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

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., and 1382416 ONTARIO LIMITED

### SUPPLEMENTARY MOTION RECORD

(returnable May 15, 2015)

May 14, 2015

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### **INDEX**

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

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., and 1382416 ONTARIO LIMITED

### AFFIDAVIT OF NATHAN MCLACHLAN

I, Nathan McLachlan of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

- 1. I am the Director, Property Management for Talisker Corporation, which manages the interests of 2124915 Ontario Inc. ("212"). I make this affidavit supplemental to Maeve Callery's affidavit of May 12, 2015.
- 2. On May 13, 2014, counsel for Krates Keswick Inc. ("KKI") wrote to counsel for 212. In that letter, counsel advised that KKI took the Conolift Hydraulic trailer from the Marina at some point before April 30, 2015, and that it considered itself the undisputed owner of that piece of equipment. Now shown to me and marked as Exhibit "A" to this my affidavit is a true copy of that letter.
- 3. 212 has obtained a receipt which appears to show that it purchased a type YH-915 Conolift hydraulic trailer in September, 1988. The invoice indicates that Lagoon City Marina owned a type YH-915 trailer prior to May 1, 2005, when the lease term commenced.

4. Pursuant to the Lease, the equipment owned by the Lagoon City Marina and situate at the Marina on the commencement date of the lease, was leased to the tenant for the Lease term. The Tenant also acknowledged a duty to repair and to replace such equipment.

5. Accordingly, it is 212's position that if Lagoon City Marina owned a YH-915 trailer prior to the commencement of the Lease, a YH-915 trailer must be left behind at Lagoon City Marina upon the expiry of the Lease term.

6. Now shown to me and marked as Exhibit "B" to this my affidavit is a true copy of a letter from counsel to 212 to counsel for KKI, advising that it is 212's view that compliance with Justice Pattillo's order of April 30, 2015, requires KKI to return the trailer to Lagoon City Marina.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario on May

14, 2015

ophmissioner for Taking Affidavits

as may be)

JAMES P. MCREYNOLDS

NATHAN MCLACHLAN

RCP-E 4D (July 1, 2007)

This is Exhibit "A" referred to in the Affidavit of Nathan McLachlan sworn May 14, 2015

Compressioner for Taking Affidavits (or as may be)

YAMES P. MCREYNOLDS



REPLY TO: FILE NO.: DIRECT: HARVEY CHAITON 56429

FAX: EMAIL: 416-218-1129 416-218-1829 harvey@chaitons.com

May 13, 2015

### VIA EMAIL (Email: jmcreynolds@srglegal.com)

James P. McReynolds Solmon Rothbart Goodman LLP, Barristers 701-375 University Avenue Toronto, Ontario M5G 2J5

Re: Crate Marine

Dear Sir,

I have been provided with a copy of your letter to Mr. Brendan Bissell dated May 12, 2015 and have been requested to respond to your demand for the return of the conolift hydraulic trailer.

The trailer was an asset of Crate Marine purchased by K.K.I. pursuant to an Approval and Vesting Order dated March 31, 2015. A copy of the invoice dated April 17, 1989 for the sale of the trailer by Conolift Distributors to Crate Marine is enclosed for your information. The trailer was removed by my client from the Lagoon City Marina prior to the order of Justice Pattillo. The landlord of The Lagoon City Marina did not own, and has no colour of right, to the trailer.

Yours truly, CHAITONS LLP

### Harvey Chaiton

(computer generated signature)

Harvey Chaiton PARTNER Encl.

 Brendan Bissell, Goldman, Sloan, Nash & Haber LLP (bissell@gsnh.com) - CON-O-LIFT DISTRIBUTORS
P.O. BOX 36
POINTE AU BARIL, ONT. POG 1K0

(705) 366-2210

### INVOICE

520

Dave Hutchinson

700 mes Caronerses Coulds

Oratos Marino

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MENICK, Ontario.

TERMS:

LAP 2133

C.O.D.

QUANTITY	DESCRIPTION	PRICE	AMOUNT	
	Model Wi-915 Con-Califf Marine Bynamic Trailer,			
1	equitated with standard rads and crossbars, including			
	lights, electric brokes, fenders, cantilever pads.	į		
	ber carriers, fifthwheel gooseneck, spare tire, spare			
	tire carrier		\$24.200.	90
	Dinkley inverted hitch with one retractable pin		779, 00	00
1	2" S.A.E. Pin		84.	90
	Rubber installation on fenders		(42)	
	Sertal #209B8GH4XKPN50004		17.7.4.17.	
	Canacities: 9 fons - par-mad - parives	<b>69</b> k	25,063 00	20
	15 tring - off-road (The Exerent)	1.0%		
		1		
	Lights, Brakes, Wheel Bearings. All			

Lights, prend, 10. Be Carried Cut At Party Sound, Onterio Facility, Unloss Otherwise Authorized By Con-O-LITTING Gou!

This is Exhibit "B" referred to in the Affidavit of Nathan McLachlan sworn May 14, 2015

Commissioner for Taking Affidavits (or as may be)

JAMES P. MCREYNOLDS



### Solmon Rothbart Goodman LLP

Barristers

May 14, 2015

SENT VIA EMAIL: harvey@chaitons.com

Mr. Harvey Chaiton Chaitons LLP 5000 Yonge Street, 10<sup>th</sup> Floor Toronto, Ontario M2N 739

Dear Mr. Chaiton:

Re: 2124915 Ontario Inc. re: Crate Marina Receivership

Our File: 17427

Receipt of your letter dated May 13, 2015, is acknowledged.

According to the agreement of purchase and sale included in the motion record of the receiver dated February 8, 2015, Crate Marine Sales Limited listed multiple Conolift YH-915 trailers.

We have obtained a receipt which appears to indicate that Lagoon City Marina also purchased its own YH915 Conolift Hydraulic Trailer in September, 1988. A copy of that receipt is attached to this letter.

It may be helpful if you would provide the serial number of the trailer that your client removed from Lagoon City. However, as it appears that Lagoon City Marina owned its own YH-915 trailer on or before the commencement of the Lease dated May 1, 2005, by operation of that Lease, that trailer is defined as "Equipment", which the tenant only held an interest in the for the duration of the Lease, and for which the tenant had a duty both to repair and replace.

In other words, if there was a YH-915 trailer at Lagoon City on May 1, 2005, a YH-915 trailer must be left at Lagoon City Marina at the end of the Lease term. Your client can have no ownership interest in such an item.

### Given that:

A. our client's position that disputed equipment should not be removed from Lagoon City Marina pending proper adjudication of the court or consent of the parties has been placed on the record by the receiver, and

Melvyn L. Solmon, B.A.Sc., LL.M. (Harv) \*\*

Randall M. Rothbart, B.A., LL.B.

Mark L. Goodman, B.A., LL.B.

Avrum D. Slodovnick, LL.B.

Nancy J. Tourgis, B.Sc.H., LL.B.

James P. McReynolds, B.Comm., LL.B.

Raffaele Sparano, B.A.(Hon.), LL.B.

Matthew Valitutti, B.A., LL.B.

Cameron J. Wetmore, B.A.C.S., LL.B.

Ryan R. McKeen, B.A.(Hon.), J.D.

Eric P. Borzi, B.A.(Hon.), LL.B.

Member of the New York Bar \*\*

jmcreynolds@srglegal.com

- B. Justice Pattillo's order dated April 30, 2015, was made clearly on the understanding that the items listed in Schedule A to that Order remain at Lagoon City Marina, and
- C. Your client is aware of that order and submissions were made on your client's behalf which led to the making of that order.

Your client may not simply and unilaterally declare the dispute to be at an end with regard to this piece of equipment and retain it. Accordingly, our client requires your client to immediately return the trailer to Lagoon City Marina. Should your client remain unwilling to do so, submissions will be made to the court at our attendance tomorrow for its guidance on this matter.

It is a source of concern to our client that yours appears to have had access to Lagoon City Marina and been afforded the opportunity to the remove equipment. Please advise on what day the trailer was removed and provide any documentation between your client and the Receiver which authorized such removal.

Yours very truly,

SOLMON ROTHBART GOODMAN LLP

James P. McReynolds

JPM/mg

cc: Brendan Bissell, Goldman Sloan Nash & Haber, via email: bissell@gnsh.com

LAC 17Y, - (705) 484-5365

BP (ONTARIO DIRECT TORONTO LINE (416) 361-0000

LOK (20

### ROBERT SNIDER

### LAGOON CITY MARINE CENTRE

A DIVISION OF INDUCON DEVELOPMENT CORPORATION 235 YORKLAND BLVD., NORTH YORK (TORONTO) ONT. M2J4YB (416) 494-2800

### CON-O-LIFT DISTRIBUTORS P.O. BOX 36 POINTE AU BARIL, ONT. POG 1K0

(705) 366-2210

TO

Roy Lease Limited

Commercial Finance Centre

180 Wellington Street, 10th Floor,

TORONTO, Ontario. M5J 1J1

TERMS:

INVOICE

410

DATE

Beptember 15th, 1988

CUSTOMER ORDER NO.

SALES PERSON

Dave Hutchinson

VIA

C.O.D.

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	Re: Lagoon City Marine Centre		
1	Model YH-915 Con-O-Lift Marine Hydraulic		
	trailer, equipped with standard pads and bars,		
	including lights, fenders, spare tire & carrier		
	hydraulic fifth wheel gooseneck, with Binkley		
	inverted hitch, vac/hydraulic brakes, fifth		
70 TA	wheel bed plate & retractable pin, vac/hydrauli	<b>c</b>	**************************************
	brake control kit for truck, installation of		
	bed plate and control kit. TOTAL:		\$29,000 0
	Ser. # 2C9B8SE40JP050026 LESS DEPOSIT RECEI	VED	
	On-road capacity - 18,000 lbs. FROM LAGOON CIT	Y.	2,900 00
	Off-road capacity - 30,000 lbs. BALANCE OWIL	G t	\$26,100 0
ranty: One	year warranty on frame and hydraulic systems. Three		

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

### ONTARIO SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

# AFFIDAVIT OF NATHAN MCLACHLAN

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Lawyers for 2124915 Ontario Inc.

File Number: 17427

RCP-E 4C (July 1, 2007)

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

### SUPERIOR COURT OF JUSTICE ONTARIO

### PROCEEDING COMMENCED AT TORONTO

## SUPPLEMENTARY MOTION RECORD

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