reports on these matters to the Court and to the stakeholders of the Companies on an urgent basis for such discussion and direction as may be appropriate.

All of which is respectfully submitted this 3rd day of December, 2014.

**A. FARBER & PARTNERS INC.
COURT-APPOINTED INTERIM RECEIVER OF CRATE MARINE SALES LIMITED,
F.S. CRATE & SONS LIMITED, 1330732 ONTARIO LIMITED, 1328559 ONTARIO
LIMITED and 1282648 ONTARIO LIMITED**

A handwritten signature in black ink that reads "Stuart Mitchell". The signature is written in a cursive style with a large initial 'S' and 'M'.

Per: Stuart Mitchell
Senior Vice President

TAB J

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

Court File No. 31-1932502

B E T W E E N:

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

Court File No. 31-1932534

B E T W E E N:

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

Court File No. 31-1932548

B E T W E E N:

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

Court File No. 31-1932557

B E T W E E N:

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

Court File No. 31-1932540

B E T W E E N:

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

SUPPLEMENTARY REPORT TO THE SECOND REPORT OF THE INTERIM RECEIVER

DECEMBER 4, 2014

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LIST OF APPENDICES

“A” **Interim Receiver’s reconciliation of the inventory and accompanying book values**

Court File #31-1932502
31-1932534
31-1932548
31-1932557
31-1932540

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

**CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED
1330732 ONTARIO LIMITED, 1328559 ONTARIO LIMITED AND 1282648 ONTARIO
LIMITED**

**SUPPLEMENTARY REPORT TO THE
SECOND REPORT OF THE INTERIM RECEIVER**

December 4, 2014

A. Farber & Partners Inc., in its capacity as the Court-Appointed Interim Receiver (the “**Interim Receiver**”) of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1323559 Ontario Limited and 1282648 Ontario Limited (collectively the “**Companies**”) hereby reports to the Court as follows:

PURPOSE OF THIS REPORT

1. All capitalized terms have the meaning given to them in the second report of the Interim Receiver dated December 3, 2014 (the “**Second Report**”).
2. This report is to supplement the Second Report which the Interim Receiver served and filed earlier today to the Court and the stakeholders of the Companies regarding certain facts and matters recently discovered by the Interim Receiver, which the Interim Receiver believed were of an urgent and material nature such that they required immediate disclosure in advance of the scheduled hearing on December 9, 2014.

3. The Interim Receiver understands that the Court has directed that a hearing take place at 10:00am on Thursday December 4, 2014 in connection with the issues raised by the Second Report and a request by Crawmet to renew its relief sought to, among other things, terminate the NOI proceedings of the Companies.

4. The Interim Receiver has therefore prepared this report to advise the Court and the stakeholders of the Companies about the information that the Interim Receiver has found to date (principally throughout the course of the business day on December 3, 2014) regarding the assets of the Companies.

LIMITATION OF REVIEW

5. The Interim Receiver has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and has not independently reviewed or verified such information. The Interim Receiver has prepared this Second Report for the sole use of the Court and of the other stakeholders in these proceedings.

A) NEW INFORMATION REGARDING THE ASSETS OF THE COMPANIES

6. Although the Interim Receiver's review of the books and records of the Companies is ongoing, the following is the salient information that the Interim Receiver has been able to identify as a result of its review during the business day on December 3, 2014.

2015 boat slip revenue received in 2014

7. The Second Report advised that the Interim Receiver had been told by the Companies that \$642,251.03 of boat slip rental revenue that had been invoiced in 2014 for facilities and services to be provided in 2015 had already been received.

8. The Interim Receiver's review of the records of the Companies indicates that only \$55,482.37 of that amount was received post-NOI (November 14, 2014).

9. The Companies did not segregate any of the 2015 boat slip revenue received in 2014 prior to the December 1, 2014 Court Endorsement, although it was separately accounted for in the books and records of the Companies. The Interim Receiver's understanding is that all of the \$642,251.03 of 2015 boat slip revenue has been used by the Companies for general purposes. As indicated in the Second Report, this amount is solely attributable to the Keswick facilities. The amount of 2015 boat slip revenue for the Lagoon City and Willow facilities is not known, but any such revenue received has not been segregated either and has also been used for general purposes.

Inventory

10. The Interim Receiver has been unable to perform a physical inspection of the boat inventory in the possession of the Companies for the reasons set out in the First Report (pertaining to the shrink-wrapping of most boats such that review without removal is not possible, and removal would require uneconomical re-wrapping).

11. The Interim Receiver has also been unable to check or test the values given on the books and records of the Companies to the boats held in inventory.

12. The Interim Receiver, has, however, been able to check the presence of the items listed in the Companies' records, in reliance on the information provided by the employees of the Companies about which items on the records are in the possession of the Companies.

13. This review has indicated to the Receiver that there are items listed in the inventory that are not present, which therefore means that the book value of the inventory (before any reductions for fair market or realizable value) must be adjusted downwards.

14. The books and records of the Companies state that inventory in the amount of \$3,742,698.71 is held. The Interim Receiver's review indicates that \$1,600,182.98 of that inventory is not in the possession of the Companies. The reconciliation of the inventory and accompanying book values is set out on the spreadsheet prepared by the Interim Receiver attached as **Appendix "A"**.

15. The Interim Receiver's reconciled value of the inventory held by the Companies is \$2,142,515.73 at book value.

Accounts Receivable

16. The Interim Receiver’s review of accounts receivable has been complicated by the fact that the Companies’ listings contain both accounts payable by customers, and also credits payable to customers. The Companies’ records have also not been reconciled against each other or closed out on a monthly basis.

17. The Interim Receiver did receive a further set of data from the Companies in the evening of December 3, 2014 that does permit some analysis.

18. Based on those records, the Companies’ net total of accounts receivable is approximately \$889,000.

19. The Companies records appear, however, to understate the accounts receivable by the inclusion of what are really credits owing to customers, which amount to approximately \$1,374,000. If those credits are removed, the total of accounts receivable is approximately \$2,263,000.

20. In order to get an understanding of the possible collectability of the accounts receivable, the Interim Receiver analysed the data presented by the Companies, which is set out in the chart below.

Total	30 days	60 days	90 days	90 + days
\$ 2,263,194.44	\$ 65,199.23	\$ 324,496.50	\$ 186,256.02	\$ 1,687,242.69
% Collectable	100%	80%	50%	10%
\$ 586,648.71	\$ 65,199.23	\$ 259,597.20	\$ 93,128.01	\$ 168,724.27

21. The Interim Receiver also assumed a declining collectible value based on the age of the accounts receivable, as indicated in the bottom of the above chart. The result of that analysis suggests that the true value of the accounts receivable may be closer to approximately \$586,000.

B) CONCLUSION

22. The Interim Receiver's review to date suggests that the value of inventory on the Companies' books and records may be overstated by approximately \$1,600,000, that the accounts receivable contain liabilities (credits) owing to customers of \$1,374,000, and the actual collectible value of the "true" accounts receivable may be overstated on the Companies' records by approximately \$303,000.

All of which is respectfully submitted this 4th day of December, 2014.

A. FARBER & PARTNERS INC.

**COURT-APPOINTED INTERIM RECEIVER OF CRATE MARINE SALES LIMITED,
F.S. CRATE & SONS LIMITED, 1330732 ONTARIO LIMITED, 1328559 ONTARIO
LIMITED and 1282648 ONTARIO LIMITED**

A handwritten signature in black ink that reads "Stuart Mitchell". The signature is written in a cursive style with a horizontal line striking through the middle of the name.

Per: Stuart Mitchell
Senior Vice President

T A B K

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

Court File No. 31-1932502

B E T W E E N:

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

Court File No. 31-1932534

B E T W E E N:

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

Court File No. 31-1932548

B E T W E E N:

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

Court File No. 31-1932557

B E T W E E N:

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

Court File No. 31-1932540

B E T W E E N:

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

THIRD REPORT OF THE INTERIM RECEIVER

DECEMBER 7, 2014

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LIST OF APPENDICES

- “A” Appointment Order dated November 21, 2014 of the Honourable Mr. Justice Penny
- “B” Endorsement of the Honourable Mr. Justice Penny dated November 21, 2014
- “C” Endorsement of the Honourable Mr. Justice Penny dated December 1, 2014 (handwritten and typed version)
- “D” Endorsement of the Honourable Mr. Justice Newbould dated December 4, 2014 (handwritten and typed version)
- “E” E-mail from Slava Levin
- “F” Bank drafts paid by Bill Labanovich
- “G” Companies’ accounting system records re: Labanovich transaction

Court File #31-1932502
31-1932534
31-1932548
31-1932557
31-1932540

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

**CRATE MARINE SALES LIMITED, F.S. CRATE & SONS LIMITED
1330732 ONTARIO LIMITED, 1328559 ONTARIO LIMITED AND 1282648 ONTARIO
LIMITED**

THIRD REPORT OF THE INTERIM RECEIVER

December 7, 2014

A. Farber & Partners Inc., in its capacity as the Court-Appointed Interim Receiver (the “**Interim Receiver**”) of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1323559 Ontario Limited and 1282648 Ontario Limited (collectively the “**Companies**”) hereby reports to the Court as follows:

INTRODUCTION

1. On November 14, 2014, the Companies each filed a Notice of Intention to Make a Proposal (the “**NOI’s**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), and named Dodick Landau Inc. as proposal trustee (“**Proposal Trustee**”).
2. On November 20, 2014, the currently-known largest secured creditor, Crawmet Corp. (“**Crawmet**”) filed motion material for a November 21, 2014 hearing seeking to (i) have the NOI’s immediately terminated; (ii) appoint the Interim Receiver as a receiver over the properties, assets and undertakings of the Companies and (iii) to substitute the Interim Receiver to become the bankruptcy trustee of the Companies (the “**Crawmet Motion**”). At the November 21, 2014 hearing, this motion was adjourned to December 1, 2014.

3. At the November 21, 2014 hearing, the Interim Receiver was appointed Interim Receiver pursuant to section 47.1 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) of the Companies to preserve and protect the assets, undertakings and properties of the Companies acquired for, or used in relation to the business carried on by the Companies, including all proceeds thereof (the “**Property**”) pursuant to the November 21, 2014 Order of the Honourable Mr. Justice Penny (the “**Appointment Order**”). A copy of the Appointment Order is attached at **Appendix “A”**. A copy of the endorsement dated November 21, 2014 is attached at **Appendix “B”**.

4. At the December 1, 2014 hearing, the powers of the Interim Receiver were expanded and the Court made certain directions regarding the business and financial affairs of the Companies pending the next hearing on December 9, 2014. The Crawmet Motion was also adjourned to that date. A copy of the endorsement of Mr. Justice Penny of that date, along with an unofficial typed transcription prepared by counsel for the Interim Receiver, is attached at **Appendix “C”**.

5. The Interim Receiver served and filed its Second Report and Supplementary Report to the Second Report on December 3 and 4, respectively, regarding certain facts and matters that had been recently discovered by the Interim Receiver, and which the Interim Receiver believed were of an urgent and material nature such that they required immediate disclosure in advance of the scheduled hearing on December 9, 2014. The Proposal Trustee also served and filed its Second Report on similar issues, which it reported constituted material adverse changes.

6. A hearing was held at the request of Crawmet on December 4, 2014 to renew the Crawmet Motion. The Honourable Justice Newbould directed the Interim Receiver to notify all banks holding accounts of Crate Marine Sales Ltd. that no disbursements were to be made without the prior written authorization of the Interim Receiver and further directed that the hearing that had been previously scheduled for December 9 instead proceed on December 8, 2014 before His Honour. A copy of the endorsement of Mr. Justice Newbould of that date, along with an unofficial typed transcription prepared by counsel for the Interim Receiver, is attached at **Appendix “D”**.

PURPOSE OF THIS REPORT

7. This is the third report of the Interim Receiver (the “**Third Report**”). Its purpose is to report to the Court and the stakeholders of the Companies regarding certain facts and matters that have come to the attention of the Interim Receiver since the Second Report and Supplementary Report to the Second Report.

LIMITATION OF REVIEW

8. The Interim Receiver has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and has not independently reviewed or verified such information. The Interim Receiver has prepared this Third Report for the sole use of the Court and of the other stakeholders in these proceedings.

A) DISENGAGEMENT OF MANAGEMENT OF THE COMPANIES

9. Following the December 4, 2014 hearing before Mr. Justice Newbould, the Interim Receiver continued its mandate to preserve and protect the Property and to review salient issues for further report to the Court. In particular, on the afternoon of December 4, 2014 the Interim Receiver provided the notifications to the Companies’ banks directed to be given by Mr. Justice Newbould. Such notifications were provided by telephone followed by e-mails and letters sent via e-mail.

10. After that hearing, however, the employees of the Companies appear to have been left without direction of senior management, and in particular by Steven Crate. The employees reported in several instances to the Interim Receiver that Mr. Crate had advised that he was “giving up”, or words to that effect. Steven Crate left the Keswick facility at 9:30am on Friday December 5 and did not return. Lynn Marko and Greg Crate have not been at the facility for several days before that.

11. The Interim Receiver itself has encountered significant difficulty in getting Mr. Crate to respond to inquiries about the Companies, including direction for cheques and payments

that the Companies wanted the Interim Receiver to approve and straightforward operational issues such as whether the Companies intend to operate on the weekend of December 6 (such that the Interim Receiver would open and close the premises as described in the First Report).

12. The Interim Receiver has observed that the controller has successfully been able to contact Steven Crate by phone during the periods where he has not responded to the Interim Receiver. She was able to call him and have him discuss with the Interim Receiver a Ford vehicle that had been transferred from the Companies to his wife shortly before or after the NOI filings (the details of which are still under review by the Interim Receiver).

13. The Interim Receiver raised the issue of lack of response from Steven Crate with counsel for the Companies, who stated that Mr. Crate would do so after finishing with motion materials in process, but that did not happen. Mr. Crate has not responded to e-mails or calls from the Interim Receiver after leaving the Keswick facility at 9:30am on Friday December 5, 2014, aside from the one instance when the controller got him on the phone for the Interim Receiver noted above.

14. The Interim Receiver has concerns that the going concern nature of the business and undertakings of the Companies may be in jeopardy as a result of the lack of response and supervision of management.

B) LACK OF MAINTENANCE OF TWO LOCATIONS

15. The Interim Receiver has been advised by its agents, and also by the landlord of the Lagoon City facility, that the propane tanks used for heating at the Lagoon City and Quebec locations are running low such that heat may cease at those locations over the weekend of December 6, 2014.

16. The landlord of the Lagoon City facility has, through its counsel, in particular raised concerns of damage to the building and contents if the temperature drops below freezing, for example by pipes bursting.

17. The Interim Receiver has attempted to raise these issues with management for the Companies, without response.

18. The Interim Receiver has in particular raised the issue of ongoing heating at the Lagoon City facility with Steven and Greg Crate, who the landlord of that facility asserts are the tenant (and who appear to have acknowledged that in letters contained in the landlord's affidavit material, but have otherwise not commented on that allegation in the affidavits of Steven Crate), also without success.

19. The Interim Receiver is accordingly taking steps to ensure that the propane at these locations is kept in adequate supply to ensure that heat stays on until the next hearing on December 8, 2014.

C) YACHT BEING HELD IN PICKERING

20. In the First Report, the Interim Receiver advised the Court regarding a 50' yacht that was on the Companies' inventory list with a book value of \$1,178,665, and that was removed from the Keswick facility on the morning of the NOI filing. This yacht was provided to the Companies by Marquis Yachts, and Northpoint Commercial Finance appears to have provided financing of \$1,014,445 for this yacht as recorded on the Companies' balance sheet as at November 22, 2014.

21. The First Report also advised that the yacht was in the process of being transported to Florida, which Marquis/Northpoint advised was for purposes of (re)sale to a third party, but at the request of the Interim Receiver the trucking company has held the yacht at its yard in Pickering while discussions took place between the Interim Receiver and counsel for Marquis and Northpoint Commercial Finance, Borden Ladner Gervais LLP ("**BLG**"), regarding the payment of proceeds of sale of the yacht to the Interim Receiver to be held pending agreement or adjudication as to entitlement to those proceeds.

22. In the course of its preservative duties as mandated by the November 21, 2014 Order, the Interim Receiver is of the view that the yacht should not be released without adequate security for its value or projected sale proceeds.

23. The discussions between the Interim Receiver and BLG that had been ongoing at the time of the First Report have reached an impasse, as Marquis/Northpoint is only willing to provide an unsecured guarantee that the proceeds of the yacht will be paid after the yacht is taken across the border. The Interim Receiver is not prepared to allow removal of the yacht from the jurisdiction without some form of security for its value, which Marquis/Northpoint is not willing to provide.

D) FURTHER REPORTS FROM CUSTOMERS OF THE COMPANIES REGARDING BOAT SALES

24. In its First Report, the Interim Receiver advised of information that had been provided to it by customers of the Companies regarding transactions involving the Companies in the sale of boats on behalf of customers without remitting the proceeds to the boat owner, or sales of boats with financing encumbrances that have not been discharged and that now remain outstanding against the original boat owner (and possibly the boat).

25. The Interim Receiver has not been provided with any explanation by Steven Crate or management of the Companies regarding the information set out in the First Report, whether by affidavit or otherwise, including the boat sales discussed in the preceding paragraph. The Interim Receiver was provided with a small stack of documents by the controller for the Companies that are said to relate to the boat sales, but without explanation or elaboration. The Interim Receiver is reviewing those documents, but without an explanation of the underlying transactions the Interim Receiver has been unable to form a view as to what the documents mean as of the date of this Third Report.

26. Since the First Report, the Interim Receiver has been approached by two further customers of the Companies with further concerns, the details of which are as follows:

- a) Slava Levin sent an e-mail to the Interim Receiver to advise that he sold a

38' Searay boat through the Companies in August/September of 2011 for which the proceeds were converted into a loan. A further loan was made for \$172,500, which involved \$52,000 still outstanding from the first loan and was stated to be for the financing of Regal boats. Mr. Levin advises that \$219,125 is now outstanding despite an extended term and post-dated cheques having been given. It is not presently clear whether Mr. Levin asserts that the loan arrangements with Mr. Crate were entered into voluntarily or not. Mr. Levin's e-mail is attached as **Appendix "E"**. The Interim Receiver has reviewed the records of the Companies and the information found to-date suggests that the 38' Searay that Mr. Levin refers to may be the same boat that was later sold by the Companies on behalf of Rocco Morra and for which he is owed \$62,000 as advised by Greg Crate (as set out in more detail in paragraph 42(b) of the First Report).

- b) Bill Labanovich advised that he bought a boat in a transaction brokered by Companies (on behalf of a third party owner) in October, but was asked to provide payment of the \$145,000 purchase price through a \$103,000 bank draft payable to Crate Marine and a \$42,000 payment to "S. Crate". Copies of those bank drafts as received from Mr. Labanovich are attached as **Appendix "F"**. Mr. Labanovich also advises that he has not yet been provided with a bill of sale. The Companies have to date been unable to locate a copy of the sales contract, and the transaction was not recorded as paid for in the accounting system (see printout attached as **Appendix "G"**). Employees of the Companies advised that Steven Crate became involved in the transaction in addition to existing agents for the purchaser and vendor.

27. The Interim Receiver has not been able to complete an independent review of the Companies' records or with employees of the Companies regarding the advice it received as set out above. The Interim Receiver cannot accordingly verify the accuracy or lack thereof of the information that it has been provided.

E) CONCLUSION

28. The Interim Receiver will request at the hearing on December 8, 2014 that the Second Report, the Supplementary Report to the Second Report, and this Third Report, and the activities of the Interim Receiver and its counsel as described in those reports, be approved.

All of which is respectfully submitted this 7th day of December, 2014.

**A. FARBER & PARTNERS INC.
COURT-APPOINTED INTERIM RECEIVER OF CRATE MARINE SALES LIMITED,
F.S. CRATE & SONS LIMITED, 1330732 ONTARIO LIMITED, 1328559 ONTARIO
LIMITED and 1282648 ONTARIO LIMITED**

A handwritten signature in black ink that reads "Stuart Mitchell". The signature is written in a cursive style with a horizontal line crossing through the middle of the name.

Per: Stuart Mitchell
Senior Vice President

T A B L E

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Court File No. 31-1932502

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

Court File No. 31-1932534

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

Court File No. 31-1932548

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

Court File No. 31-1932557

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

Court File No. 31-1932540

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

AFFIDAVIT OF JOHN HENDRIKS

I, John Hendriks, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
STATE AS FOLLOWS:

1. I am a Trustee at A. Farber & Partners Inc. and, as such, have knowledge of the matters
to which I hereinafter depose.

2. A. Farber & Partners Inc. was appointed Interim Receiver (the "Interim Receiver") over all of the assets, undertakings and properties of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited and 1282648 Ontario Limited, pursuant to an Order of this Court made on November 21, 2014. On December 8, 2014, A. Farber & Partners Inc. ("Receiver") was appointed Receiver over all of the assets, undertakings and properties of the these companies and two related holding companies, 13982415 Ontario Ltd. and 1382416 Ontario Ltd pursuant to an Order of this Court. I make this affidavit as a supplement to the Second Report of the Receiver.

3. As Interim Receiver, A. Farber & Partners Inc. rendered two invoices in this matter, being an invoice for the period ending December 1, 2014 in the total amount of \$197,202.72 and an invoice for the period ending December 8, 2014 in the total amount of \$93,680.99. A summary of time is attached herewith as Exhibit 1. Copies of the two invoices rendered to date are attached as Exhibits 2 and 3.

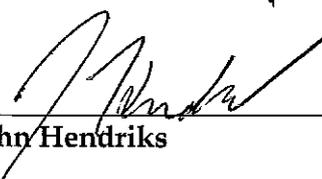
4. The total of the Interim Receiver's fees as outlined in Exhibit 1 is \$252,315.75 together with disbursements of \$5,766.91 and HST of \$32,801.05, the sum of which equals \$290,883.71. The average hourly rate in respect of time as outlined in Exhibit 1 is \$477.37.

5. This Affidavit is made in support of a motion to, *inter alia*, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the
City of Toronto, in the
Province of Ontario,
this 19th day of December, 2014



Commissioner for Taking Affidavits



John Hendriks

Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.

EXHIBIT 1

**THIS IS EXHIBIT "1" TO
THE AFFIDAVIT OF JOHN HENDRIKS
SWORN BEFORE ME THIS 19th
DAY OF DECEMBER, 2014**



A Commissioner Etc.

*Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.*

EXHIBIT 1

A. FARBER & PARTNERS INC.
 CRATE MARINE SALES LIMITED ET AL.
 SUMMARY OF INTERIM RECEIVER'S FEES
 OCTOBER 20, 2014 TO DECEMBER 8, 2014

Oct. 20, 2014 to Dec. 1, 2014 Dec. 2, 2014 to Dec. 8, 2014

Name	Rate Per Hour	Hours	Total	Hours	Total	Total Hours	Total Fees
S. Mitchell	\$575.00	109.00	\$ 62,675.00	52.00	\$ 29,900.00	161.00	\$ 92,575.00
J. Hendriks	\$525.00	47.30	\$ 24,832.50	31.80	\$ 16,695.00	79.10	\$ 41,527.50
N. Litwack	\$425.00	33.90	\$ 14,407.50	4.50	\$ 1,912.50	38.40	\$ 16,320.00
A. Fisher	\$425.00	9.45	\$ 4,016.25	25.50	\$ 10,837.50	34.95	\$ 14,853.75
R. Stelzer	\$425.00	83.50	\$ 35,487.50	29.20	\$ 12,410.00	112.70	\$ 47,897.50
P. Crawley	\$405.00	68.50	\$ 27,742.50	24.50	\$ 9,922.50	93.00	\$ 37,665.00
M. Castillo	\$175.00	1.00	\$ 175.00			1.00	\$ 175.00
D. Da Silva-Falcione	\$155.00	1.40	\$ 217.00	0.50	\$ 77.50	1.90	\$ 294.50
A. Chopowick	\$155.00	0.60	\$ 93.00			0.60	\$ 93.00
G. Lowe	\$155.00	4.30	\$ 666.50	1.60	\$ 248.00	5.90	\$ 914.50
Total		358.95	\$ 170,312.75	169.60	\$ 82,003.00	528.55	\$ 252,315.75

Average hourly rate \$ 477.37

Expenses:		\$ 4,749.31	\$ 1,017.60	\$ 5,766.91
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HST:		\$ 22,140.66	\$ 10,660.39	\$ 32,801.05
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Totals:		\$ 197,202.72	\$ 93,680.99	\$ 290,883.71
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EXHIBIT 2

**THIS IS EXHIBIT "2" TO
THE AFFIDAVIT OF JOHN HENDRIKS
SWORN BEFORE ME THIS 19th
DAY OF DECEMBER, 2014**



A Commissioner Etc.

**Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.**

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada

Office 416.497.0150
Fax 416.496.3839

www.farberfinancial.com

December 11, 2014

Crate Marine Sales Limited
290 The Queensway S.
Keswick, ON L4P 4H3

Invoice No. 11473

Interim Receivership of Crate Marine Sales Limited

**TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC.
for the period from October 20, 2014 to December 1, 2014**

DATE	SERVICE	STAFF
10/20/2014	Consulting fees - Corporate Phone calls with D. Stier and B. Spiegel as well as email correspondence with same. Receive and review the restructuring report prepared by the American consultant. Meeting at Crates on October 26 with S and L Crate in Keswick as well as B. Spiegel and D. Ster.	Mitchell
10/27/2014	Consulting fees - Corporate Email and telephone conversations with D. Steer, B. Spiegel and H. Chaiton, the lawyer for Crawmet. Attend meeting at the offices of Crawmet with B. Spiegel, A. Lyons and H. Chaiton to discuss the status on the Crates restructuring and alternatives. Throughout the day, three lengthy phone conversations with S. Crate.	Mitchell
10/28/2014	Consulting fees - Corporate Throughout the day, phone calls and email with D. Stier, H. Chaiton, S. Crate, B. Spiegel and A. Lyons.	Mitchell
10/29/2014	Consulting fees - Corporate Email correspondence with D. Steer, financial advisor to Crawmet, regarding the possibility of our acting as Monitor of Crates. Phone call with B. Spiegel regarding our possibly acting as Monitor as well as his plans to attended at Crates Marina with a bailiff to identify and inventory the new and used boats. Telephone call with H. Chaiton regarding the review of the security	Mitchell

documents.

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| 10/31/2014 | Consulting fees - Corporate
Various emails and phone calls with D. Stier, H. Chaiton and S. Crate discussing alternative restructuring options. | Mitchell |
| 11/03/2014 | Consulting fees - Corporate
Meeting with H Chaiton regarding the demand, assignment of security and defaults. | Mitchell |
| 11/04/2014 | Consulting fees - Corporate
Telephone calls throughout the day with Ben Spiegel, D Stier and S Crate. | Mitchell |
| 11/07/2014 | Consulting fees - Corporate
Meeting at offices of Crawmet with S Spiegel, B Spiegel, A Lyons and H Chaiton to discuss the financial status of Crate Marina and alternatives for Crawmet to effect repayment of its loan positions. | Mitchell |
| 11/10/2014 | Consulting fees - Corporate
Telephone call with B Spiegel; telephone call with B Powell; telephone call with H Chaiton; all phone calls and emails throughout the day in efforts to assist the secured creditors and Chaiton's to gather information needed in order to contemplate alternative strategies to have their loans repaid. | Mitchell |
| 11/11/2014 | Consulting fees - Corporate
Telephone call with D Powell and his associate, G Farrar, re their loan agreement, mortgage, accounting information which Mr. Powell offered to provide in support of the proposed application for appointment of a Receiver given that his loan was now in default; emails and phone calls with B Spiegel, A Lyons and H Chaiton regarding the Powell loans and my discussions with Mr. Powell and Ms. Farrar; discuss draft affidavit of B Spiegel, review and give editorial comments to Chaiton's. | Mitchell |
| 11/13/2014 | Consulting fees - Corporate
Telephone call with G Farrar and D Powell regarding their loan status and the supporting documentations for the security. | Mitchell |
| 11/18/2014 | Consulting fees - Corporate
Initial emails and meeting Mitchell re potential | Hendriks |

Appointment.

- 11/18/2014 Consulting fees - Corporate Mitchell
Telephone calls and emails with H Chaiton and D Stier in efforts to assist B Spiegel and Crawmet with the worsening loan recovery prospects and efforts to recover; direct P Crawley to investigate about insurance coverage in the event our firm becomes Receiver of Crate Marina; work with H Chaiton and B Spiegel to craft an emergency application for appointment of a Receiver.
- 11/19/2014 Consulting fees - Corporate Mitchell
Work on the draft affidavit of Ben Spiegel and the insurance issues, including telephone calls and emails with P Crawley, H Chaiton, D Stier and A Lyons.
- 11/20/2014 Consulting fees - Corporate Hendriks
Meetings and emails Mitchell and Poliak; review draft order; planning meeting with Mitchell and staff pending tomorrow's Court hearing; review motion materials filed by Chaitons; calls and emails re potential attendance at Port McNicholl.
- 11/20/2014 Consulting fees - Corporate Mitchell
Review, comment on and assist Chaiton's to finalize the affidavit of B Spiegel; review, comment on and assist Chaiton's to finalize the draft order and motion record; review execute and return consent to act as Court-Appointed Receiver and as Bankruptcy Trustee; meet with and arrange for five staff members, as well as Quebec affiliate to be ready to take possession and to preserve and protect the assets in the event that the Court orders the appointment of our firm as Receiver tomorrow.
- 11/20/2014 Consulting fees - Corporate Crawley
Staff planning meeting in anticipation of court appointment the following day; contact H. Davis in Montreal to make arrangements for his staff to support Farber as needed.
- 11/20/2014 Consulting fees - Corporate Litwack
Team meeting to discuss potential engagement, including process and preparations in anticipation of receiver or interim receiver appointment; contacted various agents and advised to be on standby for next day after court hearing.

- 11/21/2014 Consulting fees - Corporate Fisher
Visit travel to the Port Credit location to take possession; meet with property manager; discussions with Peter Solty; arrange for locks to be changed.
- 11/21/2014 Consulting fees - Corporate Stelzer
Review of draft receivership order, interim receivership order, report of R Dodick, etc.; team meeting; drove to client; meeting before taking possession; drove to Willow Beach and meeting with S Neilly and detailed review of the premises and all boats on site; drove to Keswick; meeting onsite with P Crawley; E-mail to team summarizing Willow Beach visit.
- 11/21/2014 Consulting fees - Corporate Hendriks
Meetings and emails from Mitchell to review documents, including proposal trustee report, and prepare for Court hearing today; group meeting with Mitchell and staff re taking possession planning; Stelzer re draft notices for doors if interim receiver; order from Court approving interim receiver and to staff; numerous emails and calls with staff during the evening/night re taking control of inventory and banking information per the Court order; numerous emails and calls with CIBC, BNS and BMO re the companies' 6 bank accounts and notice of our appointment letters to BMO and BNS.
- 11/21/2014 Consulting fees - Corporate Mitchell
Early morning telephone calls and emails with H Chaiton and A Lyons regarding the position of Mr. D Powell in terms of the Court application scheduled for this afternoon; direct staff to be ready to take possession of six different locations in two provinces later this afternoon if so ordered by the Court; meet H Chaiton to prepare for the Court attendance; appear before Justice Penny in Court to hear the application of Crawmet for the appointment of a Receiver; obtain Court Order as Interim Receiver and direct staff to take steps to preserve and protect the companies' assets over the next number of hours.
- 11/21/2014 Consulting fees - Corporate Chopowick
Email to OSB office to request documentation; telephone call to R Dodick to request documentation.
- 11/21/2014 Consulting fees - Corporate Crawley
Drive by Port Credit location; engagement planning

meeting with team to discuss taking possession and necessary steps to be taken upon issuance of an order; take possession of Keswick location, meeting with staff, tour facility; attend to changing of locks, met with K. Nicholson to obtain various accounting reports; discussions with team about planning next steps and weekend attendance; reporting to S. Mitchell on day's events.

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| 11/21/2014 | Consulting fees - Corporate | Lowe |
| | Scanning Order and Endorsement and circulating same. | |
| 11/21/2014 | Consulting fees - Corporate | Litwack |
| | Attendance at, and travel between, Keswick, Willow Beach and Lagoon City locations; arranged and facilitated locksmith for changing locks at all three locations; various email and telephone communication with team re planning and mandate review; reviewed various documents from Court, company and proposal trustee; met with Lagoon City marina manager, Wayne MacPhee. | |
| 11/22/2014 | Consulting fees - Corporate | Stelzer |
| | Travel to client; walk on premises; discussions with K Murray and other staff regarding the appointment, operating plan, plan for the business tomorrow, took photos of the yard; discussion with S Crate; update E-mail to team regarding payment of payroll and other key issues; E-mails throughout the day. | |
| 11/22/2014 | Consulting fees - Corporate | Hendriks |
| | Calls and emails during the day with updates; call and letter to CIBC; follow up Marquis boat in transit and call to trucking company. | |
| 11/22/2014 | Consulting fees - Corporate | Crawley |
| | Correspond on various matters with counsel re: boat sales and issues identified on first day of appointment; | |
| 11/22/2014 | Consulting fees - Corporate | Mitchell |
| | Emails and phone calls with H. Chaiton, S. Crate, B. Spiegel, various Farber staff personnel, R. Dodick, and others in supervising the interim receivership appointment. | |
| 11/22/2014 | Consulting fees - Corporate | Litwack |
| | Attended at, and travelled between, Keswick and | |

Lagoon City marina locations; took inventory of Crate boats at Keswick location; various emails and discussions with team re inventory and updates on receipts; telephone correspondence with W MacPhee re offer to meet and provide key to Lagoon City location for opening up that location on the weekend; met with S Crate and harbour master re Crate inventory and customer inventory; posted interim receivership signs at Keswick and Lagoon City.

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|------------|---|----------|
| 11/23/2014 | Consulting fees - Corporate
Travel to Port Credit location to make sure site was secure and change posted sign to say Interim Receiver. Review emails on status of the engagement. | Fisher |
| 11/23/2014 | Consulting fees - Corporate
E-mails throughout the day. | Stelzer |
| 11/23/2014 | Consulting fees - Corporate
Calls and emails during the day; letter to Balsdon trucking by email and another call. | Hendriks |
| 11/23/2014 | Consulting fees - Corporate
Call with R. Stelzer to discuss plans for Monday; prepare and send email to M. Wienczok re: third party boat sales; correspond with H. Davis re: Quebec inventory and potential missing boat; call with security guards to discuss need for periodic inspections of Keswick premises. | Crawley |
| 11/23/2014 | Consulting fees - Corporate
Emails and phone calls with H. Chaiton, S. Crate, B. Spiegel, various Farber staff personnel, R. Dodick, and others in supervising the interim receivership appointment. | Mitchell |
| 11/24/2014 | Consulting fees - Corporate
Attend conference call with Farber staff for a status update; discussions with Peter Solty about his assets and getting his computer; emails with Peter Crawley about which assets belong to Peter Solty and which belong to the company. Arrange to meet Steve Mothersell for a back up of the computers. | Fisher |
| 11/24/2014 | Consulting fees - Corporate
Meeting with S Crate; site visit of boats; E-mails throughout the day on cash projections, inventory, insurance, boat in the water, computer backup, etc.; | Stelzer |

- Lagoon City update; discussion with S Neilly on boat in the water; team call; staff meeting; discussion with R Dodick; updated to do list and sent to team.
- 11/24/2014 Consulting fees - Corporate Da Silva-Falcione
Set up PSFX charge code; respond to boat owner inquiries; various emails, etc.
- 11/24/2014 Consulting fees - Corporate Crawley
Attend at Keswick; staff communication meeting; calls with D.Thomas to determine course of action w.r.t. Quebec location, signage and communication to warehouse; discussions with staff; meeting with K.Nicholson to request and obtain further information; call with Farber staff to discuss engagement issues.
- 11/24/2014 Consulting fees - Corporate Hendriks
Follow up calls and staff re banking arrangements; emails and conference call Mitchell and staff re updates to operations over the weekend; calls with Balsdon Trucking and Marshall (Marquis' counsel) re boat at Balsdon's yard; web updates; review of transactions through the bank accounts; review of documents from OSB and Proposal Trustee and follow up re expected timing of the Proposal Trustee finalizing and filing the NOI cash flows and reports; numerous other operational issues with Crawley, Stelzer and Mitchell; conference call re status updates from over weekend with Fisher, Litwack, Stelzer, Crawley and Mitchell;
- 11/24/2014 Consulting fees - Corporate Lowe
Updating website with engagement information; telephone calls with boat owners at marinas.
- 11/24/2014 Consulting fees - Corporate Chopowick
Respond to various telephone calls from creditors and boat owners.
- 11/24/2014 Consulting fees - Corporate Mitchell
Conference call with all staff to direct and supervise the interim receivership appointment; phone call with M. Poliak of Chaitons regarding notices to the service list; correspondence with R. Dodick regarding the 10 day cash flow prepared by the companies, which had not yet been filed by the NOI Trustee; conference call with all staff to direct on all matters associated with preserving, protecting and controlling the assets in accordance with our Court Order; telephone call from B. Spiegel and

A. Lyons to exchange updates on all related matters; obtain comments from H. Chaiton on our draft proposed "key" letter, computer backup proposal and 10 day cash flow prepared by the companies; emails and phone calls with numerous parties throughout the day and until late into the night.

11/24/2014	Accounting Office	Castillo
11/24/2014	Consulting fees - Corporate Attended at, and travelled between, Lagoon City and Willow Beach locations; drafted key delegate letter and provided keys to W MacPhee for Lagoon City; began taking customer boat inventory; various discussions and follow up with staff and W MacPhee re boat that sank some time between Sunday night and Monday morning; meeting with staff to discuss interim receiver mandate; various discussions with Lagoon City staff re banking and accounting protocol, boat maintenance and winterizing progress, and, storage protocols; met with landlord at Lagoon City to discuss interim receiver mandate.	Litwack
11/25/2014	Consulting fees - Corporate Attend at the premises to do an inventory, back up the computers and provide Peter Solty a key. Provide information for John H. to prepare our Interim Receiver's report to court. Attend conference call for update on the file.	Fisher
11/25/2014	Consulting fees - Corporate Respond to customer inquiries; discuss website posting with G. Lowe; update website with Motion Record, Order and Endorsement.	Da Silva-Falcione
11/25/2014	Consulting fees - Corporate Discussion with S Crate; emails and updated to do list and agenda for daily call; review of multiple inventory lists and put together in one consolidated list; meeting with S Mothersell and B Brinks and then call and E-mail to S Crate regarding IT; call and then E-mail with W MacPhee regarding boats in water at Lagoon City; landlord email regarding lagoon; discussion with N Litwack; team call; walk of premises.	Stelzer
11/25/2014	Consulting fees - Corporate Attend at Keswick; reviewed accounts receivable	Crawley

reports to identify unpaid boats and significant customer deposits; met with K.Nicholson to review material accounts receivable, including what appear to be unpaid boat sales; review debtors cashflow as submitted to OSB and develop queries; draft email to proposal trustee; discuss same with S.Mitchell; enquiries from customers.

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| 11/25/2014 | Consulting fees - Corporate | Hendriks
Numerous calls and emails re ongoing updates to inventory and a/r; calls and emails Nicholson re disbursements requests, back up for same and monitoring bank accounts; Marshall and Chaiton re 50' yacht in Pickering; web updates; start first draft of IR's report; review cash flow and reports filed last night by Proposal Trustee and emails and calls to companies with questions, etc. |
| 11/25/2014 | Consulting fees - Corporate | Lowe
Update website information. |
| 11/25/2014 | Consulting fees - Corporate | Mitchell
Telephone call with H. Chaiton regarding our comments on the 10 day cash flow, which had not yet been provided by the companies; emails with R. Dodick regarding the cash flow of the companies and the Lagoon City boat incident; receive and review from R. Dodick the companies' cash flows and discuss with senior staff and lawyers; phone calls and emails from D. Rogers to inform the Interim Receiver of certain allegations about his boats having been sold by Crates; phone call from S. Brotman on behalf of his step-father regarding a boat that had been sold and the sale proceeds had not been passed along; innumerable emails, phone calls and discussions with staff and lawyers and various stakeholders from early morning until late night. |
| 11/25/2014 | Consulting fees - Corporate | Litwack
Various discussions with team regarding events at Lagoon City marina; drafted report on events ranging from actions on appointment, interactions with employees and marina customers, timeline of customer boat sinking and advice provided by marina staff re same; email correspondence with Lagoon City marina manager re receipts and boat winterization progress. |
| 11/26/2014 | Consulting fees - Corporate | Stelzer |

E-mails and calls related to computer copying issue including E-mail to S Crate and his counsel and related discussion with Farber IT personnel; review of draft report and discussion with J Hendriks; call to K Nicholson regarding details on 50 foot Marquis; updated inventory list with N Litwack; updated Quebec boats list based on information from Quebec counterparts; call from E Lay regarding boat ownership issue; call with Central Lock.

- 11/26/2014 Consulting fees - Corporate Crawley
 Attend at Keswick; send queries on cashflow to proposal trustee; calls and meetings with Crates; meeting with B.Spiegel; meetings with staff to collect financial support for various boat transactions involving liens; observe daily operations and secure facility at end of day; meeting with various sales staff; respond to employee enquiries about outstanding payments; calls from customers about boats and payments made for future slip rentals; discussions with S. Mitchell about steps to take.
- 11/26/2014 Consulting fees - Corporate Hendriks
 Meeting Stelzer re inventory issues; meeting Mitchell re Powell and re this morning's scheduling hearing; emails and follow up re cash disbursements clearing account and approved by Proposal Trustee not yet cleared for up to Nov 25; updates to draft IR report during day as more issues/details are available; call Bissell re status and them acting as independent counsel to IR; Chaiton and Mitchell re release of \$50k deposit received post-NOI re cancelled boat sale; follow up banking and disbursement issues with Nicholson; review of the November 26 transactions through the bank accounts; numerous emails and calls during the day re a/r and inventory issues/updates; arrange visual inspection of Port McNichol for tomorrow; meetings Stelzer and Mitchell re ongoing and new boat ownership issues being raised by purchasers, vendors and finance companies
- 11/26/2014 Consulting fees - Corporate Lowe
 Sending information to M. Rotsztain; telephone calls with boat owners.
- 11/26/2014 Consulting fees - Corporate Mitchell
 Worked all day from 7:00 a.m. to 10:00 p.m.; emails, phone calls, discussions with lawyers, Mr. Spiegel, boat

owners, R. Dodick and J. Lokash and D. Rogers; initiate discussions with B. Bissell and M. Rotsztain, proposed independent counsel for the Interim Receiver, of the firm Goldman, Sloan, Nash and Haber LLP.

- 11/27/2014 Consulting fees - Corporate Da Silva-Falcione
Respond to creditor inquiries.
- 11/27/2014 Consulting fees - Corporate Stelzer
Review of 210 Wynhurst and 7/8 Mac properties;
E-mails and call with M Weinczok regarding computer issue and related discussions throughout the day with B Bissell and K Lo to arrange for computer backups; team call; updated inventory listing; discussion with K Nicolson on boat list; review of Spiegel affidavit and details of Crawmet boats and E-mail to M Poliak; updated and sent to do list to the team.
- 11/27/2014 Consulting fees - Corporate Crawley
Attend Keswick to facilitate access to the premises for staff; locate various boats on inventory to confirm location; review draft IR report; discussions with staff re: boats sales; review banking update;
- 11/27/2014 Consulting fees - Corporate Hendriks
Review materials from Bissell and conference call re first draft of interim report; call re site attendance at Port McNicholl; numerous emails throughout the day re ongoing IR issues; receive and review bank statements from Nicholson
- 11/27/2014 Consulting fees - Corporate Mitchell
All day from 7:00 a.m. to 10:00 p.m. working on this matter including conference call with M. Rotsztain, B. Bissell, P. Crawley, R. Stelzer, M. Poliak to bring up to date all issues and to commence working with the independent counsel for the Interim Receiver on the Report to Court; email to M. Weinczok, lawyer for Crates, to inform of the appointment of the independent legal representatives for the Interim Receiver; speak to B. Spiegel regarding letters sent from Crate Orillia and from Crate Belleville to customers; all day work with lawyers and staff on the Interim Receiver Report to Court and on supervising the interim receivership; control, preservation and protection of the various companies' assets; telephone call from Kyle at CRA; constant issues, emails and telephone calls and conference calls throughout the day.

- 11/27/2014 Consulting fees - Corporate Litwack
Correspondence with employee re her concerns about her employer and explained mandate of interim receiver; reviewed invoice for locksmith from Port Credit location; discussed ongoing mandate with team.
- 11/28/2014 Consulting fees - Corporate Da Silva-Falcione
Respond to inquiries.
- 11/28/2014 Consulting fees - Corporate Stelzer
Discussion with controller and others regarding customer boats list; review of draft IR report and related calls throughout the day; discussions with B Vranesh and others at the company regarding the computer backups; E-mails regarding boat of D Rogers; update to inventory list; review of S Crate affidavit; walk of the yard; A/R review; detailed review of inventory list and related E-mails.
- 11/28/2014 Consulting fees - Corporate Crawley
Provide comments on draft First Report to B.Bissell; call to D.Thomas to discuss recent Proulx boat sale; calls with counsel to review report and submissions of the Crates; provide information where requested; review daily cash activity update.
- 11/28/2014 Consulting fees - Corporate Hendriks
Review drafts of IR's report; review and reply to numerous emails and calls throughout the day with counsel and staff re ongoing findings under our mandate, information for reports, etc.; review bank statements and items clearing relative to the Nov 21 list of o/s cheques; follow up call with Nicholson re cheques from BNS and CIBC to BMO account with corresponding wire to Dickenson Wright not yet approved by IR; call Nicholson re her advice that payroll cheques were released today notwithstanding IR had not seen the listing or the approval request and request copy of listing
- 11/28/2014 Consulting fees - Corporate Mitchell
Telephone call from B. Spiegel and D. Stier regarding Mr. Spiegel's boat which he keeps in the Belleville marina and for which three parties claim ownership; review draft Interim Receiver Report to Court and make edits and add additional information; telephone calls with various staff to gather further details for inclusion in

the Report; conference call with M. Rotsztain, B. Bissell, J. Hendriks, R. Stelzer and P. Crawley to discuss the draft Interim Receiver Court Report and, in particular, to add further content and refine the information to ensure everything is factually accurate; receive from Chaitons the submissions prepared by the lawyers for the Crate company and review same; discuss with lawyers at Chaitons and at Goldman, Sloan, Nash and Haber; receive and review and comment on the redrafted Interim Receiver Report; conference call with H. Chaiton, M. Poliak, M. Rotsztain, B. Bissell and R. Stelzer; conference call with M. Rotsztain, B. Bissell, J. Hendriks, R. Stelzer and P. Crawley; correspondence with R. Rothbart, a lawyer for the landlord and owner of the property at the Lagoon City marina, including an affidavit that has been filed; correspondence with J. Marshall, lawyers for Marquis Boats, regarding the 50 foot boat and the proposal that \$850,000 USD be held in trust by the Interim Receiver; M. Poliak and H. Chaiton conference call regarding the affidavit of S. Crate; emails and phone calls throughout the entire day until quite late into the night on Friday.

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| 11/28/2014 | Consulting fees - Corporate | Litwack
Reviewed Steven Crate's affidavit and addressed his version of events leading up to customer boat sinking at Lagoon City marina; discussions with R Stelzer and P Crawley re same; discussions with team re attendance at Keswick marina over weekend. |
| 11/29/2014 | Consulting fees - Corporate | Crawley
Attend at Crates by 8am to open premises; conference call with counsel to review draft IR report; additional calls. |
| 11/29/2014 | Consulting fees - Corporate | Hendriks
Review updated drafts of the IR report, provide comments and extended conference calls with counsel and Mitchell in both the morning and afternoon; review and respond to numerous emails throughout the day re additional information becoming available to potentially include in the report |
| 11/29/2014 | Consulting fees - Corporate | Stelzer
Review of draft IR report; call with team; provided info regarding inventory and review of information from R Wright; E-mail to Chaitons; further review report and call with Chaitons; E-mails. |

- 11/29/2014 Consulting fees - Corporate Mitchell
8:00 a.m. read redrafted Interim Receiver Report; 9:00 a.m. conference call with M. Rotsztain, B. Bissell, J. Hendriks, P. Crawley and R. Stelzer until 11:30 a.m.; H. Chaiton and M. Poliak telephone call regarding the further affidavit of B. Spiegel; ongoing telephone calls with email exchanges and review of draft Interim Receiver Report and information from various parties culminating with the review and almost finalization of the Interim Receiver Report; review of comments to be made in an affidavit by Mr. Spiegel.
- 11/29/2014 Consulting fees - Corporate Litwack
Telephone correspondence with Wayne MacPhee re update on boat winterization, confirmation of my recounting of his statements on Monday and any additional information in relation to the sunken client boat; discussions with P Crawley re same.
- 11/30/2014 Consulting fees - Corporate Crawley
Review latest version of IR report; emails from S.Mitchell for further information concerning boat sales; calls to D.Bedard and discussion with R.Crate re: Carver 57.
- 11/30/2014 Consulting fees - Corporate Hendriks
Review additional information from counsel to the secured creditor and the supplemental report of the proposal trustee with revised cash flows and consider impact on the drafting of the IR report; ongoing emails and calls to finalize IR report for submission today to court;
- 11/30/2014 Consulting fees - Corporate Stelzer
E-mails throughout the day; call with B Bissell and redraft of inventory section in report.
- 11/30/2014 Consulting fees - Corporate Mitchell
Review final revisions to the Interim Receiver Report; receive draft information of what will be in the affidavit of B. Spiegel; several conference calls during the day with all lawyers and Farber staff; supervise the Farber staff working at the site of the companies; assist in continuing the interim receivership role; eventually finalize and execute the Interim Receiver Report for filing with Court and delivery to the service list; receive and read the final affidavit of B. Spiegel as filed with the Court and sent to

the service list; read the Chaiton Factum prepared and served upon the service list; receive from L. Corne of Dickinson Wright the Factum on behalf of the Crate Marina companies and consider same; email from R. Rothbart, lawyer for the landlord at Lagoon City, including discussion and correspondence regarding same with both H. Chaiton and B. Bissell; innumerable emails and phone calls throughout the day to prepare for the hearing in Court on December 1 and to continue the Interim Receiver duties under the Court Order.

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| 11/30/2014 | Consulting fees - Corporate | Litwack
Attended at Keswick marina location to provide access for staff and identify any site issues with respect to assets. |
| 12/01/2014 | Consulting fees - Corporate | Crawley
Attend at Keswick premises to open for staff; discussions with staff about proceedings; calls from customers about status of their stored boats, service orders and deposits; conference call with Farber team to discuss next steps given today's court proceedings; |
| 12/01/2014 | Consulting fees - Corporate | Litwack
Conference call with team re update on court hearing, expanded mandate for Interim Receiver and division of duties going forward; various email correspondence with team and estate counsel re Lagoon City marina landlord issues. |
| 12/01/2014 | Consulting fees - Corporate | Stelzer
Admin. |
| 12/01/2014 | Consulting fees - Corporate | Stelzer
Call with P Crawley; landlord correspondence for Lagoon; Branko and Froese computers and coordination for other sites; updated to do list for team; DW factum; Chaitons factum; document review; updated inventory list; Lagoon City call with W MacPhee; call with team; call with N Litwack; review of endorsement; planning note to team; E-mails. |
| 12/01/2014 | Consulting fees - Corporate | Hendriks
Prepare for and attend Court early for meetings with counsels; attend Court hearing re potential receivership appointment and ensuing Court amendments to the IR mandate; meeting Dodick re consolidating cash reporting from company to IR and Proposal Trustee; |

meeting counsels and Mitchell and conference call with staff re planning of information requests pursuant to the expanded IR role and Court request for another report on matters that will assist the Court in the determinations it is likely to have to make on December 9, 2014"; call from BNS account manager re payroll cheques starting to be presented by employees; follow up request to companies for list of cheques and today's bank statements; review of listing of cheques released Nov 28 and Dec 1 without prior disclosure to, or pre-approval, of IR; review bank statements for Nov 28 and first part of Dec 1; message to Dodick re cheques released and available funds in bank; email to Bissell re listing of cheques released and corresponding questions to be put to Dodick and the company; emails Dodick re questions on cheque listing and follow up to try to get a response

- 12/01/2014 Consulting fees - Corporate Mitchell
8:00 a.m. - read the Facta prepared by Chaitons and by Dickinson Wright for the hearing later this morning; 9:00 a.m. - meet in Court with all the various lawyers and the parties to discuss and to prepare for the hearing; 10:00 a.m. - attend in Court for the hearing which ended at around 12:30 p.m. and then discuss with lawyers while in courthouse; attend working lunch meeting with H. Chaiton, M. Poliak, B. Bissell and S. Sopic and J. Hendriks to debrief from the court hearing and to discuss specifically what actions the Interim Receiver should focus on over the next few days in order to comply with Justice Penny's endorsement of today; back in office, never ending emails and phone calls and meetings including enquiries from customers, creditors, staff, B. Spiegel and others; work with J. Hendriks regarding the apparent unauthorized disbursements made last Friday by Crate Marine in direct contravention and breach of the November 21 Court Order of Justice Penny, including payments to S Crate and his sister and other payments apparently for the benefit of the Crate family members including car payments and insurance and life insurance payments; ongoing email and phone calls into the late night.
- 12/01/2014 Consulting fees - Corporate Lowe
Update website with December 1 motion materials.

Expenses:	Photocopies, faxes, etc.	\$2,153.70	Total For Services	\$ 170,312.75
	Changing Locks (x2)	\$2,595.61		
			Total For Expenses	<u>4,749.31</u>
			Total	175,062.06
			HST	<u>22,140.66</u>
			Current Amount Due	<u>\$197,202.72</u>

HST#136800752RT0001

A. FARBER & PARTNERS INC.

CRATE MARINE SALES LIMITED

**SUMMARY OF TIME INCURRED
FROM OCTOBER 20, 2014 TO DECEMBER 1, 2014**

Name	Total Hours	Rate Per Hour	Billing
S. Mitchell	109.00	\$575.00	\$62,675.00
J. Hendriks	47.30	\$525.00	\$24,832.50
N. Litwack	33.90	\$425.00	\$14,407.50
A. Fisher	9.45	\$425.00	\$4,016.25
R. Stelzer	83.50	\$425.00	\$35,487.50
P. Crawley	68.50	\$405.00	\$27,742.50
M. Castillo	1.00	\$175.00	\$175.00
D. Da Silva-Falcione	1.40	\$155.00	\$217.00
A. Chopowick	0.60	\$155.00	\$93.00
G. Lowe	4.30	\$155.00	\$666.50
Total	358.95		\$170,312.75

EXHIBIT 3

**THIS IS EXHIBIT "3" TO
THE AFFIDAVIT OF JOHN HENDRIKS
SWORN BEFORE ME THIS 19th
DAY OF DECEMBER, 2014**



A Commissioner Etc.

**Diane Da Silva-Falcione, A Commissioner, etc.,
Province of Ontario, for A. Farber & Partners Inc.
Trustee in Bankruptcy.
Expires: January 16, 2018.**

150 York Street
Suite 1600
Toronto, ON M5H 3S5
Canada

Office 416.497.0150
Fax 416.496.3839

www.farberfinancial.com

December 12, 2014

Crate Marine Sales Limited
290 The Queensway S.
Keswick, ON L4P 4H3

Invoice No. 11490

Interim Receivership of Crate Marine Sales Limited

**TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC.
for the period from December 2, 2014 – December 8, 2014**

DATE	SERVICE	STAFF
12/02/2014	Consulting fees - Corporate Attend at the facility in Keswick to review bank account general ledgers and other account general ledgers. Identify transactions for further review, discuss transactions with staff.	Fisher
12/02/2014	Consulting fees - Corporate Ongoing efforts to get responses from company and/or Proposal Trustee to questions arising from list of cheques released on Nov 28 that was not received until late afternoon yesterday; copy of Dec 1 endorsement to M. Crate and Nicholson re additional instructions from Court re 2015 slip rental receipts not to be used for current operations and re IR to be notified in writing 14 days prior re all boat sales; emails Dodick and company re payments released, lack of approvals and apparent lack of available funding; call from CIBC; emails to staff, counsel and companies re apparent lack of available funds; update meeting with Mitchell re cash position; conference call staff, Mitchell and Bissell re current status of Information	Hendriks
12/02/2014	Consulting fees - Corporate E-mails; review through inventory list and calls with P Crawley on the same; E-mail to	Stelzer

	K Nicholson on inventory; returned call of lawyer representing boat owner who paid for work; E-mails.	
12/02/2014	Consulting fees - Corporate Attend at Keswick to open facility for employees; prepare detailed information request re: boat transactions to be investigated and send to K. Nicholson; review general ledger activity for accounts receivable and inventory since NOI filing	Crawley
12/02/2014	Consulting fees - Corporate Various emails re status updates.	Litwack
12/02/2014	Consulting fees - Corporate Beginning at 8:00 a.m., Telephone call with B. Bissell and M. Rotsztain regarding Crate Interim Receiver issues and challenges. Telephone call with H. Chaiton and M. Poliak of Chaitons regarding the upcoming Court hearing. Meet at 9:00 at B. Spiegel's office together with A. Lyons. Discuss status of the issues being faced at the marina. Together with B. Spiegel, drive to Aurora to meeting with D. Powell and to discuss Mr. Powell's views on the Crate Marina restructuring. At noon, meet with B. Spiegel and D. Stier, financial advisor to Mr. Spiegel, to review the status of all matters. Then with Mr. Spiegel, conference call with D. Zan of Cruisers regarding the boat owned by Mr. Spiegel, but which Mr. Powell believes he also is the owner of. Drive back to office and meeting with J. Hendriks to debrief him and to direct him and the staff. Conference call with J. Hendriks, P. Crawley, H. Chaiton, M. Poliak, M. Rotsztain regarding all ongoing matters and new information. Work into the night on the draft Interim Receiver Report number two.	Mitchell
12/03/2014	Consulting fees - Corporate Attend Keswick location to review and investigate General Ledger, bank statements and accounting system.	Fisher

12/03/2014	<p>Consulting fees - Corporate</p> <p>Review first draft of 2nd report, provide comments, conference calls to discuss, review multiple drafts/edits throughout the day, follow up outstanding items in the various drafts, provide updates and finalize the report; review appendices for second report from Bissell; numerous calls and emails re transactions through the accounts, obtaining snap shots of non-BMO accounts, gaining online access to BMO Ontario accounts etc.; request comparison to actual for first 2 weeks of NOI cash flow; numerous calls and emails re inventory, 2015 slip rental revenue and a/r issues and updates; emails and calls counsels re 50' Marquis boat in Pickering; landlord issues with Litwack re Lagoon City; calls and emails professionals re fee summary for Court tomorrow; letter from/to Donnell Law re Mooney boat; direct staff re communications in response to creditor, customer, press and other interested party requests; Lowe re website updates; calls Goldman Sloan and Mitchell re timing and materials for 3rd report due Dec 8; review materials from Chaitons re their bringing motion for immediate receivership;</p>	Hendriks
12/03/2014	<p>Consulting fees - Corporate</p> <p>Opened site up for employees; review of A/R subledger in detail and related questions with management and call with J Hendriks on same; finalized inventory listing and related discussions and investigation; review of IR report drafts and call with team; investigated missing camper trailer; input into cash section of report; customer deposits and review of material from management on the same; review of Crawmet boats listing and E-mail to M Poliak; coordination of Belleville site visit with J Jones; A/R analysis for S Mitchell.</p>	Stelzer
12/03/2014	<p>Consulting fees - Corporate</p> <p>From 5:00 a.m. to 11:00 p.m., supervise all staff regarding challenges being faced in our obligation to preserve and protect the</p>	Mitchell

companies' assets. Emails and conference calls throughout the day with all staff and various lawyers addressing ongoing urgent concerns. Throughout the day, work on the Second Interim Receiver Report to Court. Correspondence with J. Marshall of Borden Ladner Gervais regarding the Marquis boat that the Interim Receiver has in its control and over which there is a security interest priority dispute. Discuss with B. Spiegel and lawyers the contents of his proposed Affidavit for submission to Court.

12/03/2014	Consulting Fees - Corporate Various emails with Lagoon City marina landlord and W McPhee, manager at Lagoon City.	Litwack
12/04/2014	Consulting fees - Corporate Attend at the Port Credit location to inspect the premises.	Fisher
12/04/2014	Consulting fees - Corporate Review Supplemental Report to the Second Report; cross reference updated PPSA specific boat references to company inventory list and follow up with Stelzer and Bissell, et al; prepare for and attend Court re Chaitons' immediate receivership application; follow up cash queries for the Court; debrief with Rotsztain and Mitchell; ongoing monitoring and follow up re bank transactions; calls, emails and letters with company and banks re expanded powers of the IR from today's decision of Justice Newbould; ongoing follow up with staff re A/R, inventory, landlord and 2015 slip rental issues; calls and emails re company request for outstanding payroll cheques to clear, approve same and notify bank in writing as required under today's Order; Crawley re transfer of vehicle to S. Crate's wife;	Hendriks
12/04/2014	Consulting fees - Corporate E-mails; review of proposal trustee report, interim receiver supplement to second report; second affidavit of B Spiegel; updated documents on server;	Stelzer

correspondence with B Vranesh on Froese imaging of computers; provided inventory information.

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| 12/04/2014 | Consulting fees - Corporate
Onsite in Keswick; review various boat sales arrangements; discussions with employees about status of proceedings; transaction review matters | Crawley |
| 12/04/2014 | Consulting fees - Corporate
Beginning at 6:00 a.m., work with H. Chaiton, B. Bissell, M. Rotsztain, M. Poliak on information requests required to assist Mr. B. Spiegel in the preparation of his Affidavit. Prepare for Court that day. 9:00 a.m. arrive in Court until noon for the hearing before Justice Newbould. Subsequently meet with H. Chaiton and M. Poliak to discuss the forward planning for the next Court hearing and the security claims of Mr. Spiegel. Work in office preparing together with J. Hendriks letters to banks and approving requests by the Company for the clearance by those banks of certain cheques, all in accordance with Justice Newbould's endorsement of that day. Innumerable emails and phone calls and discussions on all matters relating to the interim receivership. Worked well into the late evening. | Mitchell |
| 12/04/2014 | Consulting fees - Corporate
Updating website | Lowe |
| 12/05/2014 | Consulting fees - Corporate
Ongoing monitoring of transactions through bank accounts; calls and emails Nicholson re company request for IR to pre-approve transactions v. have S. Crate prepare list of necessary cheques given limited funds in company accounts; efforts to try and obtain response from S. Crate re requested payments from company accounts; landlord issues re propane in Quebec and Lagoon City with Litwack and Mitchell; Bissell re draft Third Report | Hendriks |

12/05/2014	Consulting fees - Corporate Review of Froese engagement letter and invoice; review of S Crate affidavit; discussions with management on weekend and operating plan; S Bittle; discussion with B Brinks on IT invoices; E-mails.	Stelzer
12/05/2014	Consulting fees - Corporate Respond to customer inquiries; update website with Motion Record returnable December 8, 2014.	Da Silva-Falcione
12/05/2014	Consulting fees - Corporate Review of motion materials including cash flows and profitability projections filed by DW, discussions with Goldman Sloan, Mitchell and Chaitons re same	Hendriks
12/05/2014	Consulting fees - Corporate Attend at Keswick; review and summarize sales documents provided by Crates; met with B and M. Rabanovich; various discussions with staff re: status of proceedings; review proposal materials submitted by the Debtors; discuss same with R. Stelzer and S. Mitchell; call with S. Crate to discuss transfer of vehicle into wife's name.	Crawley
12/05/2014	Consulting fees - Corporate Email correspondence with legal counsel re key delegate letter for landlord; team discussion re status of weekend operations.	Litwack
12/05/2014	Consulting fees - Corporate Discussions with staff at the Keswick location regarding Mr. S. Crate not being available and the resultant disruption at the location including disgruntled employees wondering about salary being paid and other related issues. Direct staff regarding emails to Mr. Crate as well as his lawyer, Mr. M. Weinczok at Dickinson Wright LLP, in particular asking as to when Mr. Crate will be available to authorize disbursements for approval by the Interim Receiver. Review and approve the Goldman, Sloan, Nash and Haber LLP statement of fees up to and including December 1, 2014. Mid-afternoon,	Mitchell

receive from Dickenson Wright the Affidavit of S. Crate and other materials served in connection with the December 8th Court hearing scheduled before Justice Newbould. Read documents and discuss with M. Rotsztain. Receive from C. Prophet of Gowlings the Affidavit of his client, Mr. Rogers and the various corporations and trust controlled by Mr. Rogers, including a Notice of Motion, and discuss same with M. Rotsztain. Direct staff regarding the Engagement Letter and fees received from Froese, our technology consultants who we had retained to mirror the electronic data of the marina corporation. Discussion with B. Spiegel regarding his recent meeting with Mr. Powell regarding both those secured creditors' positions on the prospective proposal outlined by Mr. Crate in his Affidavit. Email from S. Levin regarding her boat and monies owing to her from Crates. Conference call with B. Bissell and M. Rotsztain, H. Chaiton, M. Poliak and J. Hendriks regarding the Crate Motion Record and discuss the Third Report of the Interim Receiver to be filed over the weekend and what is being requested of the Interim Receiver in terms of gathering information Work on drafting the Interim Receiver Report number three.

12/05/2014	Consulting fees - Corporate Telephone calls with boat owners regarding questions about next steps.	Lowe
12/06/2014	Consulting fees - Corporate Review various drafts of Third Report, provide comments and follow up re outstanding items in the draft;	Hendriks
12/06/2014	Consulting fees - Corporate Conference call with counsel; review draft IR report and provide comments thereon.	Crawley
12/06/2014	Consulting fees - Corporate Review of IR report and provided comments;	Stelzer

	review of materials from Chaitons; E-mails; correspondence with Froese.	
12/06/2014	Consulting fees - Corporate Various email correspondence with legal counsel re Lagoon City landlord request; correspondence with Lagoon City landlord re same.	Litwack
12/06/2014	Consulting fees - Corporate Throughout the day, many emails and telephone conferences with staff and various lawyers. Drafting the Interim Receiver report number three and assisting with providing information for Mr. Spiegel to include in his Affidavit.	Mitchell
12/07/2014	Consulting fees - Corporate Emails re Third Report; follow up re Mooney boat lawyers letter	Hendriks
12/07/2014	Consulting fees - Corporate Review affidavit of B. Spiegel; review final form of IR report and provide minor comments.	Crawley
12/07/2014	Consulting fees - Corporate E-mails.	Stelzer
12/07/2014	Consulting fees - Corporate Receive from Chaitons a draft of the Spiegel Affidavit, review same and respond to the request of Chaitons to confirm that the information set out therein is consistent with the Interim Receiver's understanding of the facts. Work with Goldman, Sloan, Nash and Haber lawyers to complete, finalize, execute and serve the Interim Receiver's Third Report to Court. Review the status of all matters, direct N. Litwack and H. Davis on ensuring that propane tanks are filled and the heat is on both at the Lagoon City and the Quebec sites.	Mitchell
12/08/2014	Consulting fees - Corporate Review internal emails, conference call about appointment, plan of action and allocation of duties.	Fisher

12/08/2014	Consulting fees - Corporate E-mails and review of submissions to court and other court documents; team call; call with P Crawley regarding key employees and strategy for tomorrow; call with S Neilly.	Stelzer
12/08/2014	Consulting fees - Corporate Review BMO accounts and call to Duckworth to reverse automatic payments through account not approved by IR; review proposal trustee's Third Report; prepare for and attend Court; follow up meetings, emails and conference calls with Mitchell, staff and counsels re appointment of receiver and impact and transfer of duties from IR; notify banks by phone of new appointments	Hendriks
12/08/2014	Consulting fees - Corporate Team discussions and conference call re court update, mandate update and plans going forward; telephone correspondence with McPhee, manager at Lagoon City marina, re operational issues, company and customer boat protection protocols, WEPP and employment status going forward; correspondence with Lagoon City marina landlord.	Litwack
12/08/2014	Consulting fees - Corporate Updating documents on website.	Lowe
12/08/2014	Consulting fees - Corporate Email to M. Harris	Lowe
12/08/2014	Consulting fees - Corporate After midnight, read the Third Report of the NOI Proposal Trustee served at that time in preparation for the Court hearing before Justice Newbould this same day. Early morning phone calls with B. Bissell, M. Rotsztain, H. Chaiton, D. Steir and B. Spiegel to discuss the contents of the S. Crate Affidavit, the NOI Trustee Third Report and the Interim Receiver Third Report.. Attend Court from 9:00 a.m. to 12:30 p.m. From 2:30 p.m. until 7:30 p.m., work in office directing all staff including conference calls	Mitchell

and all lawyers including conference calls to prepare for acting upon the Order of Justice Newbould to be issued late afternoon today, for our firm to be the Court-Appointed Receiver as well as the Trustee in Bankruptcy of all of the 7 Crate related entities.

Expenses:	Photocopies, faxes, etc.	Total For Services	\$ 82,003.00
		Total For Expenses	<u>1,017.60</u>
		Subtotal	83,020.60
		HST	<u>10,660.39</u>
HST#136800752RT0001		Current Amount Due	<u>\$ 93,680.99</u>

A. FARBER & PARTNERS INC.

CRATE MARINE SALES LIMITED

**SUMMARY OF TIME INCURRED
DECEMBER 2, 2014 TO DECEMBER 8, 2014**

Name	Total Hours	Rate Per Hour	Billing
S. Mitchell	52.00	\$575.00	\$29,900.00
J. Hendriks	31.80	\$525.00	\$16,695.00
N. Litwack	4.50	\$425.00	\$1,912.50
A. Fisher	25.50	\$425.00	\$10,837.50
R. Stelzer	29.20	\$425.00	\$12,410.00
P. Crawley	24.50	\$405.00	\$9,922.50
D. Da Silva-Falcione	0.50	\$155.00	\$77.50
G. Lowe	1.60	\$155.00	\$248.00
Total	169.60		\$82,003.00

TAB M

**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 LTD.

AFFIDAVIT OF R. BRENDAN BISSELL

(Sworn December 19, 2014)

I, R. Brendan Bissell, of the City of Toronto, hereby MAKE OATH AND SAY:

1. I am a barrister and solicitor qualified to practice in the Province of Ontario and am counsel to the law firm of Goldman Sloan Nash & Haber LLP ("GSNH") and therefore have knowledge of the matters in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.

2. GSNH are lawyers of record for A. Farber & Partners Inc. in its capacity as the Court appointed Interim Receiver of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1323559 Ontario Limited and 1282648 Ontario Limited (the “Interim Receiver”).

3. Attached as **Exhibit “A”** to this affidavit is a copy of invoices rendered by GSNH to the Interim Receiver for fees and disbursements incurred by GSNH in the course of this proceeding for the period from November 26, 2014 to December 8, 2014.

4. Attached as **Exhibit “B”** to this Affidavit is a schedule summarizing each entry in Exhibit “A”, the total billable hours charged and the total fees charged.

5. The average hourly rate charged for the invoices set out in Exhibit “A” is \$508.42 That is comprised of hours docketed by the following timekeepers at GSNH with the corresponding hourly rates:

R. Brendan Bissell:	\$500.00
Michael Rotsztain	\$575.00
Sanja Sopic:	\$260.00

6. To the best of my knowledge the rates charged by GSNH throughout the course of this proceeding are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

7. The hourly billing rates outlined above are comparable to the hourly rates charged by GSNH for services rendered in relation to similar proceedings.

8. I make this affidavit in support of a motion by the Interim Receiver for, among other things, approval of the fees and disbursements of its counsel.

SWORN before me at the City of Toronto,
In the Province of Ontario
this 19th day of December, 2014

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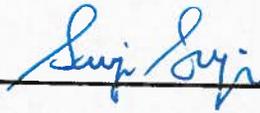
R. BRENDAN BISSELL



A Commissioner for taking oaths, etc.

Sanja Sopic

This is Exhibit "A" of the Affidavit of
R. Brendan Bissell sworn before me
this 19th day of December, 2014



A Commissioner, etc.

A. Farber & Partners Inc.
150 York Street
Suite 1600
Toronto, ON M5H 3S5

Attention: Stuart Mitchell

DATE: December 4, 2014
FILE NO: 143089

Suite 1600
480 University Avenue
Toronto, Ontario
M5G 1V2
Telephone: (416) 597-9922
Facsimile: (416) 597-3370

H.S.T. NO: 12233 6290 RT0001
INVOICE NO: 125858

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
BARRISTERS & SOLICITORS

RE: Interim Receivership of Crate Marine Sales Limited, 1330732 Ontario Limited, 1328559 Ontario Limited, 1282648 Ontario Limited, F.S. Crate & Sons Limited, Steven Crate & Estate of Lloyd Crate

TO PROFESSIONAL SERVICES RENDERED with respect to the above noted matter from November 26th to December 1, 2014;

DATE	LAWYER	TIME	
Nov/26/14	BB	Brief review of motion materials by Crawmet Corp. Telephone call with S. Mitchell re: issues for separate representation of Farber Financial and preparation of Report as Interim Receiver. Further telephone call with J. Hendricks re: same. Further review of correspondence, documents and existing pleadings and materials.	3.70
	MBR	email correspondence with S. Mitchell on background and initial instructions.	0.40
	MBR	Review Crawmet motion record and November 21st order and endorsement.	1.00
	MBR	Conference call with S. Mitchell on background, interim receivership and steps for December 1st hearing.	1.00
	MBR	Telephone call and email correspondence with B. Bissell on initial issues and instructions.	0.50
	MBR	Review initial draft of Interim Receiver's first report.	0.20
Nov/27/14	SFS	Researching issues relating to the duties of the interim Receiver.	0.80
	BB	Further review of court materials, and correspondence re: issues in the Interim Receivership. Teleconference	9.70

ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitors' Act interest at a rate of 3.00% per annum will be charged

with client re: same. Detailed review of further correspondence and reports re: issues for First Report. Telephone calls and e-mails with M. Weinczok and R. Stelzer re: arrangements to obtain access to electronic records. Telephone call and e-mail with K. Lo re: same. Revisions to draft First Report. E-mail to clients re: same.

	MBR	Conference call with representatives of Interim Receiver and Chaitons on status of matters and court filings.	1.10
	MBR	Telephone call with B. Bissell on draft first report.	0.40
	MBR	Email correspondence with S. Mitchell on outstanding issues, including access to records and retention of third party to receive records; review email correspondence with Dickenson Wright.	1.30
Nov/28/14	SFS	Reviewing demand letter received with regard to deposit paid on Tobey/Houle purchase transaction. Drafting email to counsel.	0.50
	BB	Several teleconferences with clients re: issues to report on regarding safeguarding of assets. Review of responding affidavit and analysis of issues for response. Further teleconferences with clients and with Chaitons re: same. Review of further e-mails and records from clients. Review of comments on prior draft of First Report. Preparation of new draft of First Report, including new section responding to the responding affidavit's material allegations. Review of supplemental affidavit from respondents.	10.60
	MBR	Review amended draft of first report and preparing comments; necessary review of other material.	1.00
	MBR	Telephone call with B. Bissell to provide comments on draft first report.	1.00
	MBR	Conference call with representatives of the Interim Receiver to discuss draft first report and amendments.	1.50
	MBR	Review Companies' responding motion record.	0.30
	MBR	Conference call with representatives of the Interim Receiver and Chaitons to discuss Companies' material and issues arising.	1.20
	MBR	Conference call with representatives of the Interim Receiver to discuss Companies' motion material and amendments to draft first report.	0.80
	MBR	Review Companies' supplemental motion record.	0.20

	MBR	Review email correspondence on issues relating to December 1st hearing.	0.50
Nov/29/14	BB	Lengthy teleconference with clients re: revisions to draft First Report. Further e-mail and telephone call with R. Stelzer re: inventory review details. Revisions to First Report. Multiple e-mails re: new issues to address in the report. Further teleconference and e-mails re: same.	6.30
	MBR	Review and commenting on further amended draft first report; necessary review of other documents.	1.10
	MBR	Conference call with representatives of the Interim Receiver to review current draft of first report and amendments.	2.50
	MBR	Review and commenting on further amended draft first report and email correspondence with comments.	1.30
	MBR	Conference call with representatives of the Interim Receiver and Chaitons on court material and motion issues.	1.10
	MBR	Review draft supplemental affidavit of Crawmet.	0.30
	MBR	Email correspondence with representatives of the Interim Receiver and B. Bissell on court documents and hearing issues.	1.50
Nov/30/14	BB	Further revisions to the First Report. E-mails re: new boat issues brought to the Interim Receiver's attention. Teleconference re: finalizing report and preparing for Dec. 1 hearing. Finalized report. E-mails to the service list. Review of affidavit and e-mails from R. Rothbart re: Lagoon City lease issues. E-mails with S. Mitchell re: same. Review of facta of Crawmet and Debtors.	8.10
	MBR	Review and commenting on further amended draft first report; email correspondence with comments.	0.70
	MBR	Review proposed additional amendments to first report and related email correspondence; review amended Crawmet supplemental affidavit.	1.00
	MBR	Conference call with S. Mitchell, B. Bissell and H. Chaiton on motion issues.	0.40
	MBR	Email correspondence and review correspondence on outstanding matters, including position of Lagoon City landlord.	0.50

A. Farber & Partners Inc.

December 4, 2014
Invoice No: 125858

	MBR	Review motion record of Lagoon City landlord and related emails and email correspondence thereon with B. Bissell.	0.60
Dec/01/14	SFS	Attending hearing on creditor's motion to shorten the time for Crate to file proposal following its notice of intention.	4.00
	BB	Preparation for and attendance at Court for motion hearing. Discussions at and after Court re: issues arising out of adjournment of motion and access to records. Multiple e-mails and telephone calls re: access to information, payment request by Dickinson Wright, request to route information sought by the Interim Receiver through M. Marko, and other issues.	9.20
	MBR	Email correspondence with B. Bissell and S. Sopic on hearing issues and outcome.	0.60
	MBR	Telephone call with B. Bissell on today's hearing, endorsement and order and next steps.	0.40
	MBR	Email correspondence with B. Bissell and review other email correspondence on endorsement, obtaining access to records, and privilege and November 28th disbursements by Companies.	1.40

OUR FEE HEREIN
H.S.T. on Fee

\$40,013.00
5,201.69

FEE SUMMARY

	HOURS	RATE	TOTAL
Michael B. Rotsztain	25.80	575.00	14,835.00
R. Brendan Bissell	47.60	500.00	23,800.00
Sanja F. Sopic	5.30	260.00	1,378.00

DISBURSEMENTS:

Printing/Binding Charges 181.25

TOTAL DISBURSEMENTS
H.S.T. on Disbursements

\$181.25
\$23.56

TOTAL LEGAL FEE AND DISBURSEMENTS (includes \$5,225.25 H.S.T.)

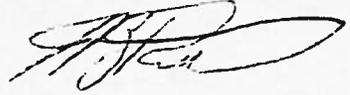
\$45,419.50

A. Farber & Partners Inc.

December 4, 2014
Invoice No: 125858

THIS IS OUR ACCOUNT HEREIN

GOLDMAN SLOAN NASH & HABER LLP

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

Per: Bissell / Rotsztain

E. & O. E.

A. Farber & Partners Inc.
150 York Street
Suite 1600
Toronto, ON M5H 3S5

Attention: Stuart Mitchell

DATE: December 10, 2014
FILE NO: 143089

Suite 1600
480 University Avenue
Toronto, Ontario
M5G 1V2
Telephone: (416) 597-9922
Facsimile: (416) 597-3370

H.S.T. NO: 12233 6290 RT0001
INVOICE NO: 126030

IN ACCOUNT WITH

GOLDMAN SLOAN NASH & HABER LLP
BARRISTERS & SOLICITORS

RE: **Crate Marine Sales Limited, 1330732 Ontario Limited, 1328559 Ontario Limited, 1282648 Ontario Limited, F.S. Crate & Sons Limited, Steven Crate & Estate of Lloyd Crate**

TO PROFESSIONAL SERVICES RENDERED with respect to the above-noted matter from December 2, 2014 to December 8, 2014.

DATE	LAWYER		TIME	TOTAL
Dec/02/14	SFS	Conference call with counsel for Paul Tobey and Nancy Houle.	0.50	130.00
	BB	E-mails and discussions re: disbursements made on Nov. 28 by the Debtors and issues with same respecting NSF cheques, source deductions and associated erosion of asset base. E-mails and calls re: provision of access to electronic records. E-mails and call with A. Ilchenko re: response from the Proposal Trustee. Lengthy teleconference re: possible requirement for the Interim Receiver to report on recent findings on an urgent basis. Review of documents and correspondence re: same. Preparation of draft Order, conference with M. Rotsztain re: same and revisions to same. Preparation of draft Second Report. Conference with M. Rotsztain re: revisions to draft Order and to Draft Second Report.	9.70	4,850.00
	MBR	Telephone call with representatives of Chaitons on November 28th regarding on-going disbursements and cash situation.	0.60	345.00
	MBR	Telephone call with S. Mitchell on November 28th regarding on-going disbursements and	0.40	230.00

ACCOUNTS ARE DUE WHEN RENDERED

Pursuant to the Solicitors' Act interest at a rate of 3.00% per annum will be charged on amounts due calculated commencing after the date of delivery of this invoice.

		cash situation, and on steps to take and possible further response.		
	MBR	Conference call with representatives of the Interim Receiver and Chaitons on developments regarding receipts and disbursements and other matters, and possible Court attendance.	1.90	1,092.50
	MBR	Review and revising December 1st draft order.	0.80	460.00
	MBR	Reviewing all court material filed for purposes of outlining matters to report on in Interim Receiver's report for next hearing, and preparing such outline.	2.20	1,265.00
	MBR	Reviewing various outstanding operational and report matters with B. Bissell.	1.00	575.00
	MBR	Reviewing email correspondence on outstanding operational and report matters; further correspondence.	1.50	862.50
	MBR	Review and commenting on draft second report and amended December 1st draft order; Telephone call with B. Bissell to discuss amendments thereto.	1.30	747.50
	MBR	Review email correspondence regarding second report, operating issues and boat transactions.	0.30	172.50
Dec/03/14	BB	Revisions to draft Second Report. Several calls and e-mails re: details and issues in same. Review of records provided to the Interim Receiver re: same. Finalized Second Report and e-mail serving same.	5.20	2,600.00
	BB	Review of Second Report of the Proposal Trustee. Review of reports from Interim Receiver re: inventory, accounts receivable and 2015 boat slip revenue.	1.20	600.00
	BB	Preparation of draft Supplementary Report to the Second Report. E-mails with M. Rotsztain and S. Mitchell re: revisions to same. Finalized and served report.	2.70	1,350.00
	MBR	Review and commenting on several drafts of Interim Receiver's Second Report; review related email correspondence and attachments.	1.40	805.00

A. Farber & Partners Inc.

December 10, 2014
Invoice: 126030

MBR	Review and commenting on Interim Receiver's draft second report; review related email correspondence and attachments.	1.40	805.00
MBR	Review email correspondence and other material relating to Marquis priority claim and possible interim arrangements; prepare draft response to Marquis counsel for review by Interim Receiver.	1.50	862.50
MBR	Conference call with representatives of the Interim Receiver to discuss comments on and amendments to draft second report.	0.60	345.00
MBR	Telephone call with H. Chaiton on court attendances.	0.30	172.50
MBR	Review email correspondence and attachments on issues relating to the Interim Receiver's Third Report.	1.00	575.00
MBR	Review material relating to outstanding operating and report issues.	1.20	690.00
MBR	Conference call with representatives of the Interim Receiver to discuss the preparation of the third report.	0.80	460.00
MBR	Review email's relating to filing of additional material and new court attendance.	0.40	230.00
MBR	Review outstanding operational and report issues with B. Bissell and S. Sopic.	0.80	460.00
MBR	Email correspondence regarding additional matters required to be reported to the Court on an urgent basis and preparation of supplement to Interim Receiver's second report; review material for supplement; commenting on draft supplement and reviewing others' comments; email correspondence regarding additional Crawmet material; review Proposal Trustee's material adverse change report and email correspondence thereon; email correspondence regarding Marquis Yachts craft.	3.30	1,897.50
Dec/04/14	BB E-mails with client re: vehicle transferred from the companies to L. Crate. Conference with M. Rotsztain re: issues for next hearing. Revisions to fee affidavit materials. Review of issues for possible comment on confidentially filed appraisals.	2.20	1,100.00

A. Farber & Partners Inc.

December 10, 2014
Invoice: 126030

	MBR	Preparation for today's court attendance requested by Crawmet and review material.	1.80	1,035.00
	MBR	Email correspondence with counsel for Marquis regarding Yacht in transit.	0.40	230.00
	MBR	Attending before Newbould J. on Crawmet request to move forward the hearing date of its motion.	2.00	1,150.00
	MBR	Review and commenting on Interim Receiver email and letter notices to banks of today's order requiring Interim Receiver's prior authorization for disbursements; telephone calls and email correspondence thereon; Review Company listings of proposed cheques and related email correspondence; preparing transcript of today's endorsement for transmittal to banks and circulating it to the service list.	1.70	977.50
	MBR	Email correspondence and advice on possible further adverse developments.	0.70	402.50
	MBR	Telephone call with H. Chaiton on today's hearing.	0.30	172.50
	MBR	Email correspondence and advice on treatment and use of confidential appraisal and possible commentary on appraisal.	0.80	460.00
	MBR	Review email correspondence on possible multiple boat dealings.	0.30	172.50
Dec/05/14	BB	Receipt and review of new motion record from certain of the debtors for a new form of proposal and implications of same.	1.60	800.00
	BB	Conferences with M. Rotsztain and teleconference with clients re: issues in new debtors' motion and issue for preparation of a Third Report.	1.80	900.00
	BB	E-mails with C. Prophet re: position of Romith mortgages and priming issues, and need for adjudication of same.	0.50	250.00
	MBR	Prepare draft of December 4th order and related email correspondence.	0.40	230.00
	MBR	Email correspondence relating to Marquis Yachts.	0.40	230.00

	MBR	Review issues relating to Interim Receiver's third report with B. Bissell.	0.60	345.00
	MBR	Review Interim Receiver's email correspondence relating to realty appraisal.	0.20	115.00
	MBR	Email correspondence with the Interim Receiver on possible need for propane (St Paul).	0.20	115.00
	MBR	Review motion material of Romith Investments and considering issues raised.	0.30	172.50
	MBR	Review Debtors' new motion material and considering issues raised.	0.80	460.00
	MBR	Conference call with representatives of the Interim Receiver and Chaitons regarding Debtors' new motion material.	0.80	460.00
	MBR	Review Interim Receiver's email correspondence on multiple boat dealings.	0.30	172.50
	MBR	Telephone call with counsel for Lagoon City landlord and email correspondence thereon with the Interim Receiver.	0.50	287.50
	MBR	Initial preparations for December 8th hearing.	1.00	575.00
	MBR	Email correspondence on issues for December 8th hearing and report therefor.	0.60	345.00
	MBR	Email correspondence with the Interim Receiver on Lagoon City protection issues.	0.30	172.50
Dec/06/14	BB	Review of e-mails re: issues for Third Report. Teleconference re: same.	2.60	1,300.00
	BB	Preparation of draft Third Report. Revisions to draft. E-mails with clients re: degree of contact with management and details of the Labanovich transaction. Further revisions to draft.	4.80	2,400.00
	MBR	Email correspondence with the Interim Receiver on matters for the Third Report.	0.70	402.50
	MBR	Conference call with representatives of the Interim Receiver and Chaitons on December 8th hearing and material.	0.80	460.00
	MBR	Review email correspondence and other material regarding preparation of Third Report.	0.80	460.00

A. Farber & Partners Inc.

December 10, 2014
Invoice: 126030

	MBR	Review and amending draft Third report and email correspondence and telephone calls regarding comments.	1.60	920.00
	MBR	Revising form of key letter for Lagoon City and related email correspondence.	0.70	402.50
	MBR	Email correspondence and review material regarding preparing third report; reviewing and commenting on drafts.	2.50	1,437.50
Dec/07/14	BB	Finalized Third Report and e-mail serving same. Review of new boat issues for possible addition to Third Report and e-mails with S. Mitchell re: instructions on same.	1.60	800.00
	BB	Preparation for hearing, including review of Crawmet updated factum, new affidavit of Spiegel, and Proposal Trustee's Third Report.	2.70	1,350.00
	MBR	Email correspondence regarding finalizing court material; reviewing redrafts.	1.70	977.50
Dec/08/14	BB	Preparation for and attendance at Court for motion for appointment of the Receiver. Meeting thereafter with M. Poliak re: finalizing form of Order. Further attendance at Court to get final order signed.	4.60	2,300.00
	BB	Meeting with M. Rotsztain and conference call with clients re: issues to address in the receiverships and bankruptcies.	1.80	900.00
	BB	Analysis of issues to be addressed by the Receiver and motion(s) required for same.	1.20	600.00
	MBR	Preparing for today's hearing and review material.	1.20	690.00
	MBR	Attending court hearing of Crawmet receivership motion and Companies' extension of time and DIP motion.	2.50	1,437.50
	MBR	Meeting with representatives of the Receiver and Chaitons on amending and taking out today's order and initial steps in the receivership.	1.10	632.50
	MBR	Reviewing motion records and other material to prepare listings of outstanding matters requiring immediate attention.	1.50	862.50

A. Farber & Partners Inc.

December 10, 2014
Invoice: 126030

MBR	Conference call with representatives of the Receiver and Chaitons to review outstanding matters and discuss next actions.	1.30	747.50
MBR	Review required actions with B .Bissell.	0.50	287.50
MBR	Preparing correspondence to counsel for MP Accounting Services regarding claims to Carver yacht and Receiver's notification to Crate Belleville Marina to preserve property and rights and reviewing necessary material.	0.90	517.50

OUR FEE HEREIN
H.S.T. on Fee

\$53,797.50
6,993.68

FEE SUMMARY

	HOURS	RATE	TOTAL
Sanja F. Sopic	0.50	260.00	\$130.00
R. Brendan Bissell	44.20	500.00	\$22,100.00
Michael B.Rotsztain	54.90	575.00	\$31,567.50

DISBURSEMENTS:

Photocopies	60.25
Courier	7.08

TOTAL DISBURSEMENTS

\$67.33

H.S.T. on Disbursements

\$8.75

TOTAL LEGAL FEE AND DISBURSEMENTS
(includes \$7,002.43 H.S.T.)

\$60,867.26

THIS IS OUR ACCOUNT HEREIN

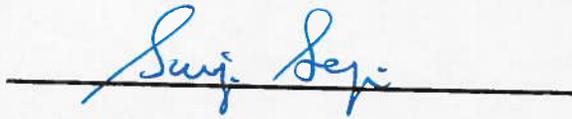
GOLDMAN SLOAN NASH & HABER LLP



Per: Bissell / Rotsztain

E. & O. E.

This is Exhibit "B" of the Affidavit of
R. Brendan Bissell sworn before me
this 19th day of December, 2014

A handwritten signature in blue ink, appearing to read "Suj. Sepi", is written over a solid black horizontal line.

A Commissioner, etc.

**IN THE MATTER OF A. FARBER & PARTNERS INC. AND
CRATE MARINE SALES LIMITED, F.S. CRATE & SONS
LIMITED, 1330732 ONTARIO LIMITED, 1328559 ONTARIO
LIMITED, 1282648 ONTARIO LTD., 1382415 ONTARIO LTD.,
and 1382416 ONTARIO LTD. –**

**SUMMARY OF ACCOUNTS OF GOLDMAN SLOAN NASH &
HABER LLP**

Invoice No.	Date	Period Ending	Hours	Fees	Disbursements	HST	Total
125858	Dec 4, 2014	Dec 1, 2014	78.7	\$40,013.00	\$181.25	\$5,225.25	\$45,419.50
126030	Dec 10, 2014	Dec 8, 2014	99.6	\$53,797.50	\$67.33	\$7,002.43	\$60,867.26
		Total	178.3	\$93,810.50	\$248.58	\$12,227.68	\$106,286.76