

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. (collectively, "CRATE MARINE")

INFORMATION CIRCULAR OF THE COURT-APPOINTED RECEIVER

As at December 11, 2014

On November 14, 2014 Crate Marine filed Notices of Intention To Make a Proposal (the "**NOI**") pursuant to the Bankruptcy and Insolvency Act and Dodick Landau Inc. was appointed Proposal Trustee (the "**Proposal Trustee**")

On November 21, 2014, a secured creditor applied for a Court order to terminate the NOI proceedings and appoint A. Farber & Partners Inc. ("**Farber**") as Court-appointed Receiver of certain of the companies of Crate Marine. The Court deferred the hearing of this application and appointed Farber as the Interim Receiver of the first five companies listed in the heading above.

On December 8, 2014, the Honourable Justice Newbould of the Superior Court of Justice issued an order terminating the NOI proceedings, substituting the Proposal Trustee with Farber as the Trustee in Bankruptcy of Crate Marine and appointing Farber as the Court-appointed receiver of Crate Marine (the "**Receiver**").

The Receiver has just recently been appointed but is aware of the concerns of the creditors and customers of Crate Marine and notes the following:

- The marina operations are effectively closed for the winter season consistent with past years' practices.
- To the Receiver's knowledge, all boats have been removed from the water and customers' boats at the various premises have all been shrink-wrapped , winterized and are in storage.
- The Receiver is taking an inventory of the customer boats
- The Receiver has arranged for ongoing security and insurance during the receivership.
- The Receiver expects to be applying to the Court, as soon as practicable, for approval of a process to identify ownership claims to boats and other personal property.
- The Receiver has requested Crate Marine's listings of outstanding service orders and pending boat sales which it will review to determine if further conservatory actions are required during the receivership.

- The Receiver intends to apply to Court for approval of a sales process intended to sell the business as a going concern with a Court-approved closing such that a new operator would be in place prior to the beginning of the 2015 boating season
- The Receiver continues to collect the outstanding accounts receivable due to Crate Marine. Any 2015 slip rentals received by the Receiver from and after December 8, 2014 will be held in trust by the Receiver pending further developments in the case and, if necessary or appropriate, the Court's directions.
- To the Receiver's knowledge, Crate Marine did not hold the 2015 slip rentals paid to Crate Marine prior to December 8, 2014 in trust; accordingly, those customers that prepaid their 2015 slip rentals would appear to be unsecured creditors in the bankruptcy and will be sent the corresponding bankruptcy documents.
- The Receiver notes that these proceedings **do not** include the companies that own or operate Crate's Belleville or Crate's Orillia

Copies of the various court documents are available on the Receiver's website:

<http://www.farberfinancial.com/insolvency-engagements/crate-marine-sales-limited-et-al>

Updates on the receivership, intended sales process and bankruptcy process will be posted as more information becomes available. After review of the website, any further enquiries can be directed to: glowe@farberfinancial.com.