

TAB A



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

Court File No. 31-1932502

BETWEEN:

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

Court File No. 31-1932534

BETWEEN:

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

Court File No. 31-1932548

BETWEEN:

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

Court File No. 31-1932557

BETWEEN:

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

Court File No. 31-1932540

BETWEEN:

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

**ORDER
(Appointing Interim Receiver)**

THIS MOTION made by Crawmet Corp. ("Crawmet") for an Order, *inter alia*, terminating the proposal proceedings of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited and 1282648 Ontario Limited (collectively,

the “**Debtors**”) and appointing A. Farber & Partners Inc. (“**Farber**”) as receiver of all of the assets, properties and undertakings of the Debtors (the “**Crawmet Motion**”).

ON READING the affidavit of Benn-Jay Spiegel sworn November 20, 2014 and the Exhibits thereto, on hearing the submissions of counsel for Crawmet and the Debtors and on being advised by counsel for the Debtors of their request for an adjournment of the Crawmet Motion.

ADJOURNMENT

1. **THIS COURT ORDERS** that the hearing of the Crawmet Motion is adjourned to Monday December 1, 2014, on the terms set out herein.

FILING

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

3. **THIS COURT ORDERS** that the service and filing by Crawmet of a consolidated Notice of Motion and Motion Record is hereby validated and directs that the Motion Record be filed solely in Court File No. 31-1932502.

APPOINTMENT ON AN INTERIM RECEIVER

4. **THIS COURT ORDERS** that pursuant to section 47.1 of the BIA, A. Farber & Partners Inc. is hereby appointed interim receiver (the “**Interim Receiver**”), without security, of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the “**Property**”) with the powers provided for herein.

INTERIM RECEIVER’S POWERS

5. **THIS COURT ORDERS** that the Interim 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 Interim Receiver is hereby expressly empowered and

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

6. **THIS COURT ORDERS** that the Debtors and/or the Interim Receiver shall not make any payments to any party related to the Debtors or Steven Crate, whether directly or indirectly, without the written consent of Crawmet or further order of the Court.

7. **THIS COURT ORDERS** that any disbursements in excess of the disbursements required to maintain the Property in an idle state shall not be paid by the Debtors without the approval of the Interim Receiver and Crawmet or further order of the Court.

Debtors are entitled to with draw reasonable legal fees and ordinary living expenses.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

8. **THIS COURT ORDERS** that (i) the 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

Interim 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 Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

9. **THIS COURT ORDERS** that all Persons shall forthwith advise the Interim 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 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 Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 9 or in paragraph 10 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 Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

10. **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 Interim Receiver for the purpose of allowing the Interim 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 Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim 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 INTERIM RECEIVER

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

NO INTERFERENCE WITH THE INTERIM RECEIVER

12. **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 Debtors, without written consent of the Interim Receiver or leave of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

13. **THIS COURT ORDERS** that nothing herein contained shall require the Interim 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 Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim 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 INTERIM RECEIVER'S LIABILITY

14. **THIS COURT ORDERS** that the Interim 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 Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

15. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim 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 Interim 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.

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

17. **THIS COURT ORDERS** that prior to the passing of its accounts, the Interim 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 Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

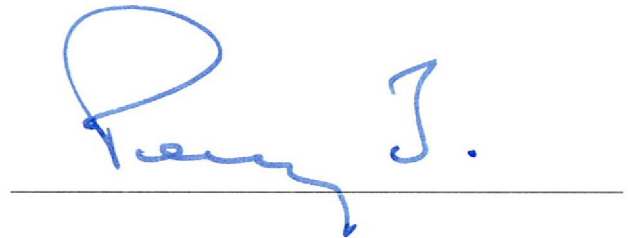
GENERAL

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

19. **THIS COURT ORDERS** that nothing in this Order shall prevent the Interim Receiver from acting as a receiver of the Debtors pursuant to section 243(1) of the BIA or a trustee in bankruptcy of the Debtors.

20. **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 Interim 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

21. **THIS COURT ORDERS** that the Interim 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 Interim 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.



**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

INTERIM RECEIVER ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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Lawyers for Crawmet Corp.

TAB B

Nov 21-14

November 21, 2014
H. Chaiton } For Crammet Corp.
M. Poliak }

J.D. Marshall for Bering's Parts LLC

A. Elchenko for Dedeck London

K.D. Kraft as agent for Re
Dedton

This is a request for the
appointment of a receiver
and the termination of
a NOI and Proposed Trustee.

ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY

Proceedings commenced at TORONTO

MOTION RECORD
(RETURNABLE NOVEMBER 21, 2014)

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSUC #21592F)
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Lawyers for Crammet Corp.

It is fought on that which because of certain revelations that the Debtors have not been dealing forthrightly with the Applicant.

These allegations are denied.

The Debtors seek an adjournment for one week to file material.

As a term of an adjournment, the Debtors will agree to a term that no material transactions will take place and that the Debtors' Proposed Trustee will have authority to monitor and have enhanced powers to secure the assets.

The real problem with this proposal is that secured creditors representing \$20M of \$30M of indebtedness, represented by Mr.

Chautau say they will, under
no circumstances, support any
proposal by the Auditor and its
principals. They ~~so~~ feel they have
been lied to and have lost all faith
and trust. They also ~~say~~ point
to the fact that although some time
has gone by, there is no hint of
a proposal from the Auditor in
any event.

In the circumstances, I am
prepared to grant an adjournment
but only on the basis that
an interim receiver be appointed.
There are serious allegations, before
the Court requiring the assets
be be secured to prevent
self-help and dissipation.

I am unable to accept that
the most efficient interim receiver
would be the current Proposal Trustee.
In the circumstances, I ~~will~~
appoint Fisher as the interim
receiver ~~of the~~ effective
immediately.

Adjourned to ~~Monday Dec~~

~~Friday November 28, 2014~~

Monday Dec. 1, 2014

Interim order to issue in
the form signed by me this day.

 Perry J.

TAB C



**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.

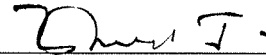
28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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.

_____

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:

**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSUC #21592F)
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Lawyers for Crawmet Corp.

TAB D

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

Re 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): _____

November 8, 2014

The motion by ~~Crawford~~ is to terminate the
NOT proceedings and to appoint a receiver under its
security.

Certain of the debtors move to approve interim
DIP facilities of \$200,000 with a priority charge,
~~and~~ to permit an amendment to the NOIs of two of the
debtors 7 S. Hrdco and Cefco Hrdco, and to extend
Section 50.4(11) 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 creditor 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 post filing secured deductions and it has made disbursements without prior approval of the Proprietor 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 Gede Maine 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 some of the Gede family should be involved in running the business and that a new operator should be found. Raising money in these circumstances seems hopeless in any reasonable ~~future~~ 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 Gato Marine Services. ~~They~~ Cawmet has made it clear that it is not prepared to support any proposal of the debtors and Powell supports Cawmet. ~~As for~~ 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 Gato'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 facts for appointing a receiver are well settled. See Bank of Montreal v. Carnival Bearing Ltd., 2011, 74 C.B.R. (5th) 300. Gato is entitled to the appointment of a receiver as requested.

Mr. Wetmore raises an issue on behalf of 2124915 Ontario Inc. as the Lagoon 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 H&C 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 Uplands Charitable Foundation and Kowit Investments Ltd opposes the receiver's charge to ranking prior to his clients' \$1 million first mortgage. 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 notice 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.

24 Nov 97

T A B E

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

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

B E T W E E N:

**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.**

FIRST REPORT OF THE RECEIVER AND TRUSTE

DECEMBER 11, 2014

TABLE OF CONTENTS

INTRODUCTION	1
PURPOSE OF THIS REPORT.....	3
LIMITATION OF REVIEW	3
A) TYPOGRAPHICAL ERROR IN THE DECEMBER 8, 2014 ORDER.....	3
B) NEW RECEIVERSHIP COURT FILE.....	4
C) ADMINISTRATIVE CONSOLIDATION OF 6 DEBTOR ESTATES.....	4
D) CONCLUSION	5

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” Order of the Honourable Mr. Justice Newbould dated December 8, 2014
- “F” Handwritten endorsement of the Honourable Mr. Justice Newbould dated December 8, 2014

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)**

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.

FIRST REPORT OF THE RECEIVER AND TRUSTEE

December 11, 2014

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 (collectively the “**Companies**”), 1382415 Ontario Ltd., and 1382416 Ontario Ltd. (together with the Companies, the “**Debtors**”) hereby reports to the Court as follows:

INTRODUCTION

1. On November 14, 2014, the Debtors 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 A. Farber & Partners Inc., as a receiver over the properties, assets and undertakings of the Companies and (iii) to substitute A. Farber &

Partners Inc. as 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, A. Farber & Partners Inc. was appointed Interim Receiver pursuant to section 47.1 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) of the Companies (the “**Interim Receiver**”) 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 a 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”**.

7. On December 8, 2014, The Honourable Justice Newbould ruled in favour of the Crawmet Motion and appointed A. Faber & Partners Inc. as Receiver and Trustee of the Debtors, and terminated the proposals of the Debtors. A copy of the Order of that date is attached as **Appendix “E”**, and a copy of the handwritten Endorsement of that date is attached as **Appendix “F”**.

PURPOSE OF THIS REPORT

8. This is the first report of the Receiver and Trustee (the **“First Report”**). Its purpose is to seek certain relief regarding administrative matters pertaining to the management of the receivership and bankruptcy estates of the Debtors.

9. The Receiver has not yet completed a review of the form necessary to respond to the concerns of certain stakeholders such as Marquis Yachts, 2124915 Ontario Inc. as landlord of the Lagoon City location operated by the Debtors, or Uplands Charitable Foundation and Romith Investments Limited. The Receiver and Trustee will report on those and other issues in a subsequent report.

LIMITATION OF REVIEW

10. A. Farber & Partners Inc. in its capacities as Receiver and Trustee has relied upon the financial records and information provided by the Debtors, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and has not independently reviewed or verified such information. It has prepared this First Report for the sole use of the Court and of the other stakeholders in these proceedings.

A) TYPOGRAPHICAL ERROR IN THE DECEMBER 8, 2014 ORDER

11. The motion materials filed by all parties for the hearing on December 8, 2014 described one of the Debtors as 1282648 Ontario Limited.

12. The Order dated December 8, 2014 appointing the Receiver contains a typographical error in that this company is misdescribed as 1282638 Ontario Limited.

13. In order to ensure that A. Farber & Partners Inc. in its capacities as Receiver and Trustee is properly empowered to carry out its duties, it seeks an amendment to the Order to correct this error.

B) NEW RECEIVERSHIP COURT FILE

14. The proceedings to date have all been under the bankruptcy estates in respect of Notices of Intention filed by the Debtors.

15. The parties will need to bring motions in respect of each of the bankruptcy estates and the receivership.

C) ADMINISTRATIVE CONSOLIDATION OF 6 DEBTOR ESTATES

16. The bankruptcy estates of the Debtors are comprised of Crate Marine Sales Ltd. (“**Crate Marine**”) and F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1328559 Ontario Limited 1282648 Ontario Limited, 1382415 Ontario Ltd., and 1382416 Ontario Ltd. (collectively the “**Holdcos**”).

17. The information available to the Trustee to-date indicates that Crate Marine was and is the only entity among the Debtors that actively carried on business, and that the Holdcos either owned real property used in the business of Crate Marine, or owned certain of the other Holdcos and/or Crate Marine.

18. Unless directed differently by the Court, the Trustee would be obliged under the *Bankruptcy and Insolvency Act* (the “**BIA**”) to take certain statutory steps in respect of each of the 6 Holdcos, including:

- a) separate notifications to creditors;

- b) separate meetings of creditors and appointment of boards of inspectors; and
- c) filing separate reports with the Office of Superintendent of Bankruptcy and otherwise.

19. The steps outlined in paragraph 18, above, can be more economically and efficiently managed on a joint basis for the Holdcos through administrative consolidation, which will lessen the cost and impact on creditors and stakeholders and will not prejudice any party.

20. The statutory deadline for the Trustee to mail the notices required by the BIA is Monday December 15, 2014, so the Trustee accordingly seeks direction from the Court on an urgent basis so that, if appropriate, the administrative consolidation sought can be obtained before that notice is delivered.

21. The Trustee has not yet completed its review of the financial affairs of the Debtors, such that the Trustee is not in a position at this time to make a determination as to whether substantive consolidation of the estates of some or all of the Debtors might be appropriate, and the Trustee therefore requests that the administrative consolidation be without prejudice to the rights of any party to seek or oppose substantive consolidation of any/all of the Debtors' estates at a later time.

D) CONCLUSION

22. A. Farber & Partners Inc. in its capacities as Receiver and Trustee accordingly seeks the Orders attached as Schedules "A" and "B" to its Notice of Motion.

All of which is respectfully submitted this 11th day of December, 2014.

A. FARBER & PARTNERS INC.

COURT-APPOINTED RECEIVER AND TRUSTEE 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.

A handwritten signature in black ink, reading "Stuart Mitchell". The signature is written in a cursive style with a large, stylized 'S' and 'M'.

Per: Stuart Mitchell
Senior Vice President

TAB F



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

THE HONOURABLE MR.

JUSTICE NEWBOULD

)
)
)

MONDAY, THE 8TH DAY

OF DECEMBER, 2014

BETWEEN:

Court File No. 31-1932502

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

BETWEEN:

Court File No. 31-1932534

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

BETWEEN:

Court File No. 31-1932548

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

BETWEEN:

Court File No. 31-1932557

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

BETWEEN:

Court File No. 31-1932540

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

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.

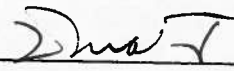
SERVICE AND NOTICE

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

<p>ONTARIO SUPERIOR COURT OF ONTARIO IN BANKRUPTCY</p> <p>Proceedings commenced at TORONTO</p>	<p>ORDER</p>	<p>CHAITONS LLP Barristers and Solicitors 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>Harvey Chaiton (LSUC #21592F) Tel: (416) 218-1129 Fax: (416) 218-1849</p> <p>Maya Poliak (LSUC #54100A) Tel: (416) 218-1161 Fax: (416) 218-1844</p> <p>Lawyers for Crawmet Corp.</p>
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TAB G



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.

_____ W. M. S.

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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Tel: 416-597-6489
Email: bissell@gsnh.com

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.

TAB H

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

Commercial List File No. 14-CV-10798-00CL

IN THE MATTER OF THE RECEIVERSHIP 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.

Court File No. 31-1932502

IN THE MATTER OF THE BANKRUPTCY OF
CRATE MARINE SALES LIMITED

Court File No. 31-1932534
Court File No. 31-1932548
Court File No. 31-1932557
Court File No. 31-1932540
Court File No. 31-1932555
Court File No. 31-1932553

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

SECOND REPORT OF THE RECEIVER AND TRUSTE

DECEMBER 19, 2014

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B) APPROVAL OF THE ACTIVITIES AND REPORTS OF THE INTERIM RECEIVER	5
C) APPROVAL OF THE FEES OF THE INTERIM RECEIVER AND ITS COUNSEL.....	6
D) INCREASED BORROWINGS CHARGE	6
E) PROPOSED CLAIMS PROCESS	7
F) CONCLUSION	10

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” Order of the Honourable Mr. Justice Newbould dated December 8, 2014
- “F” Handwritten endorsement of the Honourable Mr. Justice Newbould dated December 8, 2014
- “G” Amended Order dated December 8, 2014
- “H” Consolidation Order dated December 12, 2014 of the Honourable Mr. Justice Newbould
- “I” Second Report of the Interim Receiver (without appendices)
- “J” Supplementary Report to the Second Report of the Interim Receiver (without appendices)
- “K” Third Report of the Interim Receiver (without appendices)
- “L” Fee affidavit of John Hendriks sworn December 19, 2014
- “M” Fee affidavit of Brendan Bissell sworn December 19, 2014

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

Commercial List File No. 14-CV-10798-00CL

IN THE MATTER OF THE RECEIVERSHIP 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.

Court File No. 31-1932502

IN THE MATTER OF THE BANKRUPTCY OF
CRATE MARINE SALES LIMITED

Court File No. 31-1932534
Court File No. 31-1932548
Court File No. 31-1932557
Court File No. 31-1932540
Court File No. 31-1932555
Court File No. 31-1932553

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

SECOND REPORT OF THE RECEIVER AND TRUSTEE

December 19, 2014

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 (the “**Companies**”) 1382415 Ontario Ltd., and 1382416 Ontario Ltd. (collectively with the Companies, the “**Debtors**”) hereby reports to the Court as follows:

INTRODUCTION

1. On November 14, 2014, the Debtors 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 A. Farber & Partners Inc., as a receiver over the properties, assets and undertakings of the Companies and (iii) to substitute A. Farber & Partners Inc. as 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, A. Farber & Partners Inc. was appointed Interim Receiver pursuant to section 47.1 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) of the Companies (the “**Interim Receiver**”) 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 a 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”**.

7. On December 8, 2014, The Honourable Justice Newbould ruled in favour of the Crawmet Motion and appointed A. Faber & Partners Inc. as Receiver and Trustee of the Debtors, and terminated the proposals of the Debtors. A copy of the Order of that date is attached as **Appendix “E”**, and a copy of the handwritten Endorsement of that date is attached as **Appendix “F”**.

8. On December 12, 2014, the Receiver brought a motion to correct a typographical error in the Order dated December 8, 2014 and for procedural consolidation of certain of the bankruptcy estates of the Debtors and other administrative relief. The Honourable Justice Newbould issued an Amended Order dated December 8, 2014 and also issued an order dated December 12, 2014 in respect of the consolidation and administrative relief, copies of which are attached as **Appendix “G”** and **Appendix “H”**, respectively.

PURPOSE OF THIS REPORT

9. This is the second report of the Receiver and Trustee (the “**Second Report**”). Its purpose is to seek certain relief (i) regarding a proposed property claims process pertaining to the management of the receivership and bankruptcy estates of the Debtors and (ii) regarding increased borrowing power.

10. The Receiver has not yet completed the review necessary to respond to the concerns of certain stakeholders such as Marquis Yachts, 2124915 Ontario Inc. as landlord of the Lagoon City location operated by the Debtors, or Uplands Charitable Foundation and Romith Investments Limited. The Receiver and Trustee will report on those and other issues in a subsequent report, which will also address a proposed sales process.

LIMITATION OF REVIEW

11. A. Farber & Partners Inc. in its capacities as Receiver and Trustee has relied upon the financial records and information provided by the Debtors, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and has not independently reviewed or verified such information. It has prepared this Second Report for the sole use of the Court and of the other stakeholders in these proceedings.

A) OVERVIEW OF RECEIVER'S ACTIVITIES SINCE APPOINTMENT

12. The Receiver will report more fully in a subsequent report, at which time it will also seek formal approval of its conduct. In order to provide an overview of its activities to the Court and the stakeholders of the Debtors, the Receiver will set out below a summary of its activities since December 8, 2014:

- Taking possession of the various properties in Ontario and Quebec including securing ongoing utility, insurance, and other premises services in the Court-appointed Receiver's name
- Ongoing coordinating with former staff regarding their termination as a result of the bankruptcy including payment of their secured claim under s. 81.4 of the BIA and arranging T4's and records of employment
- Retention of certain staff to assist in (i) the ongoing security of the Property (ii) the statutory reporting duties of the Receiver, (iii) updating accounting records to provide updated accounts needed for the realization of the accounts receivable, (iv) dealing with customer calls on ongoing receivership issues and collection efforts for accounts receivable; and (v) winterization of the final boats not yet winterized as at December 8, 2014, etc;

- Numerous calls, letters and emails from creditors and customers enquiring about the status of the receivership, the bankruptcy, the impact on boat owners who paid for winter storage, impact on owners that paid 2015 slip rentals, anticipated realization process and impact on marina operations for 2015, etc.
- Preparation and mailing of the Receiver's Information Circular addressing key concerns of creditors and boat owners and post the Receiver's Information Circular to the Receiver's web site. Maintenance of the Receiver's web site for background documents of the NOI and interim receivership proceedings as well as ongoing documents and information updates on the receivership and bankruptcy proceedings
- Preliminary review on the removal of certain assets and certain accounting records of the Debtors prior to the filing of the NOI and follow up of same;
- Further investigations into the disputed ownership of various of the boats leading to discussions and correspondence with counsel regarding the preparation of this Second Report and the relief being sought to establish a Court-supervised process to resolve potential competing property claims for boats owned by the Debtors as well as owned by customer-owned boats still on the Debtors' premises in storage, or otherwise.
- Engaged in discussions with certain stakeholders, such as the landlord of the Lagoon City location, Dwight Powell Investments Inc., Crawmet, and Marquis boats regarding issues and possible arrangements or agreements that may be reached to enhance administration of the estates of the Debtors;
- Monitoring and dealing with the Debtors' 7 bank accounts at 3 different banks to preserve funds on hand, freeze outflows, manage ongoing deposits, etc.

B) APPROVAL OF THE ACTIVITIES AND REPORTS OF THE INTERIM RECEIVER

13. A. Farber & Partners Inc. was appointed Interim Receiver of the Debtors on November 21, 2014 and Receiver of the Debtors on December 8, 2014.

14. The Second Report, Supplemental to the Second Report, and Third Report and the activities of the Interim Receiver and the activities, decisions, and conduct of the Interim Receiver and its counsel as set out in those reports has not yet been submitted for approval. Copies of those reports, without appendices, are attached as **Appendices "I", "J" and "K"**, respectively.

15. A. Farber & Partners Inc. as Interim Receiver accordingly respectfully requests approval of those reports and the activities, decisions, and conduct of the Interim Receiver and its counsel as set out in those reports and then that the Interim Receiver be formally discharged.

C) APPROVAL OF THE FEES OF THE INTERIM RECEIVER AND ITS COUNSEL

16. Attached as **Appendix “L”** is an affidavit of the Interim Receiver setting out its fees and disbursements. The Interim Receiver’s detailed statements of account for this period are attached as exhibits to that affidavit. The total quantum of the amounts incurred and for which approval is sought is \$290,883.71.

17. Attached as **Appendix “M”** is an affidavit of counsel to the Interim Receiver setting out its fees and disbursements. The Interim Receiver’s detailed statements of account for this period are attached as exhibits to that affidavit. The total quantum of the amounts incurred and for which approval is sought is \$106,286.76.

D) INCREASED BORROWINGS CHARGE

18. The Appointment Order limits borrowing by the Receiver to \$500,000.00. However, the activities of the A. Farber & Partners Inc. in its capacities as Interim Receiver and Receiver of the Debtors has exhausted the borrowings charge.

19. The Receiver has evaluated the existing and expected future expenses for the steps necessary to administer the estates of the Debtors, and has projected that, although the amount will vary with the intermittent collection of accounts receivable on behalf of the Debtors, the anticipated borrowings beyond the assets available to the Debtors will be in amounts that range up to approximately \$678,000, which is itself \$178,000 more than the current borrowing authority, by January 30, 2015. That amount does not include any provision to the payment on account ongoing retention of Debtor staff assisting in the ongoing security and realizing of the Property, the out-of-pocket expenses of an anticipated Court-approved sale

process (to be the matter of a separate report) or the fees and disbursements of the Trustee, the Receiver and its counsel (although it does for the Interim Receiver and its counsel).

20. The Receiver believes that an increased borrowing limit of \$1,000,000.00 is in the interests of the stakeholders of the Debtors, as it will allow the Receiver to continue the exercise of the powers and duties conferred upon it, and will also allow access to funds for any unanticipated expenses as the extent and nature of steps necessary to administer the estates of the Debtors is ascertained and discussed with stakeholders.

E) PROPOSED CLAIMS PROCESS

21. In the process of developing a plan to attempt to realize on the assets of the Debtors, the Receiver has encountered a recurring problem that there is substantial uncertainty about the nature and extent of the interest of the Debtors in the chattels that are in their possession, or in the possession of others on their behalf.

22. In a similar manner, the Receiver has encountered difficulties in ascertaining the nature and extent of the interest of third parties to the chattels that are in the possession of the Debtors, or in the possession of others on their behalf.

23. These problems are exemplified in the reports previously made by the Interim Receiver of the Companies. To summarize the issues that have been identified by the Interim Receiver as set out in those reports:

- a) boats in the possession of the Debtors appear to have been sold without discharging loans against them owing by prior owners when sold to the Debtors, or by the Debtors (acting as broker or intermediary) to third parties (see paragraphs 42(a), (f) and (g) of the Interim Receiver's First Report);
- b) boats in the possession of the Debtors were apparently financed by third parties, or pledged as security for amounts owing by the Debtors to third parties, on the basis of the third parties holding title documentation to those boats, yet those boats appear to have been nonetheless further sold by the

Debtors in several instances (see paragraphs 33-35 and 42(a) of the Interim Receiver's First Report and paragraph 26(a) of the Interim Receiver's Third Report);

- c) boats previously owned by a vendor were sold to a purchaser by the Debtors acting as broker or intermediary without payment to the vendor, and the boat remains in the possession of the Debtors with now competing claims to the boat by vendor and purchaser (see paragraphs 42(b), (c), (d), (e) and (g) of the Interim Receiver's First Report; and
- d) boats in the possession of the Debtors appear to be under contract for sale to purchasers where the purchasers have already paid some or all of the purchase price for the boats, but the transactions have not yet been completed (see paragraph 26(b) of the Interim Receiver's Third Report).

24. The books and records of the Debtors do not record all of these transactions and similar ones that have been identified by the Receiver, and where there are such records they are not always accurate as to the nature or quantum of the transaction as recounted by third parties.

25. The Receiver is accordingly concerned that, in developing a sales and marketing plan for the assets of the Debtors, the Receiver is unable to have sufficient certainty about what chattels (principally, but not limited to, boats) in the Debtors' possession or held on their behalf by others are in fact owned by the Debtors and can be used to generate proceeds of sale for the creditors of the Debtors. Such uncertainty will have a detrimental impact on the integrity and outcome of a sales and marketing process. The Receiver intends to come back to Court shortly for a sales process to take place early in 2015 in order to attempt to be in a position to sell the business of the Debtors as a going concern in time for the beginning of the boating season in 2015.

26. Similarly, the Receiver is also concerned that it could face competing claims from third parties to boats or other chattels in its possession even though there may be no financial interest to the Debtors' estates when the competing claims are resolved. Not only would such

claims create difficulties for the Receiver in determining proper ownership and acting fairly for all stakeholders, but such claims would cause uncertainty about the customer base that makes up a marina operation for boats to be stored over winter and then housed in slip facilities in boating season. The Receiver expects that a substantial component of the value of the business of the Debtors as a going concern will be the degree of boating traffic that a purchaser will be able to expect to obtain, including historical customers of the Debtors. Accordingly, having certainty about boats owned by customers will also aid in the success of the receivership in that regard as well.

27. The Receiver has considered whether the process available in section 81 of the BIA might be suitable to address these concerns, but has concluded it cannot do so. The principal reason for this is that there is no particular deadline for submission or review of such claims in a bankruptcy, whereas the Receiver wishes to ensure that all claims are made by a deadline after publication and notices that are typical in a claims process have taken place.

28. The Receiver has accordingly prepared, with the assistance of its counsel, a proposed Property Claims Procedure Order in the form attached as Schedule “C” to the Notice of Motion. In preparing that proposed order, the Receiver has considered that it is not necessary or desirable to include unsecured claims, nor real property matters. Secured claims on chattels that are registered pursuant to the *Personal Property Security Act* are also not included in the proposed Order, because the Receiver can ascertain those claims based on the registrations and, if necessary, in further direct communication with the registered secured parties.

29. The Receiver is already in possession of some claims of a propriety nature, including two formal s. 81 claims. If the proposed Property Claims Procedure Order is granted, the Receiver proposes to administer claims already in its possession as if those claims were made pursuant to the Order, which is authorized by paragraph 12(a) of the draft order.

‘

F) CONCLUSION

30. A. Farber & Partners Inc. in its capacities as Receiver and Trustee accordingly seeks the Orders attached as Schedules “A”, “B” and “C” to its Notice of Motion.

All of which is respectfully submitted this 19th day of December, 2014.

A. FARBER & PARTNERS INC.

COURT-APPOINTED RECEIVER AND TRUSTEE 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.

A handwritten signature in black ink, reading "Stuart Mitchell". The signature is written in a cursive, flowing style with a horizontal line underlining the name.

Per: Stuart Mitchell
Senior Vice President

TAB I

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

THE HONOURABLE MR.

JUSTICE PENNY

) TUESDAY, THE 23RD
)
) DAY OF DECEMBER, 2014



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 LIMITED**

DISCHARGE ORDER

THIS MOTION, made by A. FARBER & PARTNERS INC. in its capacity as the Court-appointed Interim Receiver (the "Interim Receiver") of the undertaking, property and assets of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited,

1328559 Ontario Limited, and 1282648 Ontario Limited (collectively the "**Debtors**"), for an order:

1. approving the activities of the Interim Receiver as set out in the Second Report dated December 3, 2014 (including Supplement dated December 4, 2014) and Third Report dated December 7, 2014 of the Interim Receiver (respectively the "**Second and Third Reports**");
2. approving the fees and disbursements of the Interim Receiver and its counsel; and
3. discharging A. Farber & Partners Inc. as Interim Receiver of the undertaking, property and assets of the Debtors;

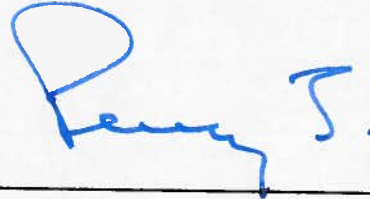
was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second and Third Reports, the affidavits of the Interim Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Interim Receiver, and the other counsel listed on the counsel slip;

1. **THIS COURT ORDERS** that the time for service of the Interim Receiver's Motion Record dated December 19, 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.
2. **THIS COURT ORDERS** that the activities of the Interim Receiver and its counsel, as set out in the Second and Third Reports, be and hereby are approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Interim Receiver and its counsel, as set out in the Report and the Fee Affidavits, be and hereby are approved.
4. **THIS COURT ORDERS** that the Interim Receiver be and hereby is discharged as Interim Receiver of the undertaking, property and assets of the Debtors.
5. **THIS COURT ORDERS AND DECLARES** that A. Farber & Partners Inc. is hereby released and discharged from any and all liability that A. Farber & Partners Inc.

now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of A. Farber & Partners Inc. while acting in its capacity as Interim Receiver herein, save and except for any gross negligence or wilful misconduct on the Interim Receiver's part. Without limiting the generality of the foregoing, A. Farber & Partners Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within interim receivership proceedings, save and except for any gross negligence or wilful misconduct on the Interim Receiver's part.

6. **THIS COURT ORDERS AND DECLARES** that the terms of this Order are without prejudice to the position of Marquis Yachts LLC and Northpoint Commercial Finance LLC (collectively "Marquis") as to the propriety of, and/or quantum of fees associated with, the conduct of the Interim Receiver for any future allocation order for priority charges with respect to the Marquis yacht.



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DEC 24 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 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

DISCHARGE ORDER

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R. Brendan Bissell (LSUC #: 40354V)
Tel: 416-597-6489
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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.

TAB J

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

Court File No. 14-CV-10798-00CL

THE HONOURABLE MR.

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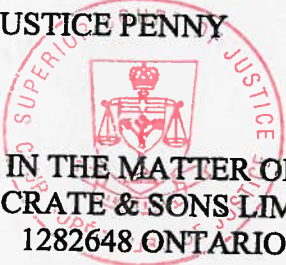
TUESDAY, THE 23RD

)

JUSTICE PENNY

)

DAY OF DECEMBER, 2014

IN THE MATTER OF THE RECEIVERSHIP 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.

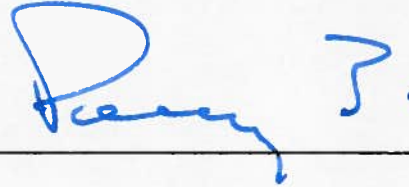
ORDER

THIS MOTION, made by A. FARBER & PARTNERS INC. in its capacity as the Court-appointed Receiver (the "Receiver") of the undertaking, property and assets 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. (the "Debtors"), for an order Amending paragraph 21 of the Order dated December 8, 2014 (the "Appointment Order") to provide that the Receiver may borrow up to \$1,000,000 through the Receiver's Borrowings Charge described in that Order was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Second Report dated December 19, 2014, and on hearing the submissions of counsel for the Receiver, and the other counsel listed on the counsel slip;

1. **THIS COURT ORDERS** that the Appointment Order be and hereby is amended by striking out the term "\$500,000" in paragraph 21 thereof, and substituting the term "\$1,000,000". All other terms of the Appointment Order are unaffected.
2. **THIS COURT ORDERS** the terms of this Order are without prejudice to the position or possible objections of Cesaroni Management Limited and/or Marquis Yachts LLC and Northpoint Commercial Finance LLC to the allocation and priority,

if any, of the charge for the Receiver's borrowings, fees and disbursements to their collateral.

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

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

A handwritten mark in blue ink, consisting of several overlapping loops, is located to the left of the date.

DEC 24 2014

**IN THE MATTER OF THE RECEIVERSHIP 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.**

Court File No. 14-CV-10798-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY
(COMMERCIAL LIST)
Proceedings commenced at
Toronto**

ORDER

GOLDMAN SLOAN NASH & HABER LLP
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Fax: 416-597-3370

Michael B. Rotsztain (LSUC #: 17086M)
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Email: rotsztain@gsnh.com

R. Brendan Bissell (LSUC #: 40354V)
Tel: 416-597-6489
Email: bissell@gsnh.com

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.

TAB K

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

THE HONOURABLE MR.
JUSTICE PENNY

) TUESDAY, THE 23RD
)
) DAY OF DECEMBER, 2014



Commercial List File No. 14-CV-10798-00CL

IN THE MATTER OF THE RECEIVERSHIP 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.

Court File No. 31-1932502

IN THE MATTER OF THE BANKRUPTCY OF
CRATE MARINE SALES LIMITED

Court File No. 31-1932534
Court File No. 31-1932548
Court File No. 31-1932557
Court File No. 31-1932540
Court File No. 31-1932555
Court File No. 31-1932553

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

PROPERTY CLAIMS PROCEDURE ORDER

THIS MOTION, made by A. Farber & Partners Inc. in its capacities as the Court
appointed Receiver (the "Receiver"), and trustee in bankruptcy (the "Trustee") 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 substantially in the form included in the Receiver and Trustee's Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver and Trustee's Notice of Motion, the Second Report of the Receiver dated December 19, 2014 (the "**Second Report**"), and on hearing the submissions of counsel for the Receiver and Trustee, and those other parties present as noted in the counsel slip, no one appearing for the other parties served with the Receiver's Motion Record, although duly served as appears from the affidavit of service of R. Brendan Bissell sworn December 22, 2014, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record filed by the Receiver and Trustee, and the Second Report, be and hereby is abridged and validated such that the Motion is properly returnable today.

DEFINITIONS

2. The following terms shall have the following meanings ascribed thereto:
 - (a) "**Appointment Order**" means the Amended Order of this Court dated December 8, 2014 by which the Receiver was appointed, as such Order has been or may be supplemented, amended or varied from time to time;
 - (b) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

- (c) **"BIA"** means *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (d) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (e) **"Claimant"** means any Person having a Property Claim;
- (f) **"Debtors"** means 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. or any one or more of them;
- (g) **"Dispute Notice"** means a written notice to the Receiver, in substantially the form attached as Schedule "E" hereto, delivered to the Receiver by a Claimant who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance;
- (h) **"Excluded Claim"** means:
 - (A) claims secured by any of the charges created in the Appointment Order or in the Order of this Court dated November 21, 2014 appointing A. Farber & Partners Inc. as interim receiver over certain of the Debtors;
 - (B) any interest in real property owned or leased by, or in the possession of, the Debtors;
 - (C) any unsecured claim that is a claim provable in bankruptcy within the meaning of the BIA against the Debtors;
- (i) **"Filing Date"** means the date of the Appointment Order;

- (j) **"Instruction Letter"** means the instruction letter to Claimants, in substantially the form attached as Schedule "B" hereto;
- (k) **"Known Claimants"** means those Claimants which, to the knowledge of the Receiver, had a Property Claim against the Debtors as of the Filing Date according to the books and records of the Debtors or otherwise;
- (l) **"Notice of Disallowance"** means a notice, in substantially the form attached as Schedule "D" hereto, advising a Claimant that the Receiver has revised or disallowed all or part of the Property Claim set out in the Claimant's Proof of Property Claim;
- (m) **"Notice for Publication"** means the notice to Claimants for publication in substantially the form attached as Schedule "A" hereto;
- (n) **"Person"** includes any individual, partnership, joint venture, trust, corporation, unlimited liability company, unincorporated organization, government body or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (o) **"Proof of Property Claim"** means the form of Proof of Property Claim in substantially the form attached as Schedule "C" hereto;
- (p) **"Proof of Property Claim Document Package"** means a document package that includes a copy of the Instruction Letter, a Proof of Property Claim, and such other materials as the Receiver may consider appropriate or desirable;

- (q) **"Property"** means a boat or other tangible personal property in the possession of the Debtors or of any Person on behalf of the Debtors on or after the Filing Date;
- (r) **"Property Claim"** means any right or interest of any Person in connection with, arising out of, or in relation to Property, including, without limiting the generality of the foregoing:
 - (A) a proprietary claim of any Person to Property, or
 - (B) a Secured Claim of any Person to Property,provided, however, that "Property Claim" shall not include an Excluded Claim;
- (s) **"Property Claims Bar Date"** means 4:00 p.m. (Eastern Standard Time) on January 30, 2015, or such later date as may be ordered by the Court;
- (t) **"Property Claims Officer"** means the person or persons so designated by the Receiver and approved by the Court, or designated by the Court, as the case may be;
- (u) **"PPSA"** means the *Personal Property Security Act*, R.S.O. 1990, c. P.10 as amended;
- (v) **"Proven Property Claim"** has the meaning ascribed to that term in paragraph 6 of this Order;
- (w) **"Receiver"** means A. Farber & Partners Inc. in its capacity as the Court appointed receiver of the Debtors pursuant to the Appointment Order;

- (x) **"Secured Claim"** means any claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge, or any claim of a "secured creditor" as defined in the BIA; and
- (y) **"Trustee"** means A. Farber & Partners Inc. in its capacity as the trustee in bankruptcy of the estates of the Debtors pursuant to the Appointment Order.

RECEIVER'S ROLE

3. THIS COURT ORDERS that the Receiver, in addition to its prescribed rights and obligations pursuant to the BIA and under the Appointment Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order, and that in taking such other actions and in fulfilling such other roles, the Receiver shall have the protections given to it in the Appointment Order and this Order, including without limitation the protections provided in paragraph 28 of this Order.
4. THIS COURT ORDERS that the procedures and deadlines in this Order shall apply in lieu of the procedures and deadlines set out in the BIA in respect of Property Claims and that the Trustee and Claimants shall not be required to comply with such procedures and deadlines but shall instead comply with the procedures and deadlines in this Order.
5. THIS COURT ORDERS that, for greater certainty, no claim provable in bankruptcy within the meaning of the BIA shall be subject to the claims procedure in this Order, and that such claims shall instead be subject to the procedure set out in the BIA.

DETERMINATION OF PROVEN PROPERTY CLAIM

6. THIS COURT ORDERS that the amount and status of every Property Claim of a Claimant as finally determined in accordance with the forms and procedures authorized in this

Order, including any determination as to the nature, priority or validity, or, to the extent that such Property Claim concerns any interest, liability or obligation in relation to a monetary amount, the amount or value, of any Property Claim, (each such Property Claim, when finally determined, a "**Proven Property Claim**"), shall be final and binding for all purposes in these proceedings and in the bankruptcy estates of the Debtors.

7. THIS COURT ORDERS that the terms of this Order are without prejudice to the position or objections of 2124915 Ontario Inc. and to whether such order should apply to any claim it may have for chattels at the Lagoon City facility, and also without prejudice to the motion by Marquis Yachts LLC and Northpoint Commercial Finance LLC (collectively "Marquis") to carve the Marquis yacht out of these proceedings.

NOTICE TO CLAIMANTS

8. THIS COURT ORDERS that:

- (a) the Receiver shall no later than December 31, 2014, post a copy of the Proof of Property Claim Document Package on its website, and send on behalf of the Debtors to each of the Known Claimants (for which it has an address) a copy of the Proof of Property Claim Document Package;
- (b) the Receiver shall cause to be published, on two (2) separate days on or before January 9, 2015, the Notice for Publication in each of a local newspaper published in the area of Keswick, Ontario, and also in a Canadian national newspaper; and
- (c) the Receiver shall, provided such request is received by the Receiver prior to the Property Claims Bar Date, deliver as soon as reasonably possible following

receipt of a request therefor a copy of the Proof of Property Claim Document Package to any Person claiming to be a Claimant and requesting such material.

9. THIS COURT ORDERS that the Receiver is under no obligation to give notice to or deal with any Person other than the Claimant holding a Property Claim, and without limitation shall have no obligation to give notice to or deal with any Person having a security interest in such Property Claim (including the holder of a security interest created by way of a pledge or a security interest created by way of an assignment of such Property Claim), and such Persons shall be bound by any notices given to the Claimant and any steps taken in respect of such Property Claim in accordance with this Order.

PROPERTY CLAIMS

10. THIS COURT ORDERS that Proofs of Property Claim shall be filed in accordance with this Order with the Receiver and that any Claimant that does not:

- (a) file a Proof of Property Claim as provided for herein such that such Proof of Property Claim is received by the Receiver on or before the Property Claims Bar Date, or
- (b) having filed a Property Proof of Claim has that Property Proof of Claim finally disallowed after exhausting all the dispute and appeal rights pursuant to this Order,

shall be and is hereby:

- (i) forever barred from making or enforcing any Property Claim against the Debtors and the Property, and

- (ii) declared to be not entitled to any further notice in, and shall not be entitled to participate as a Claimant in these proceedings.

11. THIS COURT ORDERS that the Receiver may deal in accordance with the Appointment Order and any subsequent Orders of this Court with any Property that is not subject to a Property Claim without regard to any Property Claim of any Person.

12. THIS COURT ORDERS that insurers of the Debtors shall not be entitled to rely on the barring of Property Claims provided for in paragraph 10 of this Order.

PROOFS OF PROPERTY CLAIM

13. THIS COURT ORDERS that:

- (a) the Receiver may, where it is satisfied that a Property Claim has been adequately filed, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Property Claim; and

- (b) if any Property Claim relates to any indebtedness, liability or obligation in a currency other than Canadian dollars, then the Claimant making the Property Claim shall complete its Proof of Property Claim indicating the amount of the Property Claim in such currency, rather than in Canadian dollars or any other currency. The Receiver shall subsequently calculate the amount of such Property Claim in Canadian dollars, using the Bank of Canada noon spot rate on the Filing Date.

REVIEW OF PROOFS OF PROPERTY CLAIM

14. THIS COURT ORDERS that the Receiver shall review all Proofs of Property Claims that are filed on or before the Property Claims Bar Date and shall accept or disallow (in whole or in part) the status, and, to the extent that such Property Claim relates to any indebtedness, liability or obligation, the amount or value of such Property Claim. At any time, the Receiver may (i) request additional information from a Claimant with respect to a Property Claim, (ii) request that the Claimant file a revised Proof of Property Claim, or (iii) attempt to resolve and settle any issue arising in respect of a Property Claim.
15. THIS COURT ORDERS that where a Property Claim as filed in a Proof of Property Claim has been accepted in writing by the Receiver, such Property Claim shall constitute such Claimant's Proven Property Claim for all purposes, including for the purposes of this proceeding and for the bankruptcy estates of the Debtors or any of them.
16. THIS COURT ORDERS that where a Property Claim as filed in a Proof of Property Claim is disallowed (in whole or in part) by the Receiver, the Receiver shall deliver to the Claimant a Notice of Disallowance, attaching the form of Dispute Notice.
17. THIS COURT ORDERS that where a Property Claim as filed in a Proof of Property Claim has been disallowed (in whole or in part), the disallowed Property Claim (or disallowed portion thereof) shall not be a Proven Property Claim unless the Claimant has disputed the disallowance and proven the disallowed Property Claim (or disallowed portion thereof) in accordance with paragraphs 22 to 24 of this Order.
18. THIS COURT ORDERS that where, in the opinion of the Receiver, there are conflicting Property Proofs of Claim to Property that it cannot resolve, the Receiver may seek determination

of such conflicting claims in accordance with paragraphs 22 to 24 of this Order without the necessity of delivering any Notice of Dispute, and in such case notice in accordance with paragraph 31 of this Order shall be given to the Claimants at issue and any Persons affected by such Claims.

DISPUTE NOTICE

19. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Disallowance shall file a Dispute Notice with the Receiver as soon as reasonably possible but in any event such Dispute Notice shall be received by the Receiver on or before 4:00 p.m. (Eastern Standard Time) on the day that is fourteen (14) days after the Claimant is deemed to have received the Notice of Disallowance in accordance with paragraph 31 of this Order. The filing of a Dispute Notice with the Receiver within the fourteen (14) day period specified in this paragraph shall constitute an application to have the amount or status of such Property Claim determined as set out in paragraphs 21 to 24 hereof.

20. THIS COURT ORDERS that where a Claimant that receives a Notice of Disallowance fails to file a Dispute Notice with the Receiver within the period provided therefor in paragraph 19 above, the status of such Claimant's Property Claim, and, to the extent that such Property Claim relates to any indebtedness, liability or obligation, the amount or value of such Property Claim, shall be deemed to be as set out in the Notice of Disallowance and such status and amount, if any, shall constitute such Claimant's Proven Property Claim.

RESOLUTION OF PROPERTY CLAIMS

21. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Receiver, the Receiver, in consultation with any Person affected by the Claimant's Property Claim, shall attempt to resolve and settle the Claimant's Property Claim.

22. THIS COURT ORDERS that in the event that a dispute raised in the Claimant's Dispute Notice is not settled within a time period or in a manner satisfactory to the Receiver, the Receiver may refer the dispute to a Property Claims Officer, if chosen by the Receiver and approved by this Court, for determination, or in the alternative may bring the dispute before the Court by way of Notice of Motion for determination. If the Receiver refers the dispute to a Property Claims Officer for determination, then (i) the Property Claims Officer shall determine the manner, if any, in which evidence may be brought before the Property Claims Officer by the parties and any Person affected by the Property Claim as well as any other matters, procedural or substantive, which may arise in respect of the Property Claim Officer's determination of a Claimant's Property Claim, and (ii) the provisions of paragraphs 22 to 24 of this Order shall apply to the determination of the Property Claims Officer. For greater certainty, the Property Claims Officer may require written submissions, and may limit submissions to written submissions, at the Property Claims Officer's discretion.

23. THIS COURT ORDERS that the Property Claims Officer shall as soon as is practicable, and in any event by no later than (i) thirty (30) days from the closing of submissions (whether written or oral or both), or (ii) such other date as the Property Claims Officer and the Receiver may agree, notify the Claimant, the Receiver and any Persons affected by the Property Claim in writing of the Property Claims Officer's determination of the amount and status of such Property Claim.

24. THIS COURT ORDERS that the Property Claims Officer's determination of any Claimant's Proven Property Claim shall be final and binding, unless within ten (10) days of the delivery of the Property Claims Officer's determination, the Receiver, the Claimant or any

Person affected by the Claimant's Property Claim has filed with this Court an appeal, by way of Notice of Motion, of the Property Claims Officer's determination.

NOTICE OF TRANSFEREES

25. THIS COURT ORDERS that neither the Debtors nor the Receiver shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Property Claim as the Claimant in respect thereof unless and until (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver, and (ii) the Receiver shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Property Claim. Any such transferee or assignee of a Property Claim, and such Property Claim, shall be bound by any notices given or steps taken in respect of such Property Claim in accordance with this Order prior to the written acknowledgment by the Receiver of such transfer or assignment.
26. THIS COURT ORDERS that if the holder of a Property Claim has transferred or assigned the whole of such Property Claim to more than one Person or part of such Property Claim to another Person or Persons, such transfer or assignment shall not create a separate Property Claim or Property Claims and such Property Claim shall continue to constitute and be dealt with as a single Property Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Property Claim only as a whole and then only to and with the Person last holding such Property Claim in whole as the Claimant in respect of such Property Claim. Provided that a transfer or assignment of the Property Claim has taken place in accordance with paragraph 25 of this Order and the

Receiver has acknowledged in writing such transfer or assignment, the Person last holding such Property Claim in whole as the Claimant in respect of such Property Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Property Claim, but only as a whole, shall be with a specified Person and in such event, such Claimant, such transferee or assignee of the Property Claim and the whole of such Property Claim shall be bound by any notices given or steps taken in respect of such Property Claim by or with respect to such Person in accordance with this Order.

27. THIS COURT ORDERS that the transferee or assignee of any Property Claim (i) shall take the Property Claim subject to the rights and obligations of the transferor/assignor of the Property Claim, and subject to the rights of the Debtors against any such transferor or assignor, including any rights of set-off which the Debtors had against such transferor or assignor, and (ii) cannot use any transferred or assigned Property Claim to reduce any amount owing by the transferee or assignee to the Debtors, whether by way of set off, application, merger, consolidation or otherwise.

28. THIS COURT ORDERS that nothing in this Order is intended to or shall be deemed to permit, enable or authorize the transfer or assignment of a Property Claim or to in any way affect the validity or invalidity of any such transfer or assignment.

PROTECTIONS FOR RECEIVER

29. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Receiver shall have all of the protections given to it by the BIA and the Appointment Order or as an officer of this Court, including without limitation the stay of proceedings in its favour, (ii) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of

this Order, except for its own wilful misconduct or gross negligence, (iii) the Receiver shall be entitled to rely on the books and records of the Debtors, and any information provided by the Debtors, all without independent investigation, and (iv) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books, records and information.

DIRECTIONS

30. THIS COURT ORDERS that the Receiver may, at any time, and with such notice as this Court may require, seek directions from the Court with respect to this Order and the Property Claims process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

31. THIS COURT ORDERS that any notice or other communication to be given under this Order by the Receiver to a Claimant or other interested Persons, shall be in writing and may be given by sending true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to such Persons (i) at the address shown on the Proof of Property Claim filed by that Person, or (ii) if a Proof of Property Claim has not been filed by that Person or does not contain a valid address, then at the address as last shown on the records of the Debtors, and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail or by registered mail, on the fourth Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 30, Notices of Disallowance shall be sent only by (i) facsimile to a number that has been provided in writing by the Claimant, (ii) registered mail, or (iii) courier.

32. THIS COURT ORDERS that any notice or other communication to be given under this Order by a Claimant to the Receiver shall be in writing and will be sufficiently given only if sent by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission addressed to:

A. Farber & Partners Inc.
Court-appointed Receiver 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.

Address: 150 York Street, Suite 1600
Toronto, ON M5H 3S5

Attention: Gena Lowe
Telephone: (416) 496-3762
E-mail: cratemarine@farberfinancial.com
Fax: (416) 496-3839

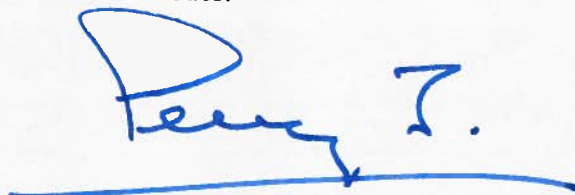
Any such notice or other communication by a Claimant shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day. Where the communication is to be by way of a form attached as a Schedule to this Order, such communication shall be in substantially the form of the attached Schedule.

MISCELLANEOUS

33. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 24 2014





SCHEDULE "A"

**NOTICE TO PROPERTY CLAIMANTS
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.
(hereinafter referred to as the "Debtors")**

RE: NOTICE OF PROPERTY CLAIMS PROCEDURE FOR THE DEBTORS

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made on December 23, 2014 (the "Order"). The known property claimants should have received Proof of Property Claim packages by mail, if the Debtors have a current address. Property Claimants may obtain details about what claims are included in this Property Claims process, as well as obtain a copy of the Order and a Proof of Property Claim package from the website of A. Farber & Partners Inc., Court-appointed Receiver of the Debtors, at www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al, or by contacting the Receiver by telephone (416) 496-3762.

Proofs of Property Claim must be submitted to the Receiver for any Property Claim as defined in the Order and described in the Instruction Letter for them available on the Receiver's website, listed above.

Completed Proofs of Property Claim must be received by the Receiver by 4:00 p.m. (Eastern Standard Time) on January 30, 2015 (the "Claims Bar Date"). It is your responsibility to ensure that the Receiver receives your Proof of Property Claim by the above-noted time and date.

**PROPERTY CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE
WILL BE BARRED AND EXTINGUISHED FOREVER.**

DATED at Toronto this _____ day of 2014.

SCHEDULE "B"

**INSTRUCTION LETTER FOR THE PROPERTY CLAIMS PROCEDURE
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.**
(hereinafter referred to as the "Debtors")

A. PROPERTY CLAIMS PROCEDURE

By Order of the Superior Court of Justice of Ontario made December 23, 2014, A. Farber & Partners Inc. ("Farber") in its capacity as the Court appointed receiver (the "Receiver") of the Debtors has been authorized to conduct a property claims procedure (the "Property Claims Procedure").

The Property Claims Procedure is intended for any Person with any Property Claim as defined in the Property Claims Procedure Order and described in the Instruction Letter, which is available on the Court-appointed Receiver's website at www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al.

Property Claims do **not** include, among other things:

- claims provable in bankruptcy (unsecured claims), which should be filed with Farber, in its capacity as trustee in bankruptcy of the Debtor, following the procedures under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
- any interest in real property (land or buildings), whether in the nature of a proprietary interest, or as a secured claim against land or otherwise; or
- any claim in connection with boat slip rentals or accommodations for boats, including any mooring/licence agreement with the Debtors.

Property Claims **may** include:

- a proprietary claim (ownership, lease or otherwise) to any tangible personal property (chattels) in the possession of the Debtors;
- a secured claim of any Person to any tangible personal property (chattels) in the possession of the Debtors;
- a claim of any Person that tangible personal property was sold to the Debtors, or by the Debtors as intermediary or broker, without full payment to that Person and that such claim attaches to tangible personal property (chattels) in the possession of the Debtors other than money or proceeds;
- a claim of any Person that tangible personal property in the possession of the Debtors or any of them was sold to the Debtors, or by the Debtors as intermediary or broker, without

full repayment by the Debtors or any of them of a loan in relation to or secured against that tangible personal property and that such claim attaches to tangible personal property (chattels) in the possession of the Debtors other than money or proceeds; or

- a claim that any Person has paid some or all of the purchase price of Property and a transaction to purchase that Property has not been completed and that such claim attaches to tangible personal property (chattels) in the possession of the Debtors other than money or proceeds.

If you have any questions regarding the Property Claims Procedure, please consult the website of the Court-appointed Receiver, listed above, or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Property Claims Procedure should be addressed to:

A. FARBER & PARTNERS INC.

Court-appointed Receiver 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.

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

Attention: Gena Lowe
Telephone: (416) 496-3774
E-mail: cratemarine@farberfinancial.com
Fax: (416) 496-3839

B. FOR CLAIMANTS SUBMITTING A PROOF OF PROPERTY CLAIM

If you believe that you have a Property Claim against the Debtors, you will have to file a Proof of Property Claim with the Receiver. **The Proof of Property Claim must be received by 4:00 p.m. (Eastern Standard Time) on January 30, 2015, the Claims Bar Date.**

Additional Proof of Property Claim forms and other information, including a copy of the Order creating the Property Claims Procedure, can be obtained from the Receiver's website at www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al., or by contacting the Receiver at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number.

It is your responsibility to ensure that the Receiver receives your Proof of Property Claim by the above-noted time and date.

SCHEDULE "C"

PROOF OF PROPERTY CLAIM RELATING TO 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.

(hereinafter referred to as the "**Debtors**")

Please read carefully the enclosed Instruction Letter for completing this Proof of Property Claim.

A. PARTICULARS OF CLAIMANT:

1. Full Legal Name of Claimant:

(the "**Claimant**"). (Full legal name should be the name of the original Claimant of the Debtors, notwithstanding whether an assignment of a Property Claim, or a portion thereof, has occurred following December 8, 2014).

2. Full Mailing Address of the Claimant (the original Claimant not the Assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

7. Has the Property Claim been sold or assigned by the Claimant to another party [check (✓) one]?

Yes: ☐ No: ☐

If "Yes" is checked, please complete Section B. If "No" is checked, please skip section B.

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

(If Property Claim has been assigned, insert full legal name of assignee(s) of Property Claim. If there is more than one assignee, please attach a separate sheet with the required information.)

8. Full Legal Name of Assignee(s):

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF PROPERTY CLAIM:

I, _____
[name of Claimant or Representative of the Claimant], of

_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

☐ am the Claimant of the Debtor; **OR**

☐ am _____ (state position or title) of

(name of claimant)

(b) that I have knowledge of all the circumstances connected with the Property Claim referred to below.

D. NATURE OF PROPERTY CLAIM

Details of the Property subject to this Property Claim (include all available description, such as serial or registration numbers, product name or code, or other identifying marks):

Details of the basis for the Property Claim (attach a separate sheet if more space is required):

Details of the amount of any indebtedness, liability or obligation related to the Property Claim:

TOTAL PROPERTY CLAIM ARISING ON OR PRIOR TO DECEMBER 8, 2014:

_____ [insert amount of Property Claim in the currency in which it arose].

(Property Claims are to be filed in the currency in which they arose. The Receiver will convert such Property Claims to Canadian Dollars at the Bank of Canada noon spot rate as at December 8, 2014].

E. PARTICULARS OF PROPERTY CLAIM:

Other than as already set out herein, the particulars of the undersigned's total Property Claim are attached.

(Provide all particulars of the Property Claim and supporting documentation, including description of transaction(s) or agreement(s) giving rise to the Property Claim, name of any guarantor which has guaranteed the claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Debtors to the Claimant and estimated value of such security.)

This Proof of Property Claim must be received by the Receiver by no later than 4:00 p.m. (Eastern Standard Time) on January 30, 2015 by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to the following address:

A. FARBER & PARTNERS INC.

Court-appointed Receiver 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.

Address: 150 York Street, Suite 1600
Toronto, Ontario M5H 3S5

Attention: Gena Lowe
Telephone: (416) 496-3762
E-mail: cratemarine@farberfinancial.com
Fax: (416) 496-3839

F. FILING OF PROPERTY CLAIM

Failure to file your proof of Property Claim as directed by 4:00 p.m. (Eastern Standard time), on January 30, 2015 will result in your Property Claim being barred and in you being prevented from making or enforcing a Property Claim against the Debtors. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a claimant in these proceedings.

Dated at _____ this _____ day of _____, 201●.

Signature of Claimant

SCHEDULE "D"

REFERENCE NUMBER [●]

NOTICE OF DISALLOWANCE

RE: In the matter of the Property Claim dated [DATE] filed by you against 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")

Property Claim Reference Number:

TO:

(Name of Claimant)

Capitalized terms not defined in this Notice of Disallowance have the meanings ascribed to those terms in the Order of the Ontario Superior Court of Justice dated December 23, 2014 (the "Property Claims Procedure Order"). All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to paragraph 16 of the Property Claims Procedure Order, A. Farber & Partners Inc., in its capacity as Court-appointed Receiver of the Debtors, hereby gives you notice that it has reviewed your Proof of Property Claim and has disallowed all or part of your Property Claim. Subject to the terms of the Property Claims Procedure Order, including any further dispute by you in accordance with such Order, your Property Claim will be allowed as follows:

Basis of Property Claim:

Amount of any indebtedness, liability or obligation related to the Property Claim:

Reasons for Disallowance:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Disallowance, you must, no later than 4:00 pm (prevailing time in Toronto, Ontario) on the day that is fourteen (14) days after this Notice of Disallowance is deemed to have been received by you (in accordance with paragraph 31 of the Property Claims Procedure Order), deliver a Notice of Dispute to the Receiver by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to the address below. In accordance with the Property Claims Procedure Order, notices shall be deemed to be received upon actual receipt thereof by the Receiver during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day. The form of Dispute Notice is enclosed and can also be accessed on the Receiver's website at www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al.

A. FARBER & PARTNERS INC.

Court-appointed Receiver 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.

Address: 150 York Street, Suite 1600
Toronto Ontario M5H 3S5

Attention: Gena Lowe
Telephone: (416) 496-3762
E-mail: cratemarine@farberfinancial.com
Fax: (416) 496-3839

IF YOU FAIL TO FILE A DISPUTE NOTICE WITHIN THE FOURTEEN DAY PERIOD REFERRED TO ABOVE, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this day of , 20●.

A. FARBER & PARTNERS INC.

Court-appointed Receiver 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.

SCHEDULE "E"

DISPUTE NOTICE

RE: In the matter of the Property Claim dated _____ filed by _____ against 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.

Property Claim Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different):

(the "Claimant").

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of original Claimant from whom you acquired the Property Claim, if applicable:

Have you acquired this Claim by assignment?

Yes: ☐

No: ☐

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Disallowance of Property Claim:

The Claimant hereby disagrees with the value of its Property Claim as set out in the Notice of Disallowance and asserts a Property Claim as follows:

Details of the Property subject to this claim (include all available description, such as serial or registration numbers, product name or code, or other identifying marks):

Details of the basis for the Property Claim (attach a separate sheet if more space is required):

Details of the amount of any indebtedness, liability or obligation related to the Property Claim:

TOTAL PROPERTY CLAIM ARISING ON OR PRIOR TO DECEMBER 8, 2014:

_____ [insert amount of property claim in the currency in which it arose].

(Property Claims are to be filed in the currency in which they arose. The Receiver will convert such claims to Canadian Dollars at the Bank of Canada noon spot rate as at December 8, 2014].

REASON(S) FOR THE DISPUTE:

[You must include a list of reasons as to why you are disputing your Property Claim as set out in the Notice of Disallowance. Reasons must be provided for each type of Property Claim being asserted].

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Disallowance, you must by no later than the date that is fourteen (14) days after the Notice of Disallowance is deemed to have been received by you (in accordance with paragraph 30 of the Property Claims Procedure Order) deliver to the Receiver this Dispute Notice by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to the address below. In accordance with the Property Claims Procedure Order, notices shall be deemed to be received upon actual receipt thereof by the Receiver during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

A. FARBER & PARTNERS INC.

Court-appointed Receiver 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.

Address: 150 York Street, Suite 1600
Toronto Ontario M5H 3S5

Attention: Gena Lowe
Telephone: (416) 496-3762
E-mail: cratemarine@farberfinancial.com
Fax: (416) 496-3839

DATED this _____ day of _____, 201●.

Name of Claimant: _____

Witness

Per: _____
Name:
Title:

<p>IN THE MATTER OF THE RECEIVERSHIP 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.</p> <p>IN THE MATTER OF THE BANKRUPTCY OF CRATE MARINE SALES LIMITED</p>	<p>Commercial List File No. 14-CV-10798-00CL</p> <p>Court File No. 31-1932502</p> <p>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</p>
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ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at
Toronto

PROPERTY CLAIMS PROCEDURE ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2
Fax: 416-597-3370

Michael B. Rotsztain (LSUC #: 17086M)
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Email: bissell@gsnh.com

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.

TAB L

IN THE MATTER OF THE BANKRUPTCIES OF F.S. CRATE & SON'S LIMITED, 1330732 ONTARIO LIMITED, 1328559 ONTARIO LTD., 1282648 ONTARIO LTD. 1382416 ONT. RIO LTD. and 1382415 ONTARIO LTD.

Commercial List file No.: 14-CV-10798-00CL

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

December 23, 2014

Orders to show in Re Form
Agreed by me (Bis) day, Subject
to the terms in Sd A attached

Dec 23/14

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

MOTION RECORD OF THE RECEIVER
AND TRUSTEE
(Motion Returnable December 23, 2014)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
TORONTO, ON M5G 1V2
Fax: 416-597-3370

Michael B. Rotsztein, LSUC # 7086M
Tel: 416-597-7870
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R. Brendan Bissell, LSUC # 40384V
Tel: 416-597-6489
Email: bisse11@gsnh.com

Lawyers for A. Farber & Partners Inc. in its capacities as the Court appointed Receiver and as trustee in bankruptcy of Crate Marine Sales Limited, F.S. Crate & Sons Limited, 1330732 Ontario Limited, 1323559 Ontario Limited and 1282648 Ontario Limited, 1382415 Ontario Ltd., and 1382416 Ontario Ltd.



TAB M

F.S. Crate & Sons Limited

Corporate Structure

October 31, 2011

