

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

B E T W E E N:

**CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner,
CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.**

Applicant

- and -

MILL STREET & CO. INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF *THE BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C.1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c..C43, AS AMENDED**

COMPENDIUM OF THE RESPONDENT

Date: May 11, 2020.

KRAMER SIMAAN DHILLON LLP
Litigation Counsel
120 Adelaide Street West
Suite 2100
Toronto, Ontario M5H 1T1

Micheal Simaan #41396A
EMAIL: msimaan@kramersimaan.com

TEL: (416)601-6820
FAX: (416)601-0712
Lawyers for the Respondent

TO: **AIRD & BERLIS LLP**
Barristers and Solicitors
181 Bay Street
Suite 1800
Toronto, Ontario M5J 2T9

Ian Aversa
EMAIL: iaversa@airdberlis.com
TEL: (416)865-3082
FAX: (416)863-1515

Jeremy Nemers
EMAIL: jnemers@airdberlis.com
TEL: (416)865-7724
FAX: (416)863-1515
Lawyer for the Applicant

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AMENDED FACTUM OF THE RESPONDENT

PART I – OVERVIEW

1. This Amended Factum replaces the Factum of the Respondent given that the Applicant served its factum and further evidence after the Respondent's Factum was filed and there was a further record and cross-examination that has taken place since then. Accordingly, no reference needs to be made to the original Factum of the Respondent.

2. The applicant, Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc. ("CCPCF"/"Crown"), seeks the appointment of A. Farber & Partners Inc. ("Farber") as a receiver with respect to the assets, undertakings and properties of the respondent, Mill Street & Co. Inc. ("Mill Street").

3. Crown's application is predicated on the allegation that Mill Street is in default of a Credit Agreement between the parties and does not suggest that Mill Street is insolvent in any manner

4. In support of its allegation that Mill Street is in default under the Credit Agreement, Crown relies on a laundry-list of alleged technical defaults falling into 3 categories:

- a. Financial defaults – being late payments of interest for August, November and December 2019;
- b. Reporting defaults – being late delivery of reports; and,
- c. Failure to observe covenants.

5. With respect to 4(a), Crown admitted on cross-examination that Mill Street was current on its financial defaults as of mid-March, 2020 and the evidence indicates that all payments have been up to date since January 2020.

6. With respect to 4(b), Crown has acknowledged that it did not issue any notice, letters or an email notifying Mill Street of such a default and upon issuing such default, the evidence shows that Mill Street cured the default within the "cure provision" timelines under the Credit Agreement and generally long before receiving notice of the default.

7. With respect to 4(c), Crown has referred to a single email sent in August 2019 which suggested that Mill Street might be out of covenant but without any back-up calculations to support the allegation. They also haven't disputed any of Mill Street's calculations provided since that date demonstrating that Mill Street was within its covenants.

8. The remaining alleged breaches of covenants are highly technical and are inconsistent with the evidence as to Crown's position in relation to them throughout their relationship.

9. Mill Street has denied all of the defaults and has demonstrated that Crown has not regarded any of the items now complained of as defaults until very recently. Furthermore, Crown's actions are entirely inconsistent with the default allegations that they are now alleging.

10. Crown has clearly manufactured the alleged defaults as part of its strategy to prematurely call a 10-year loan that is not otherwise due.
11. Even with the operational shut-downs mandated by COVID-19, Mill Street remains a healthy and viable company, which owns and operates companies employing approximately 500 people, and supports businesses all across the province.
12. Given the repeated failures on the part of Crown to honour its obligations under the Credit Agreement and other promises made to it, Mill Street had already commenced the process for seeking alternative financing to replace Crown as its lender.
13. Mill Street has received an early indication that it will be in a position to fully repay Crown this Fall and will keep Crown's debt current and up to date in the interim as well as continue to honour its reporting and other covenants under the Credit Agreement.
14. It would be impossible for Mill Street to raise sufficient equity to replace Crown if a Receiver was running or overseeing Mill Street or otherwise attempting a parallel process to liquidate portfolio companies.
15. The appointment of a receiver would materially and negatively impact Mill Street's ability to do the very thing that Crown wants, and that Mill Street is prepared to do - to raise equity to pay out the loan. Mill Street has attempted, through good faith negotiations with Crown, to implement this commercial arrangement, and remains willing to do so.
16. Finally, there is no urgency or material prejudice to Crown allowing Mill Street reasonable time to refinance.
17. Mill Street also objects to the selection of Farber as a receiver when Crown is aware that such appointment would present a serious conflict given Mill Street's recent retainer of Farber to review and provide advice on its internal operations, which retainer included a strict agreement of confidentiality that could operate against Mill Street and its stakeholders' interests.

The Merits of the Case

105. Crown's entire case is predicated on the allegations that Mill Street is in default of the Credit Agreement as per the notice listing 20 defaults on April 1, 2020.

106. With respect, given the serious nature of the matters at hand, the alleged defaults are trifling, overly-technical and in any event, have been remedied to the extent possible. The alleged defaults fall into 3 main categories⁸⁶:

a. Financial default

107. Of the 20 alleged defaults, 3 of them alleged late interest payments for the months of August 2019; November 2019 and December 2019.

108. Crown notified Mill Street that the August 2019 (11i) interest payment was not received due to the addition of an incorrect number on the wire transfer. Upon being notified of the error, it was immediately corrected and payment was made.⁸⁷

109. With respect to the November (11I) and December 2019 (18a) interest payments, they were both made in January, 2020 and the short delay was due to an arbitration proceeding that was allowing Mill Street to acquire full ownership interest of its largest subsidiary (GNI). This acquisition had been fully disclosed to Crown.⁸⁸

110. Crown subsequently admitted on its cross-examination that it regarded Mill Street as being current as of December 31 2019 in its SEDAR filing which it filed on March 12 or 13, 2020.⁸⁹

b. Reporting defaults

111. Of the 20 alleged defaults, 9 of them (11a-b; 11e-h; 11j; 18d and 18h); relate to delayed reporting ranging between 18 and 100 days, and dated back to 2018.

112. The first notice of the reporting defaults was received on April 1, 2020. Each and

⁸⁶ The bracketed/bolded references refer to the references in Crown's "Aide-Memoire", set out Exhibit "A" to the Supplementary Affidavit of Noah Murad, **FRAR**

⁸⁷ Murad Affidavit, **RAR**, Tab 1, paras 184 and Exhibit HH

⁸⁸ Murad Affidavit, **RAR**, Tab 1, paras 104, 105, 108 and 120 and Exhibits O and P

⁸⁹ Cross-examination and Re-examination of Timothy Oldfield at qq. 51 and 108-110

every one of the reports had been provided prior to receiving any notice of default (which itself would have triggered a 30 day cure period).

113. Only one of the reporting defaults require Mill Street to rely upon the cure provision in the Credit Agreement - a request for follow-up information on Mill Street's annual business plan (18d) that was first raised in the April 1, 2020 default letter. This information was provided within the cure period.⁹⁰

c. Covenants

114. Of the 20 alleged defaults, 8 of them relate to breaches of certain covenants, some of which are extremely technical in nature.

115. For example, Crown alleged that Mill Street had failed to deliver signed compliance certificates by Noah Murad (18g). Prior to the April 1, 2020 Notice of Default, these compliance certificates had never been requested, but all were subsequently provided as a result of the said notice.⁹¹

116. Crown alleged that Mill Street proceeded with a sale (11c); a financing (11k); and an acquisition (18b) without Crown's written consent.

117. In fact, the evidence detailed above shows that Mill Street specifically advised Crown of each of these events beforehand and received absolutely no objection to these transactions.⁹² In fact, with reference to the financing for the acquisition of the minority interest in GNI (11k and 18b), Crown provided a positive reference of Mill Street to the finance company after it chose not to finance the acquisition itself.⁹³

118. Crown further alleged that it calculated that Mill Street was out of covenant in connection with the fixed charge covenant ratio (11d); payments and distributions (18c) and fixed charge coverage ratio (18e).

⁹⁰ Supplementary Murad Affidavit, FRAR, para 7 and Exhibit B

⁹¹ Supplementary Murad Affidavit, FRAR, para 7 and Exhibit B

⁹² Supplementary Murad Affidavit, FRAR, paras 10 & 13 and Exhibits D and F
Murad Affidavit, RAR, paras.93-103 and 173; Exhibits O, P and GG

⁹³ Murad Affidavit, RAR, paras.100 and 102

119. Each of Crown's calculations in these three instances have been disputed and information has been provided to Crown to demonstrate that their calculations are in error.⁹⁴ No further dispute has been alleged or pursued by Crown.

120. It is further submitted that there is no evidence on this application that Crown's calculations are correct that any default exists. Respectfully, Crown's position on these three defaults is essentially because they allege there is a default, there is automatically a default.

121. The only default that Mill Street has been unable to cure relates to its concentration of assets within GNI (18f) which has exceeded the permitted 50% ratio. However, Mill Street disputes that this is truly a default.

122. While Crown acknowledges that this default has existed throughout the entire loan, it only raised the default for the first time in its April 1, 2020 Notice of Default which was in conflict with their earlier advice that it would not be regarded as a default.⁹⁵

123. Notwithstanding this fact, Crown allowed Mill Street to make several acquisitions within the GNI asset that did not have to be acquired within that asset base but could have been acquired separate and apart from GNI, thereby avoiding the excess concentration covenant.⁹⁶

124. Mill Streets' evidence was that they did not believe that Crown was relying upon this covenant as demonstrated by the fact that they had never been in compliance with this covenant and yet were being provided with an award and continual praise throughout 2018 and 2019 instead of demands to correct this excess concentration.

125. It is submitted that Mill Streets' reliance upon the non-observance of this concentration covenant was reasonable and Crown's sudden reversal of its position has been performed in bad faith.

126. Crown has not specifically disputed any of Mill Street's evidence and chose not to cross-examine Noah Murad on his affidavits.

⁹⁴ Supplementary Murad Affidavit, FRAR, paras 10 and 15 and Exhibit C

⁹⁵ Murad Affidavit, RAR, paras 196-200

⁹⁶ Supplementary Murad Affidavit, FRAR, paras 16 and 17

This is **Exhibit "O"**
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 18, 2020



A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Josh Axler
To: Trevor Harris
Cc: Tim Oldfield; Noah Murad; Allan Kamerman; Jacob Murad
Subject: Re: Info
Date: Thursday, January 9, 2020 3:27:51 PM

Hi Trevor,

A few comments/points to clarify:

- 1) Can you please include the amortization schedule for the proposed term loan on tab in the worksheet.
- 2) Based on the e-mail from Jacob the total amount being contemplated from Fiera is \$10.25 million to reflect the increase in the GNI purchase price. The model only shows \$9.5 million.
- 3) The model still shows an outstanding capital lease balance, and assumes that capex going forward is still funded through capital leases - is that correct? How did you determine which capital leases would be repaid by the Fiera debt.
- 4) Can you please provide details on the Revenue and EBITDA forecast - Revenue and EBITDA increasing to \$82 million and \$9.1 million respectively represents a material increase YoY. Is this all organic growth or through acquisitions? If there are acquisitions contemplated is there a pipeline of potential targets and how will the acquisitions be funded? If this growth is organic, wouldn't the capex requirements increase?
- 5) The Fiera debt restricts management fees until a FCCR covenant threshold of 1.75x is met. Have you run a scenario that determines the minimum amount of revenue and EBITDA required to meet that threshold? Have you discussed if any services performed by Mill Street would be deemed as expenses not purely management fees? Given Mill Street's dependence on management fee revenue from GNI this is a critical point to ensure that funds are able to flow up to the head office. Is there a step down of this threshold amount as the debt is reduced?
- 6) The covenants are tested quarterly on a TTM basis, not just at year end. Can you please include the quarterly testing including the EBITDA buffer (how much EBITDA in excess of the test) on the 1.5x FCCR testing and 1.75x distribution test.

Thank you,

Josh Axler, CFA
 Investment Manager
Crown Capital Partners Inc.
 416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jan 9, 2020, at 1:09 PM, Trevor Harris <tharris@millstreetco.com> wrote:

Tim/ Josh

Please see attached.

Regards

Trevor Harris CPA CA
 Vice President, Finance

<image002.jpg>
 7616 Yonge Street
 Thornhill, ON L4J 1V9
 905-764-5465 Ext 227
www.millstreetco.com

NOAH MURAD
 president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

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From: Tim Oldfield <tim_oldfield@crowncapital.ca>
Sent: January 6, 2020 5:30 PM

To: Jacob Murad <jmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Jacob, do you have a budget model for GNI that shows the pro forma debt levels and proposed Fiera covenants? We would like to review as part of consent process and I noted that the FCCR covenant on distributions is quite high and will restrict your ability to pay management fees up to Mill Street. Can you also provide copies of the various valuations of GNI that were prepared for the arbitrator?

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
 Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 6, 2020, at 8:53 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

Hi Josh,

Happy New year to you as well. I've attached the commitment letter we had received from Fiera at the end of October. We were working with CIBC for a whole buyout but decided to go with Fiera because CIBC couldn't provide exactly what we required and not within our timeline so we may revisit that in the future. Instead we have Fiera buying out TD as per the attached and CIBC will provide a \$2M operating line with an intercreditor with Fiera which we are working towards closing as well in the next 2 weeks.

Regarding the arbitration: the arbitrator ruled on consent of both of sides that we are buying out AI – we each had done a valuation on his 25% shares and the arbitrator chose to value AI's 25% at about 2.5M which Fiera had agreed to set aside in escrow on closing instead of the 1.75M noted in the attached term sheet.

Now I am working with AI's corporate counsel to complete the legal transfer documents to agree on the final versions of these legal documents and there will be another hearing at the end of this month to discuss terms of how the 2.5M should be paid out (ie. in one lump sum or over a period of time) and for legal fees. We will likely come to an agreement with AI's lawyer prior to this hearing so that won't be necessary where there is a final payout of the funds from escrow and full and final releases.

Let me know if you have any further questions

JACOB MURAD, J.D., LL.M.
 general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

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From: Josh Axler <josh.axler@crowncapital.ca>
Sent: Saturday, January 4, 2020 1:44 PM
To: Jacob Murad <jmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Good afternoon Jacob,

I hope you're having a good start to the new year. Noah said that you would be sending us an update on the GNI arbitration/value process as well as the details for the Fiera/CIBC details for GNI.

Can you please forward these details so we can review prior to a discussion next week.

Thank you,

Josh Axler, CFA
 Investment Associate
Crown Capital Partners Inc.
 416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jan 3, 2020, at 11:05 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Ok I will. Please let me know what time you are available.

Kind regards

Noah

On Jan 3, 2020, at 11:03 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Thanks Noah. Please have Jacob reach out to Josh to provide the updates and please also confirm on Monday once the interest payments have been made. I would also like to catch up with you early next week and will reach out to you when I am back in the office.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 2, 2020, at 2:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

We are going to make the interest payments on Monday as planned.

I will have Jacob send the specifics on the Fiera deal as well as what we have with CIBC. In addition, Jacob can provide a timeline on the arbitration from this point as well as the details on where the value is going to end up. He is more familiar with the process so can be more specific on the timing.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

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From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 2, 2020 11:05 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah,

I didn't hear back from you on my previous email. I am currently out of the office but I would appreciate it if you can update Josh on the Great Northern deal as well as the timing of the overdue November interest payment as well as the December payment which is due today.

Thanks. Tim

Tim Oldfield
 Chief Investment Officer
 Crown Capital Partners Inc.
 416.640.6798

On Dec 20, 2019, at 4:21 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Hi Noah. We should discuss. Are you around on Monday?

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
 Crown Capital Partners Inc.
 Direct 418-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 18, 2019, at 4:53 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim

As I explained to Josh recently and as you are aware, we have been in a contentious situation with TD. We are in the middle of finalizing our deal with Fiera and CIBC for the new term and working capital lines. We are also in arbitration with AI as you know where we will have a ruling on the 25% value by tomorrow.

The money for the buyout has been escrowed and it will be released shortly at which point we will own 100% of GNI. On the 6th of Jan, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.

Noah

On Dec 18, 2019, at 3:47 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Trevor / Noah,

My finance group confirmed to me that we have not yet received your November interest payment, which was due on December 2nd. This is not the first time that the monthly payment has been late and its not clear to me why timely payment of the interest has been an issue. Based on the correspondence below we were

This is **Exhibit "P"**
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 18, 2020



A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January-10-20 11:56 AM
To: Jacob Murad
Cc: Josh Axler; Noah Murad
Subject: Re: Info

Thanks Jacob.

We are trying to ascertain the status of the Fiera loan. Please confirm the exact status of the Fiera loan and please provide copies of the relevant documents that have been either drafted / signed post the October 31st committed term sheet.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 10, 2020, at 9:43 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

See below in red

JACOB MURAD, J.D., LL.M.
 general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

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From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: Tuesday, January 7, 2020 11:18 AM
To: Jacob Murad <jmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Thanks Jacob. I went through the various files and have a few questions / clarifications:

- In your previous email you indicated that you would have to pay \$2.5mm for Al's Shares. The Hoare report indicates a value of \$2,559,500. I assume that the arbitrator agreed with the Hoare value and that you rounded the \$2.559mm to \$2.5mm? Please confirm. Confirmed but there will be one more valuation exercise over this month with a hearing end of January where this amount may go up or down so that's why I gave you the approximate number. All the arbitrator ruled was that there should not be a minority discount
- The Hoare report also references \$1,000,000 for Class A Special Shares. I assume that you will also have to pay this amount in addition to the \$2.559mm? Please confirm Confirmed – the Class A Special Shares is the Earnout
- The Hoare report includes a redundant asset of \$2,350,895 relating to shareholder loans in the value conclusion. As per Schedule 1 it shows that Al's company (895639 Ontario Ltd.) owes \$328,317 to GNI. Will this amount have to be repaid by 895639 Ontario Ltd. as part of the transaction? Still unclear, will likely be handled in the hearing at end of Jan.
- The Fiera term sheet references \$1.75mm for the purchase of the 25% shares. You indicated that this would now change to \$2.5mm or \$2.559mm. Please confirm confirmed and will be sitting in escrow with our litigator
- The Fiera term sheet also references \$1mm for 'Pay earn out'. Is this meant to reference the purchase of the \$1mm of Special Shares? Or is the earn out something different? Please confirm this is the same – the earnout is the special shares and is going to be in escrow with our litigator
- In previous emails/discussions I think you had mentioned that you would have to pay Al his 'share of the profits'. We are not clear as to what this means and if this implies further payments to Al in addition to the amounts referenced above. Please confirm confirmed – his share of the profits means 25% of dividends that were distributed to us that he did not want to collect. This amount is yet to be calculated but is estimated to be 500K.
- Essentially we are trying to get a complete picture of the payments that will need to be made to Al and the source of those funds understood – again this excess number will be determined and the terms determined at the next hearing unless we can reach an agreement. We will make those payments either from GNI or from Mill.

Thanks. Tim

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 7, 2020, at 9:18 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

Morning Tim,

I will have Trevor send the models.

See attached the valuations that the arbitrator considered in his ruling. Mr. Hoare is Al's valuator, Fazarri is ours and there were two follow up critique reports.

Best,

From: Noah Murad
To: Tim Oldfield
Subject: RE: Info
Date: Friday, January 10, 2020 3:02:35 PM
Attachments: image001.png

Tim,

I by no means mean any disrespect in answering you sporadically on some occasions. As I am sure you can appreciate, I have delegated this to members of my team that have been hired to do a job, and cannot do mine if I have to double check everything they do. I am also of course busy dealing with important issues every day that involve growing the business and removing TD.

I will have the office send the wire confirmation to you as soon as possible to clear this up.

As far as your comment about our relationship, this is a sensitive point for us. We met several times since Nov 2018, where I made it clear that I wanted to grow the business. On more than one occasion we discussed strategy on growth, where it was made fairly clear that we would expand our loan with you in order to support the two larger acquisitions we had. We planned our business last year with the understanding that this support would be there. When it wasn't, we were left to source other funding through other means, delay the transactions and deal with the contraction of our relationship with TD. We also invested money personally to shore up our balance sheet.

Of course we have succeeded in growing GNI and the HVAC company, as well as selling other businesses, exactly as we told you we would do, despite the challenges. We have also reduced or negotiated debt, as well as are arranging the buyout of the 25% of GNI at a less than 2x multiple. These are all activities that have created value for the company over the year.

Notwithstanding this, the point is these working capital and growth issues have been exacerbated by our counting on additional loans coming in from Crown based on the discussions we had. By them not materializing, we were not able to close deals at a critical time which would have helped our business, and of course, have impacted our reputation with the businesses we have approached.

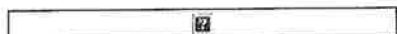
We value your input on our businesses, and obviously I value my relationship with your company and Chris especially. Our relationship is going to last another 8 years. But I do want to make it clear that our expectations as an organization is that there will be appetite on Crown's part to help us grow. Money coming into the organization would be most valuable now, when we are trying to close acquisitions and remove TD Bank as a lender, and not after we finish all of the work.

It is on these decisions that Crown has made (or not made) during this critical time in Mill Street's business life that our partnership will rest and not on basic financial reporting and regularity of interest payments.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9



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From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 10, 2020 10:25 AM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Noah, I have removed Trevor and Josh from this email as I felt it more appropriate to express my views directly to you.

I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this.

Tim

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
 Crown Capital Partners Inc.
 Direct 416-640-6798

tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 9, 2020, at 8:57 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Good morning Noah.

My finance team confirmed this morning that the payment has not shown up in our account yet.

Please send me the wire transfer confirmation so that we can track this down with our bank.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 8, 2020, at 4:36 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

I apologize I did not see your email yesterday. You should have received this payment yesterday and certainly by today. I will follow up with the group right now and then get back to you.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This email may contain confidential information, and is intended only for the named recipient and may be privileged. Distribution or copying of this email by anyone other than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 8, 2020 4:15 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah / Trevor,

Please respond to my email regarding payment of the December interest.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 7, 2020, at 11:43 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah, my finance group confirmed receipt of the November interest payment of \$98,630.14. The December

interest payment of \$101,917.81 has not yet been received and is overdue. Please confirm that you are planning to send this amount today as well.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
 Chief Investment Officer
 Crown Capital Partners Inc.
 Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 2, 2020, at 2:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

We are going to make the interest payments on Monday as planned.

I will have Jacob send the specifics on the Fiera deal as well as what we have with CIBC. In addition, Jacob can provide a timeline on the arbitration from this point as well as the details on where the value is going to end up. He is more familiar with the process so can be more specific on the timing.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

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<image001.png>

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From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 2, 2020 11:05 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah,

I didn't hear back from you on my previous email. I am currently out of the office but I would appreciate it if you can update Josh on the Great Northern deal as well as the timing of the overdue November interest payment as well as the December payment which is due today.

Thanks. Tim

Tim Oldfield
 Chief Investment Officer
 Crown Capital Partners Inc.
 416.640.6798

On Dec 20, 2019, at 4:21 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Hi Noah. We should discuss. Are you around on Monday?

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 18, 2019, at 4:53 PM, Noah Murad
<nmurad@millstreetco.com> wrote:

Tim

As I explained to Josh recently and as you are aware, we have been in a contentious situation with TD. We are in the middle of finalizing our deal with Fiera and CIBC for the new term and working capital lines. We are also in arbitration with AI as you know where we will have a ruling on the 25% value by tomorrow.

The money for the buyout has been escrowed and it will be released shortly at which point we will own 100% of GNI. On the 6th of Jan, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.

Noah

On Dec 18, 2019, at 3:47 PM, Tim Oldfield
<tim.oldfield@crowncapital.ca> wrote:

Trevor / Noah,

My finance group confirmed to me that we have not yet received your November interest payment, which was due on December 2nd. This is not the first time that the monthly payment has been late and its not clear to me why timely payment of the interest has been an issue. Based on the correspondence below we were expecting an update from you on Monday.

I would appreciate a response today confirming that the payment has been made.

Thanks.

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:24 AM, Josh Axler
<josh.axler@crowncapital.ca> wrote:

This is **Exhibit "GG"**
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 17, 2020



A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: December-10-18 2:43 PM
To: Noah Murad
Cc: Jacob Murad
Subject: Re: Follow Up

Hi Noah,

Ok thank you. Yes Jacob please send the documents.

Please let me know how the TD discussion goes.

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 10, 2018, at 2:41 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Ok I figured, no problem at all.

Yes, we closed Sauve late on Friday afternoon. I have copied Jacob just in case you would like any specific closing documents.

I am scheduling a meeting with TD bank this week to go over the plans with respect to All Source that I discussed with you on the phone. This meeting is important because the sale of Thorold needs an agreement from TD so I will keep you posted as I get an idea and things become clearer.

Kind regards

NOAH MURAD
president

TEL: [905-764-5465](tel:905-764-5465) ext. 222 CELL: [647-221-7550](tel:647-221-7550)

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From: Josh Axler <josh.axler@crowncapital.ca>

Sent: December 10, 2018 2:37 PM

To: Noah Murad <nmurad@millstreetco.com>

Subject: Re: Follow Up

Hi Noah,

Thanks for following up. We have to organize a few things on our end before we can work through the process with you. I don't expect it to happen before the new year.

Any updates on either of the Fastway sales?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 10, 2018, at 10:30 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Just wanted to follow up on the below. Is this something you guys wanted to make time for before the holidays?

Let me know what you all think is best.

Kind regards,

NOAH MURAD
president

TEL: [905-764-5465](tel:905-764-5465) ext. 222 CELL: [647-221-7550](tel:647-221-7550)

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From: Josh Axler <josh.axler@crowncapital.ca>
Sent: November 30, 2018 12:31 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Hi Noah,

Of course. Chris is out of the office today but I will speak with him and Tim Monday about next steps.

Have a good weekend,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Nov 30, 2018, at 12:29 PM, Noah Murad
<nmurad@millstreetco.com> wrote:

Hi Josh,

Just as a follow up to our discussion yesterday with respect to moving our partnership into your fund.

I have thought about it further and am interested as I said. I do have some questions about specifics of the new terms and how this would work so am wondering what the next steps are with you and the team on how to move it forward.

Please let me know what you think is the best way to move forward.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

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This is **Exhibit "HH"**
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 18, 2020



A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Shane Melanson <shane.melanson@crowncapital.ca>
Sent: August-22-19 10:00 AM
To: Tim Oldfield
Cc: Noah Murad; Josh Axler
Subject: Re: July Interest Payment

Confirming, wire was received last night.

Thanks,

--

Shane Melanson, CPA, CA
Controller
Crown Capital Partners Inc.
Tel: 306-535-6545
shane.melanson@crowncapital.ca
www.crowncapital.ca

On Wed, Aug 21, 2019 at 11:35 AM Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah, Josh forwarded the attached wire payment info that you had provided yesterday. We have not seen the funds hit our account yet and this caused us to look at your wire info more carefully. We noticed that you had entered an errant '8' in the account number. Can you please check in on this and resend the wire using the attached account information. Please confirm

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

--

Shane Melanson, CPA, CA
Controller
Crown Capital Partners Inc.
Tel: 306-535-6545
shane.melanson@crowncapital.ca
www.crowncapital.ca

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

B E T W E E N:

**CROWN CAPITAL PRIVATE CREDIT FUND, LP by its general partner,
CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.**

Applicant

- and -

MILL STREET & CO. INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

SUPPLEMENTARY AFFIDAVIT OF NOAH MURAD

**I, NOAH MURAD, of the Town of Thornhill, in the Province of Ontario,
MAKE OATH AND SAY:**

1. I am the President of the respondent, Mill Street & Co. Inc. (“Mill Street”), and as such, I have knowledge of the matters contained in this affidavit. Where I have been advised of specific facts and events, I believe them to be true.

2. I make this affidavit further to my affidavit, sworn April 18, 2020 (my “First Affidavit”) and in response to the reply affidavit of Tim Oldfield, sworn April 21, 2020 (the “Second Oldfield Affidavit”) and the associated “Aide-Memoire” that purports to summarize the alleged defaults, a copy of which is attached hereto and marked as **Exhibit “A”**– to which I have added a further right hand column providing a summary of our position on the alleged defaults.

3. The defined terms in the within affidavit are the same as those defined in my First Affidavit.

4. At the outset, and as detailed in my First Affidavit and further herein, I would like to note that Mill Street is still in the process of obtaining financing to buyout the Credit Amount from Crown under the Credit Agreement. I expect that a term sheet for the financing may be available in the coming weeks and I undertake to provide any such term sheet for the Court if one is obtained prior to the hearing for the within Application.

The Alleged Defaults by Mill Street

5. Further to my responses to the alleged defaults at paragraphs 154-203 of my First Affidavit, I would like to briefly provide further comments in support of my previous statements related to the defaults alleged by Crown.

6. Since receipt of the Application and Crown's materials, Mill Street has provided Crown with further information and disclosure, including providing all compliance certificates which Crown first raised as an issue through the Demand.

7. Attached as **Exhibit "B"** is an email from Mill Street representatives to Josh, dated April 24, 2020, attaching various compliance certificates and a comfort letter from Mill Street's auditors, Fazzari regarding the EBITDA calculations that are also enclosed.

8. We have also attached a letter at **Exhibit "C"** detailing the fact that Carlo Viola of Fazzari & Partners spoke to Josh Axler of Crown in or about August 2019 and provided responses and answers to all information being sought by Crown at that time, including many of the discrepancies that they are now raising for the first time.

9. With respect to the allegations at paragraph 11(c) of the Oldfield Affidavit, and referenced in the Aide-Memoire, regarding Crown's allegations that Sauve Lumber and Storage Inc. were sold without Crown's written consent, I note that on numerous occasions I was provided with verbal consent and was advised that written consent was not required.

10. Specifically, despite Tim's allegations that no consent was provided by Crown for the sale of Sauve Lumber and Storage Inc., I spoke with Josh during the time of these sales, and provided an outline of the sales to Josh who then provided consent during the course of our calls. In the email attached as **Exhibit "D"**, Josh clearly asked about the "Timmins Sale" which was a reference to the Sauve Lumber sale as it was located in Timmins.

11. With respect to the allegations at paragraphs 11(d)(e)(f)(g)(h)(j) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, since August, 2019, Crown was in direct communication with Mill Street's auditors at Fazzari. Again, this was in part due to Mill Street's change in its controller to Trevor Harris. Neither I, nor Mill Street, had any reason to believe any such issues or discrepancies existed, as none were brought to my attention. With respect to the allegations referenced, I understood that if Crown had any questions or raised any discrepancies that they addressed same directly to Fazzari and, as no issues were thereafter raised with me, I could only assume that Crown was satisfied with the responses they received. Even in the email attached at **Exhibit "E"**, wherein Tim acknowledges that Mill Street's calculations show it to be in covenant with financial calculations, but that his calculations do not support this, Tim did not raise this as a default. Further, I explicitly provided Tim with consent to work with the auditors directly to address any such issues. It is clear from the email that that Mill Street and Crown were working together and exchanging the requested information without any issue.

12. Contrary to paragraph 10 and Exhibit "A" of the Second Oldfield Affidavit, as demonstrated by the email at Exhibit "E", and as stated herein, Tim had my full support and authorization to discuss any calculation issues with the auditors, including addressing if their calculations showed Mill Street to not be in covenant.

13. With respect to paragraphs 11(k) and 18(b) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, as demonstrated by the attached emails at **Exhibit "F"**, in the email from Jacob to Josh and Tim, Mill Street informed Crown of the GNI's ongoing arbitration, final legal documents and breakdown of the transaction. I was provided with verbal consent for the GNI Transaction and despite their clear knowledge of same, there is no record of objection to the GNI Transaction. In an email sent after Crown alleged Mill Street was in default for not having obtained consent for the GNI Transaction, also at Exhibit "F", Josh wrote to me asking about if financing for that very transactions (GNI/Fiera) was closed. Clearly, Josh's email

demonstrates that Crown was aware of the transaction and expecting it to close. This expectation existed because they had consented to Mill Street's completion of the GNI Transaction through financing from Fiera.

14. With respect to paragraph 11(l) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, wherein Crown alleges default of the late payment of November, 2019 interest, in the emails attached as **Exhibit "G"**, it is clear that I followed up with Tim after our email exchange from January, 2020, wherein Tim expressed frustration with respect to the delayed payment, and it was agreed that we would be discussing the payments during a meeting with Crown. In my emails, I also made it clear as to why the payments were delayed due to the GNI Transaction, and offered to meet with Crown to work out the issues. Due to a personal emergency, I was unable to make the meeting that was originally scheduled, and before the rescheduled meeting, Tim sent the first letter alleging Mill Street's default of the Credit Agreement, and raised the interest payments as a default. Neither I, nor Mill Street had any indication that Crown was taking the position that Mill Street was in default of the Credit Agreement given that, as demonstrated by the emails attached, we were in the process of meeting to address terms for future arrangements between the parties.

15. The allegations at paragraph 18(c) and (e) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, were addressed in the recent disclosure report (Exhibit "JJ" to my First Affidavit) delivered to Crown by Fazzari, and addressed in a letter by Fazzari (See Exhibit "C" above).

16. Contrary to the allegations at paragraph 18(f) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, Tim and Josh repeatedly acknowledged to me that the subject covenant was improper and needed to be changed given the current and approved strategy of Mill Street and the growth of GNI. At no point did anyone from Crown indicate to me that they were concerned about Mill Street not meeting the covenant in question. I thereby understood that the covenant was being waived, until at least when it was re-worked.

17. I note that several acquisitions have been made under GNI that could have easily been placed under a different group in order to lessen the concentration in GNI. However, given that no reliance was being made upon this covenant, I did not recognize this as an issue and placed the acquisitions under GNI.

18. With respect to the allegations at paragraph 18(g) of the Oldfield Affidavit, and as referenced in the Aide-Memoire, the non-receipt of the compliance certificates was never once raised as an issue to me or Mill Street prior to the Demand. Given that they had my previous affidavit, it did not seem necessary to provide the compliance certificates but, as Crown continues to raise this technical issue, I have now provided the requested compliance certificates (see Exhibit "B" herein) in technical compliance with the Credit Agreement.

Other Responses to Allegations in the Oldfield Affidavit

19. With respect to communications between Mill Street and Crown after the announcement of COVID-19, Chris called me to insist upon signing an amending or forbearance agreement. At that time, we did discuss entering a forbearance and Mill Street provided Crown with the engagement letter from Cannacord to show that Mill Street was obtaining financing to buy-out Crown. Emails between Chris and I from this time are attached as **Exhibit "H"**.

20. Notably, at the conclusion of my March 25, 2020 email to Chris, further to our earlier conversations, I suggested to him that we agree on a timeline to complete the Crown buy-out within approximately six months. As also indicated by said email, Mill Street and I were surprised as to the Demand being made when we were in the process of discussing and amendment of the Credit Agreement to support the parties' attempts to arrange for financing for the buy-out.

21. With respect to the reference to entering into a forbearance, at the time of the emails referenced at Exhibit "S" of my First Affidavit, Tim's emails below that of mine refer to a call we had a week before, in which we did not discuss the forbearance at all. I was always under the impression that Mill Street and Crown would be working together amicably towards a buy-out as I was in discussions with Cannacord and other lenders at the time.

22. In the emails attached as **Exhibit "I"**, Mill Street was in the process of speaking to a potential lender, Invico Capital Corporation ("Invico"), of which I had advised Tim and Chris (aside from the entity of the lender). Mill Street's discussions with Invico were ongoing as of March, 2020 on the understanding that Mill Street would be buying-out Crown. Ultimately, although discussions with Invico ceased, Mill Street has looked at other financing opportunities as referenced herein (ie. Cannacord and Mosaic - defined below).

23. I did not wish to advise Tim the particulars of our potential lender (Invico) as he had threatened to advise our other lenders (including Fiera), that Crown was alleging we were in default. In addition, negotiating a forbearance agreement was also of no interest to Mill Street as a forbearance would have to be disclose to potential lenders. Instead, as it was our position that we were not in default of the Credit Agreement, we were looking to another lender on the basis that we were current and just looking to refinance.

24. As of mid-April, Mill Street has also explored financing through Mosaic Capital Corporation. Emails regarding financing are attached as **Exhibit "J"**.

25. Mill Street has every intention to refinance the Credit Amount with Crown, and since the discussions with Crown in early 2020, Mill Street has been making efforts to arrange for re-financing of the Credit Amount with Crown.

26. The fact is that all of the defaults are technical in nature and could have been avoided had I been told that Crown was seeking strict reliance upon the terms of the Credit Agreement. To the contrary and as detailed above, I was told the opposite on repeated occasions, and was advised that were eager to continue working with us as our long-term partner.

SWORN before me at the City)
of Vaughan, in the Province of)
Ontario, on April 27, 2020)
(Commissioner *virtually*))
Rene Gaudet)
Commissioner for taking affidavits
Rene Gaudet - 702964



NOAH MURAD

This is Exhibit "~~X~~"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

| ALLEGATIONS (AFFIDAVIT OF TIMOTHY OLDFIELD) | RESPONSE TO ALLEGATIONS (AFFIDAVIT OF NOAH MURAD) | FAILURE OF RESPONSE TO ADDRESS THE ALLEGATIONS | RESPONSE TO ADDRESS THE APPLICANT'S RESPONSES |
|---|---|---|---|
| <p>11.(a) on or about August 28, 2018, the Debtor delivered its first quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 90 days' past due per the deadline set out in section 8.1 of the Credit Agreement.</p> | <p>160 With respect to the first report ... that after the Credit Agreement was closed on May 26, 2018, sixty days later, on July 27, 2018, and within Mill Street's time to deliver same, it delivered its first quarter report to Crown. A copy of the said correspondence, variously dated, and enclosures are attached at Exhibit "AA".</p> <p>169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.</p> <p>170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.</p> <p>171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured.</p> | <p>Pursuant to the section 8.1(c) of the credit agreement (the "Credit Agreement") dated May 16, 2018 between Crown Capital Private Credit Fund, LP ("Crown Capital") and Mill Street & Co. Inc. ("Mill Street"), Mill Street was obligated to provide its first quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter.</u> Mill Street's first quarter for the 2019 fiscal year ended on April 30, 2018. Thirty (30) days after April 20, 2018 is May 30, 2018. <u>The information sent on July 27, 2020 pursuant to Exhibit "AA" was clearly in draft, but, even then, was still late by two months (and the non-draft statements were late by three months, as claimed).</u></p> <p>It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default. Even if the cure period pursuant to section 11(c) of the Credit Agreement applied (which it does not), the default was not remedied by June 30, 2018 as would have been required.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> |
| <p>11.(b) on or about September 17, 2018, the Debtor delivered its second quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 18 days' past due per the deadline set out in section 8.1 of the Credit Agreement.</p> | <p>161 The second quarter financial report ... were then delivered on September 17, 2018. A copy of said correspondence, dated September 17, 2018 and enclosure are attached at Exhibit "BB".</p> <p>169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.</p> <p>170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.</p> <p>171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured</p> | <p>Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its second quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter.</u> Mill Street's second quarter for the 2019 fiscal year ended on July 31, 2018. Thirty (30) days after July 31, 2018 is August 30, 2018. <u>The second quarter report delivered on September 17, 2018 was therefore 18 days' late, as claimed.</u></p> <p>It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> |

| | | | |
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| <p>11.(c) In December 2018, the Debtor breached its obligations under section 9.2(a) of the Credit Agreement by selling Sauve Lumber and Storage Inc., one of the entities in the "Fastway" Portfolio Group, without Crown Capital's prior written consent.</p> | <p>172 ...said consent was provided.</p> <p>173 To that extent, I had hours of phone calls with Josh about selling off of the building supply companies and the structure of these sales and this is confirmed in the email attached at Exhibit "GG", December 10, 2018 where Josh asks for updates on "either Fastway sales". It is obvious that Crown was aware of the sale of Sauve Lumber which it claims was sold without consent. Crown raised no issues when Mill Street confirmed in that same email chain that the transaction had been closed and attached a copy of the Closing documents for the transaction.</p> <p>174 Again, no notice of default was issued in this regard at any time prior to receipt of the April 1, 2020 letter.</p> <p>175 Further and in any event, said alleged default is without merit as Crown was obliged not to withhold reasonable consent under the Credit Agreement and that it would therefore have been required to consent to the transaction referenced in its allegation.</p> <p>176 Mill Street also states that at or around the same time as the alleged default, Crown was in discussion with Mill Street to convert the Credit Agreement and to provide Mill Street further funding as referenced herein. Notably in those communications also, there is no indication of any defaults by Mill Street or issues in the relationship between the parties.</p> | <p>There is nothing in Mr. Murad's explanation, or in Exhibit "GG" itself, to evidence that Sauve Lumber and Storage Inc. was sold with Crown Capital's prior written consent, or that Crown Capital waived such requirement.</p> <p>In any event, section 11.3 of the Credit Agreement expressly provides that <i>"Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or any other Loan Document as a result of any other default or breach hereunder or thereunder."</i></p> | <p>Sauve Lumber and Storage were the "Fastway" company that Exhibit "GG" to the First Murad Affidavit refers to. During this time, evidenced by Exhibit "GG", Crown was in discussions on providing further financing. In addition, a month later, Mill Street was awarded the "Crown Jewel" award from Crown for its performance.</p> |
| <p>11.(d) On or about April 2, 2019, the Debtor delivered its fixed charge covenant calculation of 1.27 for its 2019 fiscal year, which was based on the Debtor's internal financial statements. However, a revised fixed charge covenant calculation was never submitted by the Debtor to Crown Capital to reflect the numbers in the Debtor's audited financial statements for the Debtor's 2019 fiscal year, notwithstanding this matter being brought to the Debtor's attention by Crown</p> | <p>177 ... as demonstrated by correspondence attached ... at Exhibit "CC" throughout April, 2019, Crown confirmed receipt of the report from Mill Street.</p> <p>178 Moreover ... while Crown alleges this default occurred in April, 2019, Mill Street had approached Crown with respect to two potential acquisition transactions and throughout the course of those communications (see Exhibit "GG"...) Crown did not raise issues of this alleged default.</p> <p>179 I do not agree that there is any default in this regard or that Crown ever advised that it required a revision</p> | <p>There is nothing in Mr. Murad's explanation, or in Exhibit "CC" itself, which addresses the fixed charge covenant default.</p> | <p>Exhibit CC refers to attachments to the email that specifically address the fixed charge covenant which Crown is in possession of.</p> <p>This issue never thereafter raised and certainly not notified as a default.</p> <p>Notably at this same time, Crown was preparing a term sheet to provide additional funding to Mill Street for its acquisitions.</p> <p>Fazzari has provided an explanation of same in its correspondence to Crown (Exhibit "C" of the Second Murad Affidavit)</p> |

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| <p>Capital. The calculations performed by Crown Capital and submitted to the Debtor for comment show that, based on the Debtor's audited financial statements for 2019, the Debtor is in breach of its required fixed charge coverage ratio per section 9.1(t)(i) of the Credit Agreement, and the Debtor has failed to provide any response or justification regarding this default to Crown Capital.</p> | <p>to it at any point prior to the April 1, 2020 letter.</p> | | |
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| <p>11.(e) On or about April 3, 2019, the Debtor delivered its fourth quarter financial statements for its 2019 fiscal year to Crown Capital, being approximately 31 days' past due per the deadline set out in section 8.1 of the Credit Agreement.</p> | <p>162 The Credit Agreement provided for the delivery of same within 90 days from the end of the fiscal year, being January 31, and therefore, Mill Street would have had until April 30 to deliver same.</p> <p>163 Attached as Exhibit "CC" is an email chain, dated April 2, 2019 confirming acknowledge of the statements alleged in the default... Notably there were no issues raised with respect to the timeliness of same or Mill Street being in default. In fact, Crown representative indicated that Crown was unable to work on the Mill Street matters as it was devoting attention to another pressing matter.</p> <p>169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.</p> <p>170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.</p> <p>171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured.</p> | <p>Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its fourth quarter financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter.</u> Mill Street's fourth quarter for the 2019 fiscal year ended on January 31, 2019. Thirty (30) days after January 31, 2018 is March 2, 2019. <u>The fourth quarter report delivered on April 3, 2019 was therefore 31 days' late, as claimed.</u></p> <p>It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default. Even if the cure period pursuant to section 11(c) of the Credit Agreement applied (which it does not), the default was not remedied by April 1, 2019, as would have been required.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>In addition, at the time of these allegations, Crown was preparing a term sheet to provide additional funding to Mill Street for its acquisitions.</p> |
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| <p>11.(f) On or about June 17, 2019, the Debtor delivered its first quarter financial statements for its 2020 fiscal year to Crown Capital, being approximately 18 days' past due per the deadline set out in section 8.1 of the Credit Agreement.</p> | <p>164 ...as demonstrated by the correspondence at Exhibit "DD", variously dated in May and June, 2019, in which Mill Street was being approved at around the same time, there was no note of any default or issues with timeliness of the delivery of the reports.</p> <p>165 In addition, at this time, Crown was also aware that Mill Street had a change in its controller and thereby it acknowledged and accepted that there may be some delays for new personnel to be brought to speed with matters. An email introducing the new controller, dated July 22, 2019 is attached as Exhibit "EE".</p> <p>169 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.</p> <p>170 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.</p> <p>171 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured.</p> | <p>Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its first quarter financial statements for its 2020 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter.</u> Mill Street's first quarter for the 2020 fiscal year ended on April 30, 2019. Thirty (30) days after April 30, 2019 is May 30, 2019. <u>The first quarter report delivered on June 17, 2019 was therefore 18 days' late, as claimed.</u></p> <p>It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> |
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| <p>11.(g) On or about July 18, 2019, the Debtor delivered its draft audited financial statements for its 2019 fiscal year to Crown Capital, being approximately 78 days' past due per the deadline set out in section 8.1 of the Credit Agreement. Once delivered, these materials reflected significant discrepancies from the internal financial statements previously provided, thereby constituting one or more further breaches under the Credit Agreement. By way of one notable example, whereas the internal financial statements reflected cash of approximately \$3.8 million, the audited financial statements reflected cash of zero.</p> | <p>180 ...Mill Street denies said allegations.</p> <p>181 First, there were no obligations requiring Mill Street to deliver draft financial statements under the Credit Agreement. As mentioned herein, Crown was aware that Mill Street had a change in controller. As such, Mill Street provided audited statements in lieu of the Credit Agreement reporting requirements, which were accepted by Crown.</p> <p>182 In fact, in this process Mill Street Authorized Crown personnel to speak directly with its auditors. Accordingly, Crown was working directly with the auditors at said time on addressing any discrepancies they believed existed. Crown had complete access to ask the auditors for any and all reports they required. Copies of the emails between the parties, including with Fazzari are attached above at Exhibit "EE".</p> <p>183 Accordingly, and as no notice of any default related to the allegations ... were provided to Mill Street prior to delivery of the April 1, 2020 letter, Mill Street reasonably believed Crown was satisfied with all reporting done by Mill Street and the auditors in this regard.</p> | <p>Pursuant to the section 8.1(a) of Credit Agreement, Mill Street was obligated to provide its audited financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (90) days after the end of such fiscal year</u>. Mill Street's 2020 fiscal year ended on January 31, 2019. Ninety (90) days after January is May 1 2019. <u>The report delivered on June 18, 2019 was therefore 78 days' late, as claimed. Even then, the report was only in draft form. Moreover, no explanation has been given for the significant discrepancies from the internal financial statements previously provided, including, without limitation, the decrease of cash from approximately \$3.8 million to zero.</u></p> <p>Mill Street was obligated under section 8.1(a) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived these defaults.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>As stated in the response – representatives of Crown were speaking directly to Mill Street's auditors. Any delays or discrepancies in the reports, if any, would have been directly caused by the representatives of Crown in their direct discussions and Crown would be fully aware of any such delays.</p> <p>Fazzari has provided an explanation of same in its correspondence to Crown (Exhibit "C" of the Second Murad Affidavit)</p> |
| <p>11.(h) On or about August 9, 2019, the Debtor delivered its audited financial statements for its 2019 fiscal year to Crown Capital, being approximately 100 days' past due per the deadline set out in section 8.1 of the Credit Agreement. Once delivered, these materials were not accompanied by the EBITDA Report (as defined in section 8.1 of the Credit Agreement), including the comfort letter from the auditor that is required by section 8.1 of the Credit Agreement, which EBITDA Report still remains outstanding as of the date of this Affidavit, despite requests from Crown Capital. As set out in section 8.1 of the Credit Agreement, the purpose of the auditor's comfort letter is to confirm that the calculations have been made in accordance with the Credit Agreement and properly reflect the financial information of the Debtor and the Portfolio Companies.</p> | <p>See above.</p> | <p>Pursuant to the section 8.1(a) of Credit Agreement, Mill Street was obligated to provide its audited financial statements for its 2019 fiscal year to Crown Capital <u>no later than thirty (90) days after the end of such fiscal year</u>. Mill Street's 2020 fiscal year ended on January 31, 2019. Ninety (90) days after January is May 1 2019. <u>The report delivered on August 9, 2019 was therefore 100 days' late, as claimed. Even then, it was not accompanied by the EBITDA Report or associated auditor's comfort letter under section 8.1(b), both of which still remain outstanding.</u></p> <p>Mill Street was obligated under section 8.1(a) and 8.1(b) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived these defaults.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>Fazzari has provided an explanation of same in its correspondence to Crown (Exhibit "A" of the Second Murad Affidavit)</p> |

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| <p>11.(l) On or about August 22, 2019, the Debtor made its interest payment for the month of July 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being 22 days' past due per the August 1, 2019 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.</p> | <p>184 ... the payment was sent by Mill Street in a timely manner, but as noted by Tim, there was an error in the wiring instructions such that the payment was not actually received. A copy of that email exchange is set out at Exhibit "HH". The discrepancy was immediately corrected the following day and thereby, if any default existed it was cured promptly.</p> <p>185 I can't help but note that even when Crown provided its initial default letter of January 17, 2020, it did not mention this alleged default.</p> | <p>Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is three (3) Business Days. Exhibit "HH" does not evidence any attempt to pay interest within that cure period.</p> <p>No evidence has been tendered to support Crown Capital having waived this default.</p> | <p>The payment was made on time. The instant it was noted to all parties that the payment was not received, it was cured as evidenced by Exhibit "HH" of the First Murad Affidavit.</p> <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> |
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| <p>11.(j) On or about November 1, 2019, the Debtor delivered its second quarter financial statements for its 2020 fiscal year to Crown Capital, being approximately 62 days' past due per the deadline in the Credit Agreement.</p> | <p>166 ...at the time said reports would have been due, Crown was working directly with Mill Street's auditors and would have had access to any reports it required and were aware this was necessitated due to a change in controller for Mill Street. As such, Crown would have been aware of any delays in the reporting for said time period, and been a participant in said delays.</p> | <p>Pursuant to the section 8.1(c) of Credit Agreement, Mill Street was obligated to provide its second quarter financial statements for its 2020 fiscal year to Crown Capital <u>no later than thirty (30) days after the end of such quarter</u>. Mill Street's second quarter for the 2020 fiscal year ended on July 31, 2019. Thirty (30) days after July 31, 2019 is August 30, 2019. <u>The fourth quarter report delivered on November 1, 2019 was therefore 62 days' late, as claimed.</u></p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> |
| <p>A copy of emails between Mill Street's auditors, Fazzari + Partners LLP ("Fazzan") and members of Crown's team of various dates are attached as Exhibit "FF".</p> | <p>167 Mill Street further states that prior to receipt of the April 1, 2020 letter, there had been no comments or notice with respect to the failure to deliver said report in a timely manner or any previous notice of default with respect to any of these allegations.</p> | <p>It is unclear how Mill Street could have been "unaware" of its default. Mill Street was obligated under section 8.1(c) of the Credit Agreement to report within a specified time period, and failed to do so. No evidence has been tendered to support Crown Capital having waived this default. Even if the cure period pursuant to section 11(c) of the Credit Agreement applied (which it does not), the default was not remedied by September 1, 2019, as would have been required.</p> | <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> |
| <p>168 Under Section 11.(c) of the Credit Agreement, as Mill Street had never been aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.</p> | <p>169 Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.</p> | <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> | <p>In addition, at this time, Mill Street and Crown were discussing a merger between the parties as per Exhibit "K" to the First Murad Affidavit.</p> |
| <p>170 Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any default which may have fleetingly existed, which are denied, were and have been cured.</p> | <p></p> | <p></p> | <p></p> |

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| <p>11.(k) In December 2019, the Debtor breached its obligations under section 9.2(d) of the Credit Agreement by proceeding with a \$9.5 million debt financing with respect to GNI Management Group Inc., the operating company in the "Great Northern" Portfolio Group, without Crown Capital's prior written consent.</p> | <p>186 The default at allegation items (k) to (n) all deal with the time period and circumstances during the GNI Transaction which have been detailed herein, including the delay in making the November and December, 2019 payments of interest to Crown. Mill Street denies any of the default allegations.</p> <p>187 As stated herein, Crown was also aware of and in fact invited to help finance the GNI Transaction. It was also notified of the anticipated delay in payments. Crown made no objections and provided no default notices of the allegations at the time said matters would have transpired.</p> <p>188 The various email chains attached at Exhibits "L", "O" and "P", variously dated, detail the events, including illustrating Crown's knowledge and involvement of the GNI Transaction as well as the benefit of the GNI Transaction to Mill Street's portfolio and thereby, Crown's investment in Mill Street.</p> <p>189 Mill Street received no indication of Crown's opposition to the GNI Transaction and further states that under section 9.2, Crown would have no basis to unreasonably withhold its consent from completion of the transaction.</p> | <p>Crown Capital did not lend any additional monies to finance this transaction, and there is nothing in Mr. Murad's explanation, or in Exhibits "L", "O" or "P", to evidence that the transaction proceeded with Crown Capital's prior written consent, or that Crown Capital waived such requirement. .</p> | <p>Not only has Crown been involved with the transaction itself based on the exhibits contained in the First Murad Affidavit, its entire security position has been improved based on the completion of the transaction.</p> <p>Crown has no basis to unreasonably withhold its consent and has not provided any basis to date for their position.</p> |
| <p>11.(l) On or about January 7, 2020, the Debtor made its interest payment for the month of November 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being approximately 38 days' past due per the December 1, 2019 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.</p> | <p>See above.</p> | <p>Mr.. Murad does not deny that the payment was received on January 7, 2020, being 38 days' late, as claimed. Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is only three (3) Business Days, which was not met.</p> <p>No evidence has been tendered to support Crown Capital having waived this default. To the contrary, Exhibit "P" to Mr. Murad's affidavit includes an email from Mr. Oldfield dated January 10, 2020, as follows:</p> <p><i>"I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this."</i></p> | <p>At the time of the alleged allegations, Mill Street and Crown were in negotiations until November, 2019 to address the funds required for acquisition to avoid arbitration with Mill's partner.</p> <p>When Crown did not come forward with the funds, this caused delay as Mill Street dealt with the fall out of Crown's decision. The transaction Mill Street prepared with Fiera and CIBC, once closed, created the proper solution to make its payments and Crown was aware of this as per Exhibit "P" of the First Murad Affidavit from December 18, wherein Noah stated:</p> <p><i>As I explained to Josh recently and as you are aware, [...] we are in the middle of finalizing our deal with Fiera and CIBC for a new term loan [...] on January 6, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.</i></p> <p>Payment of the interest amounts was completed after the closing occurred as had been promised by Mill Street.</p> |

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| <p>18.(a) On or about January 22, 2020, the Debtor made its interest payment for the month of December 2019 to Crown Capital after multiple follow-up requests by Crown Capital, being approximately 22 days' past due per the January 1, 2020 deadline set out in section 4.2 of the Credit Agreement, and in further breach of the ability to cure such default within three business days, as set out in section 11.1(b) of the Credit Agreement.</p> | <p>See above.</p> | <p>Mr.. Murad does not deny that the payment was received on January 22, 2020, being 22 days' late, as claimed. Pursuant to section 11.1(b) of the Credit Agreement, the cure period for the failure to pay interest is only three (3) Business Days, which was not met.</p> <p>No evidence has been tendered to support Crown Capital having waived this default. To the contrary, Exhibit "P" to Mr. Murad's affidavit includes an email from Mr. Oldfield dated January 10, 2020, as follows:</p> <p><i>"I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this."</i></p> | <p>See above</p> |
| <p>18.(b) In January 2020, the Debtor breached its obligations under sections 9.2(j) and 9.3(a)(ii) of the Credit Agreement by acquiring the remaining 25% ownership position in GNI Management Group Inc., the operating company in the "Great Northern" Portfolio Group, for an amount above the Permitted Portfolio Acquisition (as defined in the Credit Agreement) without Crown Capital's prior written consent.</p> | <p>See above.</p> | <p>Crown Capital did not lend any additional monies to finance this transaction, and there is nothing in Mr. Murad's explanation, or in Exhibits "L", "O" or "P", to evidence that the transaction proceeded with Crown Capital's prior written consent, or that Crown Capital waived such requirement or the breach of the Permitted Portfolio Acquisition.</p> | <p>See above.</p> <p>As previously indicated, under the Credit Agreement, Crown was required to not unreasonably withhold its consent. There is no evidence to support that there was any reasonable basis for withholding consent on the part of Crown.</p> |
| <p>18.(c) For the fiscal year ended January 31, 2020, the Debtor made non-arm's length payments and distributions in excess of \$1,000,000, which:</p> <p>(i) is prohibited by sections 1.1(aaaa) and 9.2(h) of the Credit Agreement if a Pending Event of Default or Event of Default (as both terms are defined in the Credit Agreement) has occurred or is occurring (as was and remains the case); and</p> <p>(ii) even in the absence of a Pending Event of Default or Event of Default, is still prohibited without payment of a prescribed 5% fee to Crown Capital that is required by section 3.4 of the Credit Agreement, which payment was never made by the Debtor to Crown Capital</p> | <p>190 ... this is the first time Mill Street has been made aware of the issue, and I do not accept that there was a default of pending event of default – especially not as of the dates of the payments.</p> <p>191 In any event, under the Credit Agreement, Mill Street would have 30 days to cure any actual default. Mill Street is still involved in a back and forth with Josh investigating the allegations and if in fact, this allegation has merit, Mill Street will make payment of the 5% fee to Crown if determined to be validly owing. Attached hereto and marked as Exhibit "II" is a copy of our email exchange in this regard.</p> | <p>The default pursuant to section 18.(c)(i) of the Credit Agreement is not curable, and no cure period applies.</p> <p>With respect to the default pursuant to section 18.(c)(ii), even if a cure period of 30 days did apply, the default was not remedied within such time period. Exhibit "II" does not evidence any waiver of Mill Street's default pursuant to the Credit Agreement.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>Since being notified of the alleged default, Mill Street has provided further financial information to Crown, including at Exhibit "JJ" of the First Murad Affidavit and has indicated that it will work with Crown to explain the subject transactions being complained of.</p> |

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| <p>18.(d) On or about February 16, 2020, the Debtor submitted its annual business plan to Crown Capital, being approximately 47 days' past due per the January 1, 2020 deadline set out in section 8.1 of the Credit Agreement. Even once submitted, the business plan was incomplete and unsatisfactory to Crown Capital, contrary to section 8.1 of the Credit Agreement. Notwithstanding a follow-up by Crown Capital, the Debtor has still not provided the missing information to Crown Capital.</p> | <p>192 ... Mill Street was preparing its business plan in the last quarter of 2019 which included potential investment from Crown or another entity to complete the GNI Transaction as well as dealing with the potential change in structure to the relationship between Mill Street's arrangement with Crown. However, as there was uncertainty in the plan due to Crown being non-committal about their investment as well as the potential change in their relationship with Mill Street as I have described above, this caused an obvious delay in our ability to finalize same. In any case, Mill Street did provide the business plan in a timely manner in these circumstances.</p> <p>193 Once again, with respect to any further information requested by Crown, we would have 30 days to provide same from such request (i.e. by April 20, 2020) before we would be in default. That information is attached hereto at Exhibit "JJ".</p> | <p>Mr. Murad does not deny that the annual business plan was delivered 47 days' late, as claimed, and that it was also incomplete, as also claimed.</p> <p>The failure to provide a complete business plan when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the incomplete information.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publicly traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>Disclosure of the business plans were made by email and in addition, Mill Street has provided further financial information to Crown, including at Exhibit "JJ" of the First Murad Affidavit, which further provides information supporting Mill Street's business plan.</p> |
| <p>18.(e) On or about March 6, 2020, the Debtor submitted inaccurate covenant calculations to Crown Capital for the period ended January 31, 2020, thereby inaccurately representing the Debtor's financial information. Despite Crown Capital having advised that the methodology was inaccurate and inaccurately represented the Debtor's financial information, the Debtor has still failed as of the date hereof to submit revised and accurate covenant calculations to Crown Capital. The calculations performed by Crown Capital, which were provided to the Debtor, show that the Debtor is in breach of its required fixed charge coverage ratio per section 9.1(t)(i) of the Credit Agreement, and the Debtor has failed to provide any response or justification for this default to Crown Capital.</p> | <p>194 ... as demonstrated by the email at Exhibit "KK", dated March 5, 2020, Mill Street has offered all financial information supported by its accountants to represent the calculations provided and to show that there is no breach in that regard.</p> <p>195 With respect to any subsequent requests for information or alleged default, the first allegation of same was the April 1, 2020 letter and Mill Street would still be within its 30-day period to respond to any such request (and has now done so as set out at Exhibit "JJ") and hence there is no default.</p> | <p>Exhibit "KK" only contains an email dated January 31, 2020, which does not reflect the email that Mr. Murad describes.</p> <p>In any event, the failure to provide accurate covenant calculations when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the inaccurate information.</p> | <p>Exhibit "KK" to the First Murad Affidavit refers to attachments which are in Crown's possession.</p> <p>Fazzari has provided an explanation of same in its correspondence to Crown (Exhibit "C" of the Second Murad Affidavit)</p> <p>In addition Mill Street has provided further financial information to Crown, including at Exhibit "JJ" of the First Murad Affidavit, which explains the fixed covenant issue.</p> |

| | | | |
|---|---|---|---|
| <p>18.(f) At all relevant times, the Debtor has been (and remains) in breach of the requisite EBITDA concentration stipulated in section 9.1(t)(ii) of the Credit Agreement, the result of which is that the Debtor's share of one single Portfolio Group, namely the "Great Northern" Portfolio Group, has consistently exceeded 50% of the Debtor's share of the aggregate EBITDA of all the Portfolio Groups.</p> | <p>196 ...if there was a default in this regard, the first notice we received of it would be the April 1, 2020 letter, and Mill Street would still be within its 30-day period to cure any such default.</p> <p>197 In this regard, I have discussed the calculations with Josh and Tim and noted to them that this covenant as originally drafted in the Credit Agreement was not suitable and needed to be restructured as GNI added significant growth to Mill Street and other portfolio companies, based on Chris' advice, had been discontinued or sold.</p> <p>198 In this email exchange from prior to the Credit Agreement, Tim acknowledged that the covenant referenced was flawed and it was noted that if GNI continued its growth at the time, the referenced calculation in the covenant would need to be changed.</p> <p>199 A copy of correspondence exchange in this regard, dated May 12- 13, 2018 is attached as Exhibit "LL".</p> <p>200 I am advised by Mill Street's controller, Trevor Harris, that in a meeting between Mill Street and Crown representatives, it was made clear that there was no expectation from Crown that this covenant would be met and in fact, acknowledged that this covenant should be changed. Once again, although Mill Street was never within the covenant as contemplated, Crown had never raised a concern with same.</p> | <p>Mr. Murad acknowledges that "<i>Mill Street was never within the covenant as contemplated.</i>"</p> <p>Pursuant to section 11.1(c) of the Credit Agreement, no cure period applies to the failure of Mill Street to be in compliance with any financial covenants set forth in section 9.1(t) of the Credit Agreement.</p> <p>Exhibit "LL" does not evidence any waiver of Mill Street's default pursuant to the Credit Agreement.</p> <p>Exhibit "LL" was is also dated prior to the Credit Agreement and was not incorporated into the Credit Agreement.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>At all times, the alleged breach of this covenant was directly caused by Mill Street acting in direct compliance of the directives being provided to it by Crown</p> |
| <p>18.(g) At all relevant times, the Debtor has been (and remains) in breach of the requisite obligation to submit compliance certificates executed by its President, Mr. Murad, as required by sections 8.1(e) and 8.2 of the Credit Agreement.</p> | <p>201 ...despite two years having elapsed, Crown has never raised the issue of compliance certificates not being submitted as a default. Crown accepted the default. Alternatively, if there was a default in this regard, as of the date of the April 1, 2020 letter, Mill Street would still be within its 30-day period to cure any such default, however, providing compliance certificates seems rather silly at this point.</p> | <p>The failure to provide the compliance certificates when due does not entitle Mill Street to benefit from an additional 30 day cure period in respect of the missing compliance certificates.</p> <p>Contrary to Mr. Murad's assertion that "<i>providing compliance certificates seems rather silly at this point,</i>" it is noteworthy that Mr. Murad has still not provided compliance certificates executed by him.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> <p>Compliance certificates were provided via email (Exhibit "A" to the Second Murad Affidavit), such that any such default would have been cured.</p> |

| | | | |
|--|---|--|---|
| <p>18.(h) At all relevant times, the Debtor has failed to provide any notice to Crown Capital of a Pending Event of Default or Event of Default, as required by section 9.1(h) of the Credit Agreement, notwithstanding that such events of default have clearly occurred, as detailed above in this Affidavit. This raises concern that there may also be additional defaults not known to Crown Capital as a result of the Debtor's lack of transparency.</p> | <p>202 Finally, with respect to item (t) and Mill Street allegedly, having failed to inform Crown of a pending default, in light of the alleged events, Crown was always kept apprised of Mill Street's acquisitions and operations through verbal and other communication, including instances whereby Mill Street would need to delay monthly interest payments, or make transactions such as the GNI Transaction. Crown was always aware of Mill Street's actions, and accordingly, and of the defaults which it now alleges.</p> | <p>Mr. Murad still denies the defaults even now, in clear breach of Mill Street's reporting obligations in respect of same under the Credit Agreement.</p> | <p>At no time prior to the default letter as of January, 2020, has a default notice ever been provided to Mill Street.</p> <p>Pursuant to section 11(c), Mill Street would have an opportunity to cure any alleged default matters. To hold Mill Street to be "aware" of the alleged default just by virtue of the Credit Agreement would defeat the purpose of section 11(c) of said agreement.</p> <p>Notably, as Crown Capital is a publically traded institution, they would have to provide a notice letter noting default and publicize same on their public filings on SEDAR, which has never been done.</p> |
|--|---|--|---|

39666469.1

This is Exhibit "B"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

Allan Kamerman
Chief Financial Officer

<image001.jpg>

7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

From: Allan Kamerman
Sent: April 24, 2020 7:15 PM
To: 'Josh Axler' <josh.axler@crowncapital.ca>
Cc: Trevor Harris <tharris@millstreetco.com>
Subject: Mill Street Compliance Certificates

Hi Josh

Please find the compliance certificates for the quarterly reporting periods since the commencement of the loan together with the comfort letter from our Auditors on the January 31, 2019 reporting.

Regards

Allan Kamerman
Chief Financial Officer

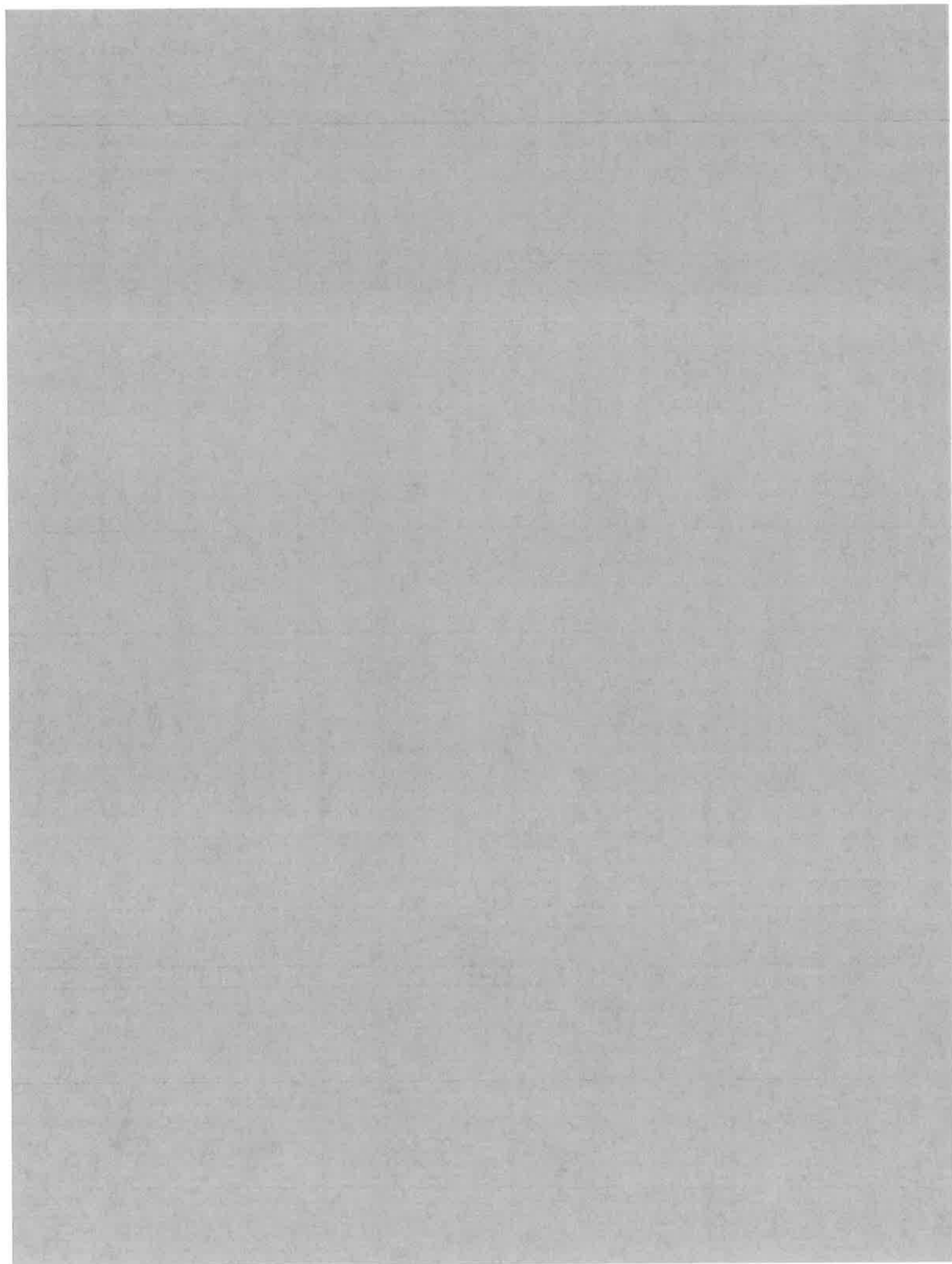
<image001.jpg>

7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

<Compliance Certificate 2019-07.pdf>
<Compliance Certificate 2019-10.pdf>
<Compliance Certificate 2020-01.pdf>
<Comfort Letter Mill St EBITDA.pdf>
<Compliance Certificate 2018- 04.pdf>
<Compliance Certificate 2018-07.pdf>
<Compliance Certificate 2018-10.pdf>

<Compliance Certificate 2019-01.pdf>

<Compliance Certificate 2019-04.pdf>





To Whom it May Concern:

Mill Street & Co. Inc. (the "Company")

We refer to the credit agreement between the above Company and Crown Capital Private Credit Fund, LP dated May 16, 2018. We are the auditors of the Company's Consolidated financial statements for the year ended January 31, 2019.

We are providing this comfort letter as required per Section 8.1(b) regarding the calculations of Portfolio EBITDA.

We have reviewed the attached Portfolio EBITDA calculation and in our opinion the calculation at January 31, 2019 has been made in accordance with the requirements set out in Section 3.3(b) to the agreement.

Fazzari + Partners

FAZZARI + PARTNERS LLP

Chartered Professional Accountants

Licensed Public Accountants

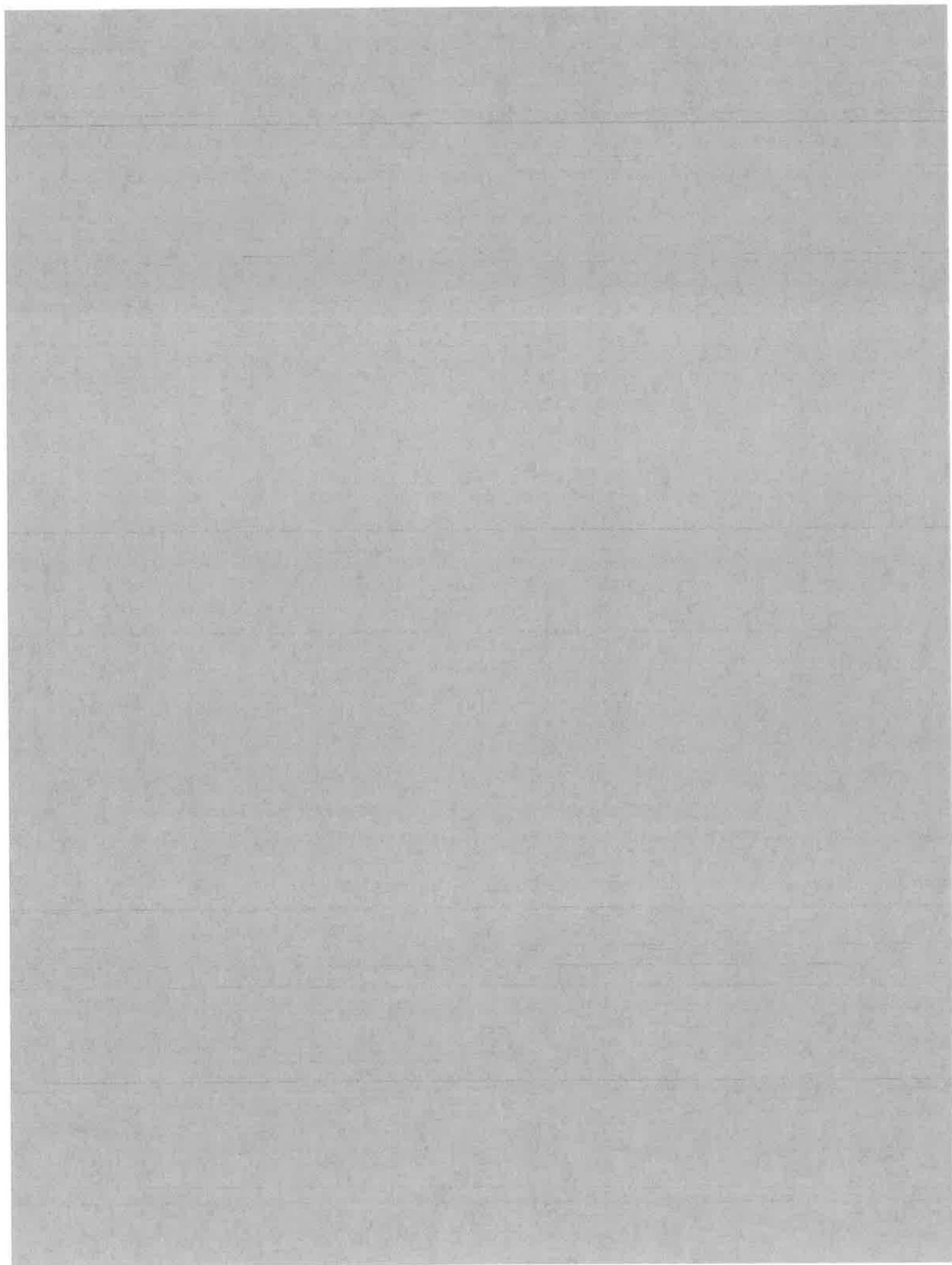
Vaughan, ON

April 24, 2020

| Interest | Taxes | Amortization (PPE) | Amortization (Intangibles) | EBITDA | Extraordinary Items per FS | | | | Adjusted EBITDA | EBITDA attributable to | | |
|------------------|-----------------|-----------------------|-------------------------------|---------------------|----------------------------|-----------------------|----------------------|-------------------|---------------------|------------------------|---------------------|-------------|
| | | | | | Discontinued operations | Gain on disposal | Other items (Note 1) | Other (Note 2) | | Ownership | Mill Street | |
| 67,169.04 | - | - | - | 136,937.31 | (48,239.99) | - | - | - | 88,697.32 | 60% | 53,218.39 | 1% |
| 41,803.38 | - | 36,736.16 | - | 141,348.62 | - | - | 1,500.00 | - | 142,848.62 | 100% | 142,848.62 | 3% |
| 88,461.85 | (72,535.00) | 290,444.59 | - | 343,733.16 | - | - | (60,000.00) | 300,000.00 | 583,733.16 | 100% | 583,733.16 | 12% |
| 41,846.99 | - | - | - | (72,077.02) | 146,094.39 | - | 9,999.39 | - | 84,016.76 | 100% | 84,016.76 | 2% |
| 44,163.44 | (31,942.64) | 1,492,700.18 | 270,600.00 | 3,319,156.04 | - | - | 501,000.00 | - | 3,820,156.04 | 75% | 2,865,117.03 | 57% |
| 11,251.42 | - | 70,717.00 | - | 125,786.38 | - | - | - | - | 125,786.38 | 95% | 119,497.06 | 2% |
| 34,304.12 | - | - | - | (3,199,778.47) | - | - | 784,700.00 | 426,067.92 | (1,989,010.55) | 100% | (1,989,010.55) | -40% |
| 23,862.75 | - | 298,860.69 | - | (6,533,014.79) | 8,339,606.50 | (1,061,001.84) | 852.00 | - | 746,441.87 | 100% | 746,441.87 | 15% |
| 6,490.14 | - | - | - | (709,930.34) | 712,806.67 | - | - | - | 2,876.33 | 95% | 2,732.51 | 0% |
| 69,380.26 | (3,849.00) | 258,427.11 | - | 877,365.57 | 349,303.94 | - | - | - | 1,226,669.51 | 50% | 613,334.76 | 12% |
| 55,328.54 | 109,720.00 | - | - | 4,944,848.70 | 668,523.92 | (2,609,354.70) | - | - | 3,004,017.92 | 60% | 1,802,410.75 | 36% |
| 84,061.93 | 1,393.36 | 2,447,885.73 | 270,600.00 | (625,624.84) | 10,168,095.43 | (3,670,356.54) | 1,238,051.39 | 726,067.92 | 7,836,233.36 | | 5,024,340.36 | 100% |
| FS | FS | FS | FS | | FS Note 21 | FS Note 21 | FS Note 21 | | | | | |

are as follows:
 (Mill Street (unconsolidated);
 Group)

inary items of \$426,067.92;
 ordinary items of \$300,000.00



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: Crown Capital Private Credit Fund, LP (the "Lender")
c/o Crown Capital Partners Inc.
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: MILL STREET & CO. INC. (the "Borrower")

RE: Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")

DATE: April 30 2018

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate **[[except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]**

The attached financial statements for the **quarter ending April 30 2018** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of April 30 2018:

The Fixed Charge Coverage Ratio was 4.71:1, calculated as follows:

| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$1,211,900 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$257,200 |
| (i) divided by (ii) | 4.71 |

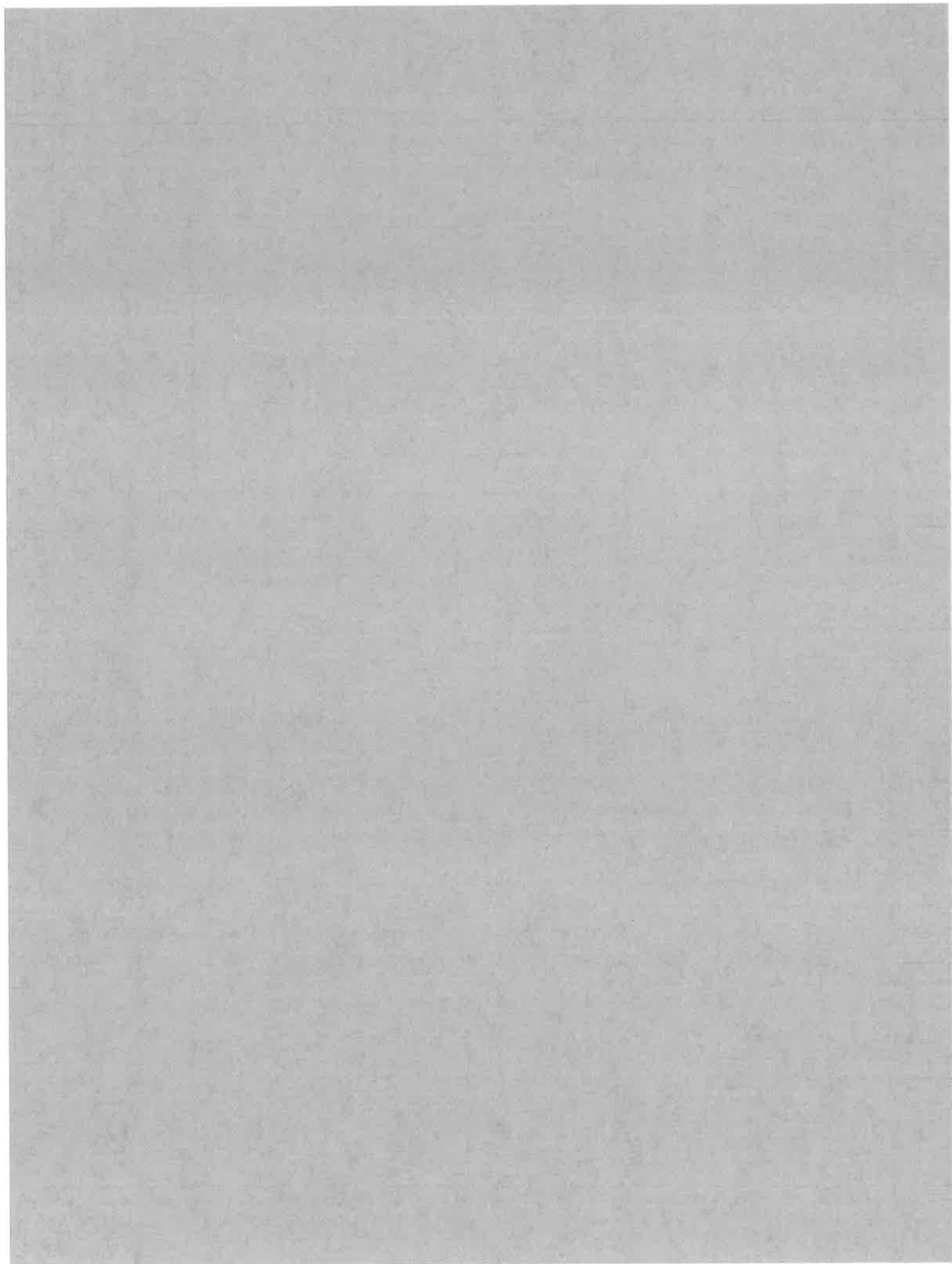
The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:



Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: **Crown Capital Private Credit Fund, LP (the "Lender")**
c/o **Crown Capital Partners Inc.**
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: **MILL STREET & CO. INC. (the "Borrower")**

RE: **Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")**

DATE: **July 31 2018**

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate **[[except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]**

The attached financial statements for the **Fiscal Quarter ending July 30 2018** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of July 31 2018:

The Fixed Charge Coverage Ratio was 1.76:1, calculated as follows:

| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$1,445,000 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$822,400 |
| (i) divided by (ii) | 1.76 |

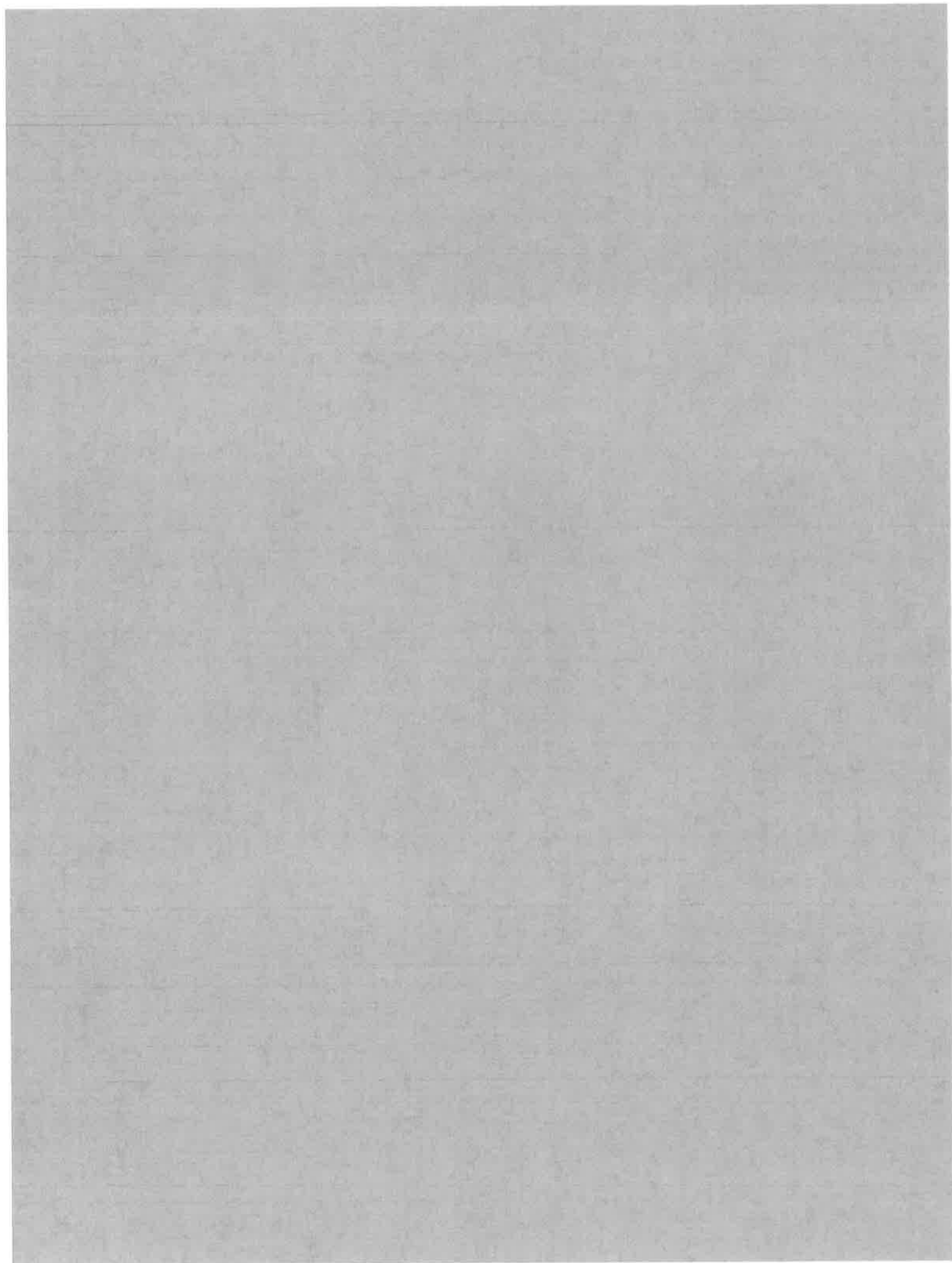
The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:



Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: Crown Capital Private Credit Fund, LP (the "Lender")
c/o Crown Capital Partners Inc.
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: MILL STREET & CO. INC. (the "Borrower")

RE: Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")

DATE: October 31 2018

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the Fiscal Quarter ending October 31, 2018 fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in

this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

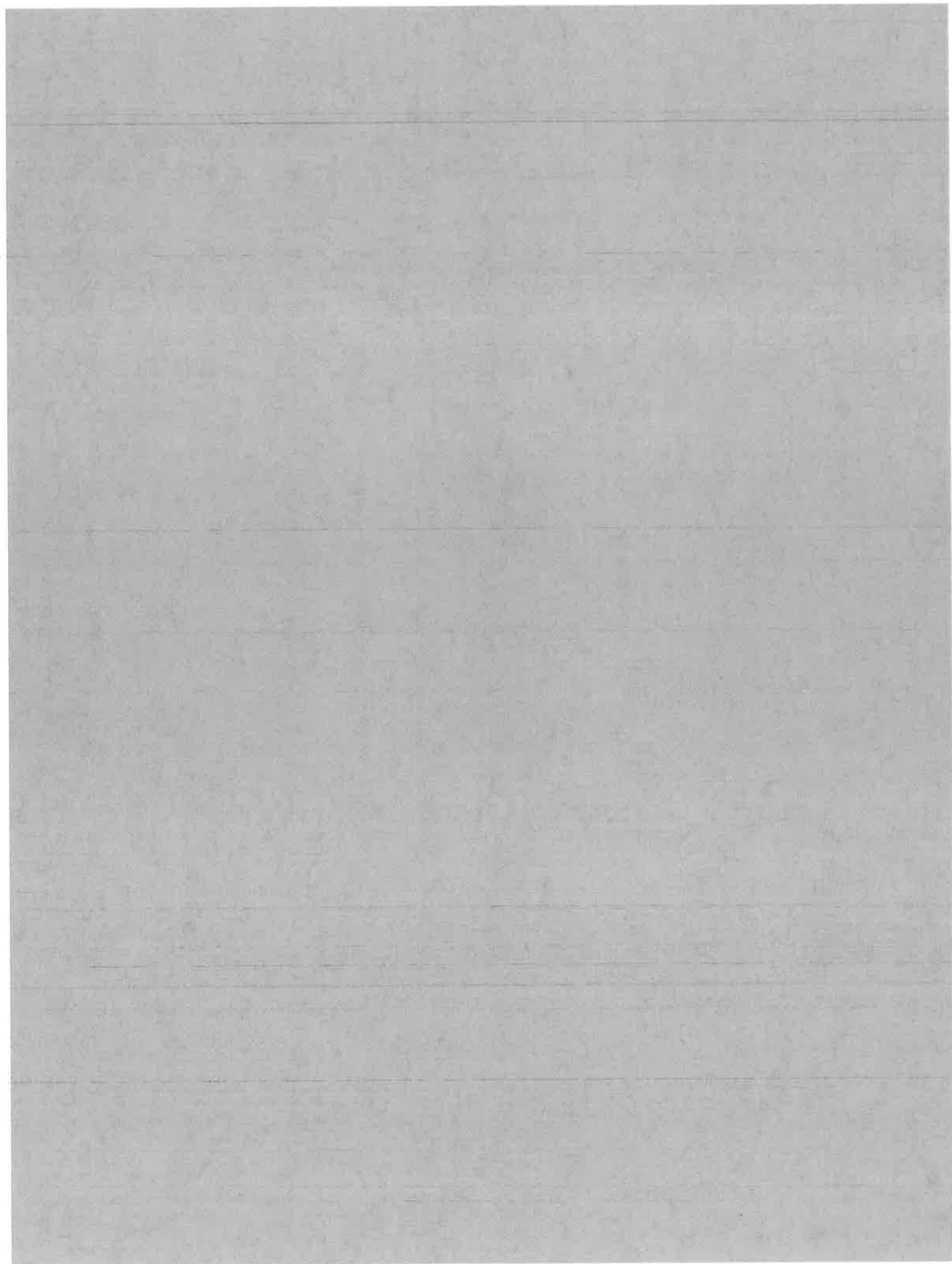
As of October 31 2018:

The Fixed Charge Coverage Ratio was 1.41:1, calculated as follows:

| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$2,036,800 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$1,448,300 |
| (i) divided by (ii) | 1.41 |

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per: 
Name:
Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: Crown Capital Private Credit Fund, LP (the "Lender")
c/o Crown Capital Partners Inc.
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: MILL STREET & CO. INC. (the "Borrower")

RE: Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")

DATE: January 31 2019

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the Fiscal Year ending January 31 2019 fairly present in all material respects the information contained in such financial statements, and such financial statements, and

all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of January 31 2019:

The Fixed Charge Coverage Ratio was 1.27:1, calculated as follows:

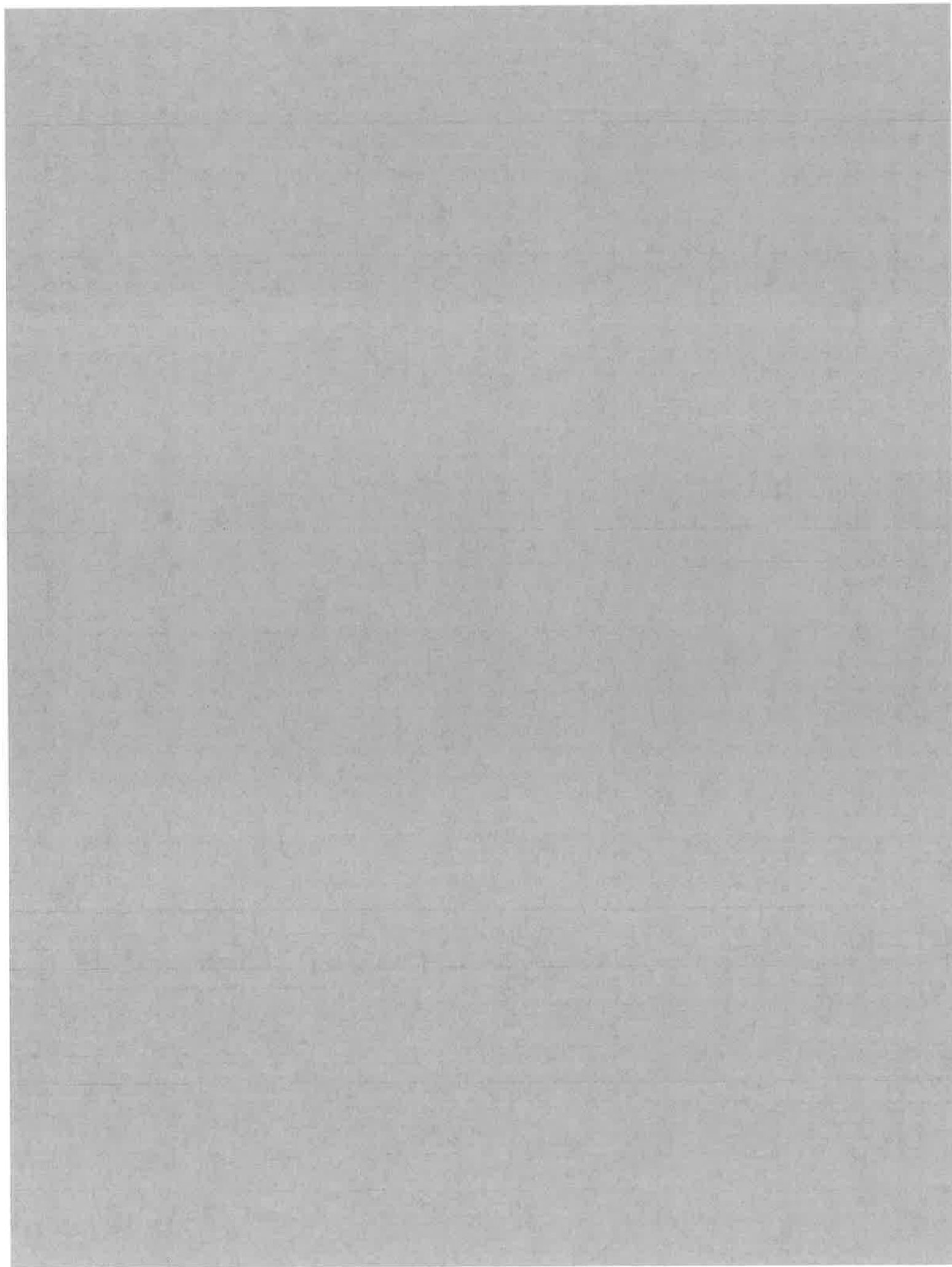
| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$2,624,000 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$2,071,400 |
| (i) divided by (ii) | 1.27 |

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per: 

Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: **Crown Capital Private Credit Fund, LP (the "Lender")**
c/o **Crown Capital Partners Inc.**
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: **MILL STREET & CO. INC. (the "Borrower")**

RE: **Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")**

DATE: **April 30 2019**

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: **Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.**]

The attached financial statements for the **Fiscal Quarter ending April 30, 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of April 30 2019:

The Fixed Charge Coverage Ratio was 2.98:1, calculated as follows:

| | |
|---|-----------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | 1,872,300 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$629,100 |
| (i) divided by (ii) | 2.98 |

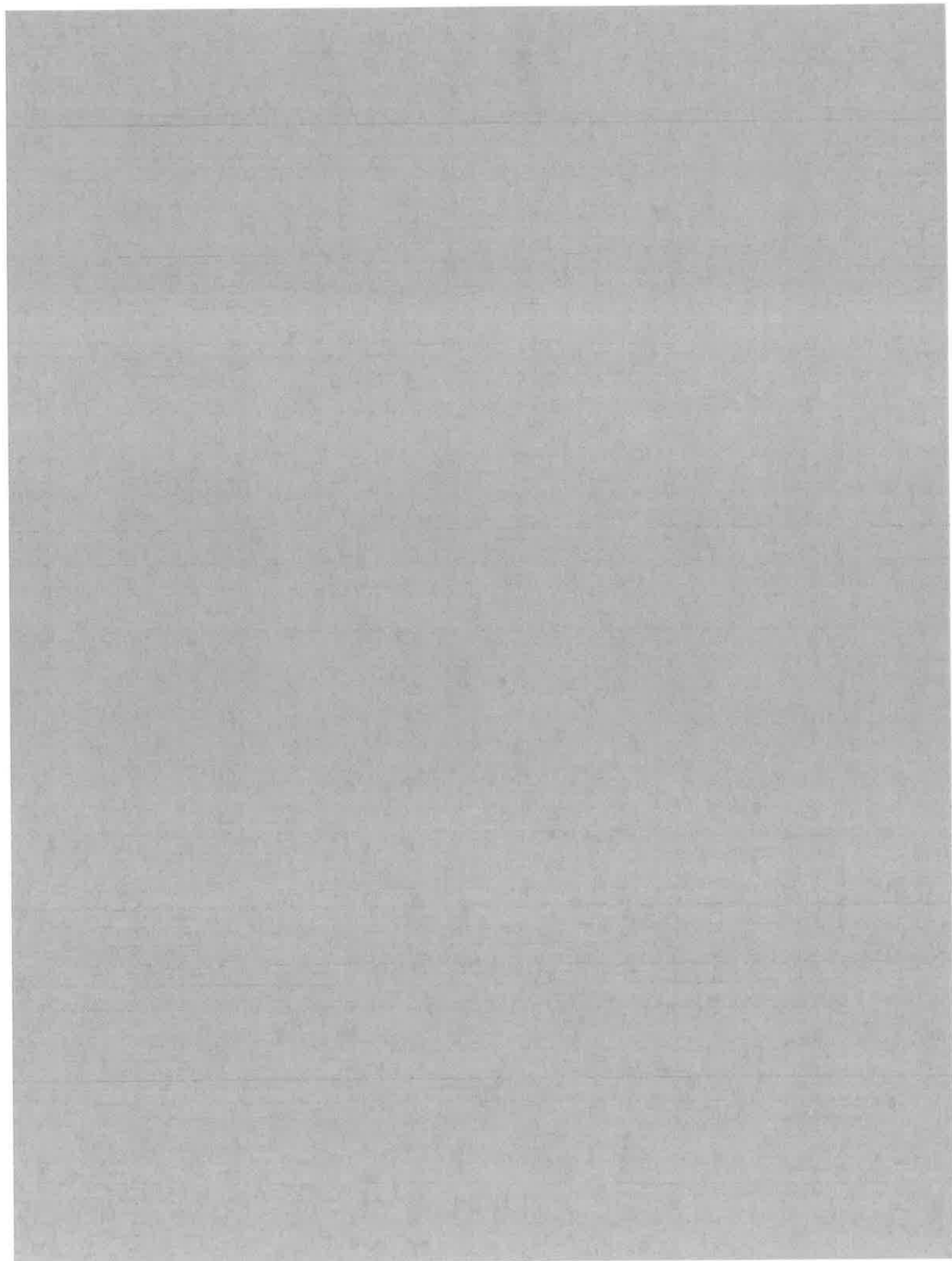
The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:



Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: **Crown Capital Private Credit Fund, LP (the "Lender")**
c/o **Crown Capital Partners Inc.**
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: **MILL STREET & CO. INC. (the "Borrower")**

RE: **Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")**

DATE: **July 31 2019**

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: **Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.**]

The attached financial statements for the **Fiscal Quarter ending July 31 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of July 31 2019:

The Fixed Charge Coverage Ratio was 1.47:1, calculated as follows:

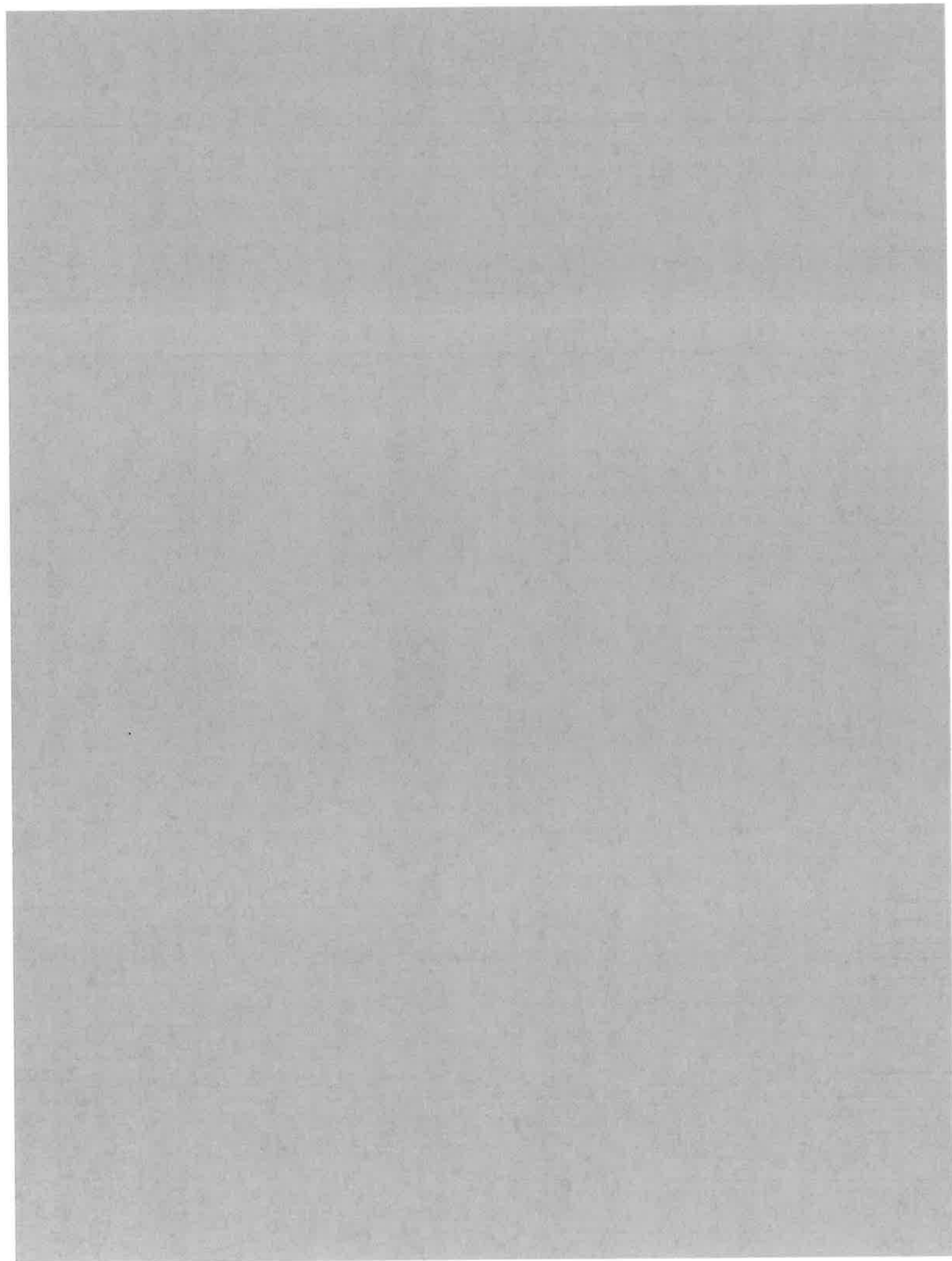
| | |
|---|-----------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$754,700 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$511,900 |
| (i) divided by (ii) | 1.47 |

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per: 

Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: **Crown Capital Private Credit Fund, LP (the "Lender")**
c/o **Crown Capital Partners Inc.**
Suite **4330, 77 King Street West**
Toronto, ON M5K 1H6

Attention: **Chris Johnson**
Fax No.: **chris.johnson@crowncapital.ca**

FROM: **MILL STREET & CO. INC. (the "Borrower")**

RE: **Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")**

DATE: **October 31 2019**

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.]

The attached financial statements for the **Fiscal Quarter ending October 31 2019** fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of October 31 2019:

The Fixed Charge Coverage Ratio was 3.1:1, calculated as follows:

| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$2,692,600 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$867,400 |
| (i) divided by (ii) | 3.1 |

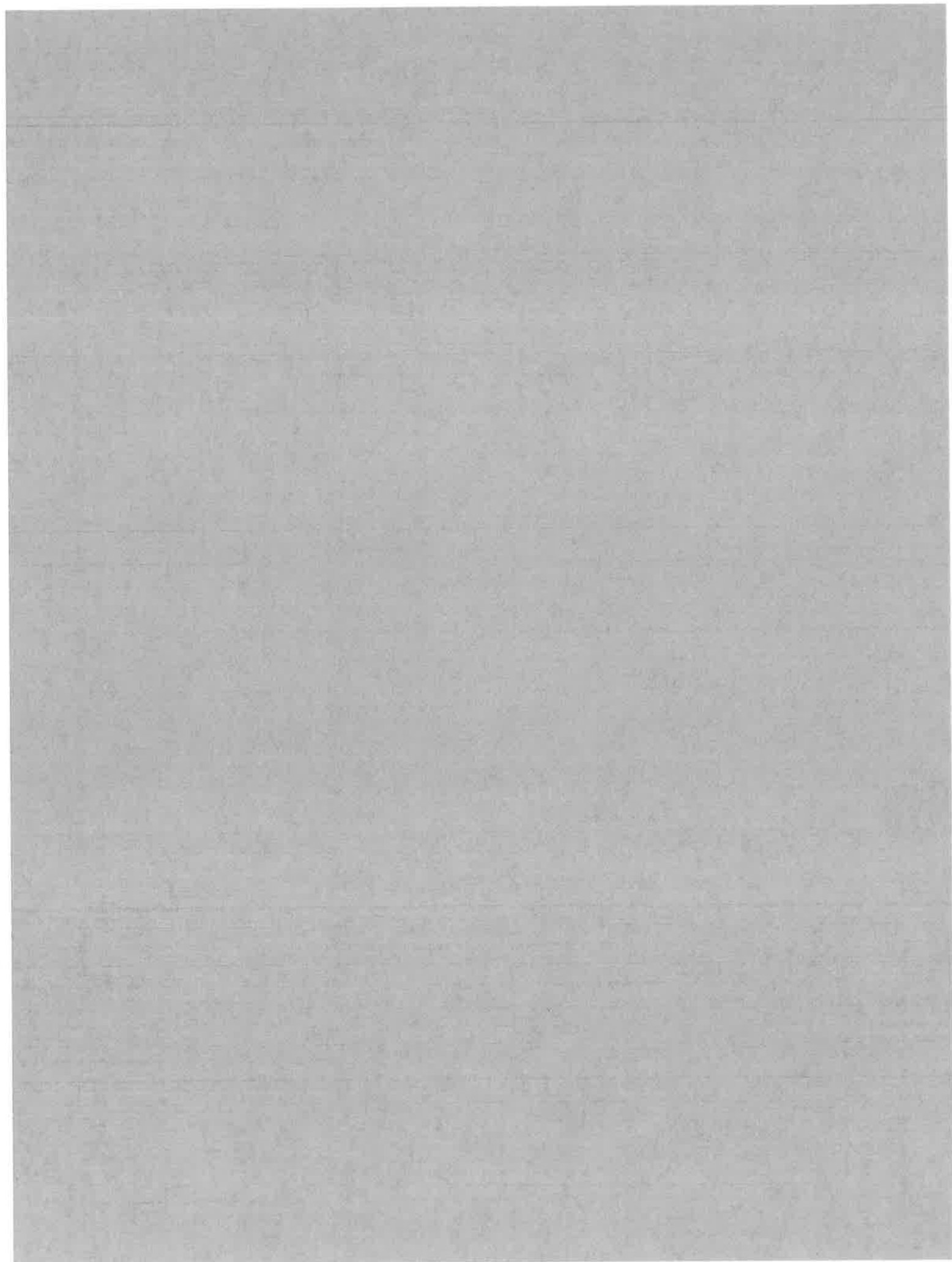
The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

Per:



Name:

Title:



SCHEDULE ERROR! REFERENCE SOURCE NOT FOUND.

COMPLIANCE CERTIFICATE

TO: **Crown Capital Private Credit Fund, LP (the "Lender")**
c/o **Crown Capital Partners Inc.**
Suite 4330, 77 King Street West
Toronto, ON M5K 1H6

Attention: Chris Johnson
Fax No.: chris.johnson@crowncapital.ca

FROM: **MILL STREET & CO. INC. (the "Borrower")**

RE: **Credit Agreement dated as of May 16, 2018, made between the Borrower, as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Credit Agreement")**

DATE: **January 31 2020**

The undersigned, the President of the Borrower, hereby certifies, in that capacity and without personal liability, that:

I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower and Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.

I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower and the Obligors with their covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.

The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date

All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except: **Section 9.1(t)(ii). The explanation for the result has been discussed with Crown Capital Partners management, has been accepted and compliance of this covenant has been waived.**]

The attached financial statements for the **Fiscal Year ending January 31 2020** fairly present in all material respects the information contained in such financial statements, and such financial statements, and

all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

As of January 31 2020:

The Fixed Charge Coverage Ratio was 1.52:1, calculated as follows:

| | |
|---|-------------|
| Sum of items in (i) of definition of Fixed Charge Coverage Ratio | \$2,725,000 |
| Sum of items in (ii) of definition of Fixed Charge Coverage Ratio | \$1,797,900 |
| (i) divided by (ii) | 1.52 |

The Borrower's share of a single Portfolio Group does not exceed 50% of the Borrower's share of the aggregate EBITDA of all of the Portfolio Groups.

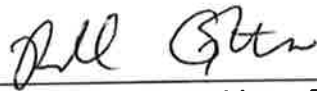
Per:



Name:

Title:

This is Exhibit "C"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

Rahul Gandotra

From: Rahul Gandotra
Sent: April-27-20 3:50 PM
To: Rahul Gandotra
Subject: FW: Crown

Begin forwarded message:

From: Carlo Viola <carlo@fazzaripartners.com>
Date: April 27, 2020 at 3:37:29 PM EDT
To: Jacob Murad <jmurad@millstreetco.com>
Cc: Roy Murad <rmurad@millstreetco.com>, Eric Barrett <E.barrett@fazzaripartners.com>
Subject: RE: Crown

Good afternoon Jacob,

I have copied Eric B. from our office on this too.

Crown did reach out to us in the month of August to review some financial statement details. We answered all their questions. Based on my email history log, the last communication we had with Crown was with Josh Axler on August 26, 2019. After that, we did not receive any communication from Crown.

Yours truly,



View our most recent publications

Confidentiality Disclaimer



Carlo Viola, CPA, CA
Partner
T: 905.738.6402 carlo@fazzaripartners.com

Fazzari + Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

3300 Highway 7, Suite 901, Vaughan, Ontario L4K 4M3
F: 905 660.7228 fazzaripartners.com

From: Jacob Murad <jmurad@millstreetco.com>
Sent: Monday, April 27, 2020 1:48 PM
To: Carlo Viola <carlo@fazzaripartners.com>
Cc: Roy Murad <rmurad@millstreetco.com>
Subject: Re: Crown
Importance: High

Carlo,

As per our discussions, did Crown reach out to yourself or Fazarri in August 2019 to ask questions pertaining to Mill Street's audited financial statements and had you heard from Crown since?

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & CO.

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This is Exhibit "D"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

From: [Noah Murad](#)
To: [Jacob Murad](#)
Subject: FW: Fastway
Date: Tuesday, April 21, 2020 4:50:11 PM
Attachments: [image001.png](#)

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9



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From: Noah Murad
Sent: November 29, 2018 4:06 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: RE: Fastway

Hi Josh,

Please see below.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9



This email may contain confidential information, and is intended only for the named recipient and may be privileged. Distribution or copying of this email by anyone other than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Josh Axler <josh.axler@crowncapital.ca>

Sent: November 29, 2018 3:59 PM

To: Noah Murad <nmurad@millstreetco.com>

Subject: Fastway

Hi Noah,

Thanks for the time today. Quick clarification from our call. After the Timmins and Thorald sale what is the expected remaining senior and VTB debt in the business?

After the two sales, there will be no more VTB's, and \$1.2 million of mortgages removed (the total is \$3 million overall). If TD agrees to the suggestion of increasing debt on All Source to reduce their operating line exposure, and provided you agree as well, then this would also reduce our debt overall by at least \$500,000. So, from that point, there will be about \$1.6 million on the operating line, and \$1 million in term debt.

Spoke to Tim about the your discussions with TD about the Debt Service covenant. Once you have that sorted out with them please send us any written forbearance or waiver from them so we have a record of it.

I will send you anything I receive though at this point I have been told that we will be left alone for another 10 months or so at a minimum. But again, I will of course send you anything I receive.

Thanks,

Josh Axler

Investment Associate

Crown Capital Partners Inc.

416-640-4159

josh.axler@crowncapital.ca

www.crowncapital.ca

From: Noah Murad
To: Jacob Murad
Subject: FW: Meeting Follow Up
Date: Friday, April 24, 2020 3:06:12 PM
Attachments: [Screen Shot 2019-08-21 at 3.21.36 PM.png](#)
[image001.png](#)

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

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From: Noah Murad <nmurad@millstreetco.com>
Sent: August 21, 2019 5:49 PM
To: Tim Oldfield <tim.oldfield@crowncapital.ca>
Cc: Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Meeting Follow Up

Hi Tim

It was nice to see you as well this morning.

I have already provided consent to Fazzari and as Ezio was telling Josh we absolutely need to get Trevor working on this and take me out of the process.

As far as the covenants go, I cannot comment on your calculations but also think it is a great idea that we work together on this to ensure it is done properly.

I will follow up with Fazzari and tell them to release everything to you (again).

Regards

Noah

On Aug 21, 2019, at 3:24 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah,

Thanks for coming in today...always good to discuss things face to face.

Josh and I will have a bunch of work to do around the review of the year-end financials...we've already started this as you know and Fazarri has been responsive to date. It would be great if you can provide them with your consent to continue to share information with us as we progress (re: emails sent this morning). It would also be good to get them going on the Q1 and Q2 reviews. Let me know if it makes sense to get on a call with them to discuss scope / timing etc.

It would also be useful to meet with Trevor. Things are a little disjointed with Vin's departure and it would be good to discuss expectations going forward for information and timing.

We should also address the financial covenants. As I mentioned in our meeting today, your audited financial statements suggest that you are in compliance with Crown's financial covenants...see attached screen shot from your f/s. However, I reviewed the Mill Street & Co. f/s this morning and based on my calculations you are offside the FCCR ratio as well as the concentration covenant. Happy to review this with you and Trevor to make sure you are managing this going forward.

<Screen Shot 2019-08-21 at 3.21.36 PM.png>

Happy to discuss this further with you tomorrow / Friday.

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

This is Exhibit "E"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

From: [Noah Murad](#)
To: [Jacob Murad](#)
Subject: FW: Meeting Follow Up
Date: Friday, April 24, 2020 3:06:12 PM
Attachments: [Screen Shot 2019-08-21 at 3.21.36 PM.png](#)
[image001.png](#)

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & CO.

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From: Noah Murad <nmurad@millstreetco.com>
Sent: August 21, 2019 5:49 PM
To: Tim Oldfield <tim.oldfield@crowncapital.ca>
Cc: Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Meeting Follow Up

Hi Tim

It was nice to see you as well this morning.

I have already provided consent to Fazzari and as Ezio was telling Josh we absolutely need to get Trevor working on this and take me out of the process.

As far as the covenants go, I cannot comment on your calculations but also think it is a great idea that we work together on this to ensure it is done properly.

I will follow up with Fazzari and tell them to release everything to you (again).

Regards

Noah

On Aug 21, 2019, at 3:24 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah,

Thanks for coming in today...always good to discuss things face to face.

Josh and I will have a bunch of work to do around the review of the year-end financials...we've already started this as you know and Fazarri has been responsive to date. It would be great if you can provide them with your consent to continue to share information with us as we progress (re: emails sent this morning). It would also be good to get them going on the Q1 and Q2 reviews. Let me know if it makes sense to get on a call with them to discuss scope / timing etc.

It would also be useful to meet with Trevor. Things are a little disjointed with Vin's departure and it would be good to discuss expectations going forward for information and timing.

We should also address the financial covenants. As I mentioned in our meeting today, your audited financial statements suggest that you are in compliance with Crown's financial covenants...see attached screen shot from your f/s. However, I reviewed the Mill Street & Co. f/s this morning and based on my calculations you are offside the FCCR ratio as well as the concentration covenant. Happy to review this with you and Trevor to make sure you are managing this going forward.

<Screen Shot 2019-08-21 at 3.21.36 PM.png>

Happy to discuss this further with you tomorrow / Friday.

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

This is Exhibit "F"
referred to in the affidavit of
NOAH MURAD, affirmed before me this
day of April 27, 2020



A Commissioner for taking affidavits

From: [Noah Murad](#)
To: [Jacob Murad](#)
Subject: FW: Info
Date: Friday, April 24, 2020 3:39:17 PM
Attachments: [Accented GNL commitment.pdf](#)
[image001.png](#)

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

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From: Jacob Murad <jmurad@millstreetco.com>
Sent: January 6, 2020 8:54 AM
To: Josh Axler <josh.axler@crowncapital.ca>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: RE: Info

Hi Josh,

Happy New year to you as well. I've attached the commitment letter we had received from Fiera at the end of October. We were working with CIBC for a whole buyout but decided to go with Fiera because CIBC couldn't provide exactly what we required and not within our timeline so we may revisit that in the future. Instead we have Fiera buying out TD as per the attached and CIBC will provide a \$2M operating line with an intercreditor with Fiera which we are working towards closing as well in the next 2 weeks.

Regarding the arbitration: the arbitrator ruled on consent of both of sides that we are buying out AI – we each had done a valuation on his 25% shares and the arbitrator chose to value AI's 25% at about 2.5M which Fiera had agreed to set aside in escrow on closing instead of the 1.75M noted in the attached term sheet.

Now I am working with AI's corporate counsel to complete the legal transfer documents to agree on the final versions of these legal documents and there will be another hearing at the end of this month to discuss terms of how the 2.5M should be paid out (ie. in one lump sum or over a period of time) and for legal fees. We will likely come to an agreement with AI's lawyer prior to this hearing so that won't be necessary where there is a final payout of the funds from escrow and full and final releases.

Let me know if you have any further questions

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

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MILL STREET & Co.

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From: Josh Axler <josh.axler@crowncapital.ca>

Sent: Saturday, January 4, 2020 1:44 PM

To: Jacob Murad <jmurad@millstreetco.com>

Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>

Subject: Re: Info

Good afternoon Jacob,

I hope you're having a good start to the new year. Noah said that you would be sending us an update on the GNI arbitration/value process as well as the details for the Fiera/CIBC details for GNI.

Can you please forward these details so we can review prior to a discussion next week.

Thank you,

Josh Axler, CFA
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jan 3, 2020, at 11:05 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Ok I will. Please let me know what time you are available.

Kind regards

Noah

On Jan 3, 2020, at 11:03 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Thanks Noah. Please have Jacob reach out to Josh to provide the updates and please also confirm on Monday once the interest payments have been made. I would also like to catch up with you early next week and will reach out to you when I am back in the office.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 2, 2020, at 2:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

We are going to make the interest payments on Monday as planned.

I will have Jacob send the specifics on the Fiera deal as well as what we have with CIBC. In addition, Jacob can provide a timeline on the arbitration from this point as well as the details on where the value is going to end up. He is more familiar with the process so can be more specific on the timing.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

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From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 2, 2020 11:05 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah,

I didn't hear back from you on my previous email. I am currently out of the office but I would appreciate it if you can update Josh on the Great Northern deal as well as the timing of the overdue November interest payment as well as the December payment which is due today.

Thanks. Tim

Tim Oldfield
Chief Investment Officer
Crown Capital Partners Inc.
416.640.6798

On Dec 20, 2019, at 4:21 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Hi Noah. We should discuss. Are you around on Monday?

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 18, 2019, at 4:53 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim

As I explained to Josh recently and as you are aware, we have been in a contentious situation with TD. We are in the middle of finalizing our deal with Fiera and CIBC for the new term and working capital lines. We are also in arbitration with AI as you know where we will have a ruling on the 25% value by tomorrow.

The money for the buyout has been escrowed and it will be released shortly at which point we will own 100% of GNI. On the 6th of Jan, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.

Noah

On Dec 18, 2019, at 3:47 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Trevor / Noah,

My finance group confirmed to me that we have not yet received your November interest payment, which was due on December 2nd. This is not the first time that the monthly payment has been late and its not clear to me why timely payment of the interest has been an issue. Based on the correspondence below we were expecting an update from you on Monday.

I would appreciate a response today confirming that the payment has been made.

Thanks.

Tim,

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:24 AM, Josh Axler
<josh.axler@crowncapital.ca> wrote:

Hi Trevor,

Based on my discussion with Noah I understood the amount distributed to the trust was significantly less than \$800k, which alone exceeds the permitted distribution amount. Can you please send me the schedule of when all the distributions and amounts were made. My understanding was that there was already money put back into the business, not a plan to put money back into the business.

We had discussed that having Jacob internally does provide some cost savings, but we had not changed the covenant from the \$750k total distributions in the credit agreement. Please send the schedule of the distributions and we can discuss further after we have reviewed.

Thank you,

Josh Axler, CFA
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:07 AM, Trevor

Harris <tharris@millstreetco.com>
wrote:

Josh
Please see below the answer to your queries. I am looking into the interest payment.
Regards

Trevor Harris CPA CA
Vice President, Finance

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 Ext 227
www.millstreetco.com

From: Josh Axler
<josh.axler@crowncapital.ca>
Sent: Thursday, December 5, 2019
10:02 AM
To: Trevor Harris
<tharris@millstreetco.com>
Cc: Tim Oldfield
<tim.oldfield@crowncapital.ca>;
Noah Murad
<nmurad@millstreetco.com>
Subject: Re: Info

Good morning Trevor,

Just want to clarify and get some further detail on below.

1. Did the \$136k in pref shares represent all of Ezio's salary last year? Were any other staff members paid in prefs? Were the pref shares issued at Par or at a discount?

No it did not represent all of Ezio's salary. No other staff members were paid in prefs. The shares were issued at par.

2. Can you please break out in detail the amounts that have been paid to Noah, Jacob and the trust year to date? As you recall from our meeting in August there is a covenant in the loan agreement that limits permitted distributions to non-arm's length shareholders to \$750,000 which includes salaries, bonuses and distributions to the trust. Any amount over and above that needs to be discussed with Crown in advance of the distribution, even if money is going to be loaned back into the business, based on your e-mail below the distribution to

1 headed, "Investment Portfolio"?

2 107 Q. Yes, that's right.

3 A. Yes, I do.

4 108 Q. And he took you to the
5 cell near the bottom right corner for Mill Street,
6 and "Status", where it says "Current"?

7 A. Yes.

8 109 Q. Do you see that?

9 A. I do.

10 110 Q. And there was some
11 discussion of when Mill Street was current or
12 wasn't current. I believe you said that these
13 statements were filed on March 12th or 13th of
14 2020. Do you know if Mill Street was current as
15 of March 12th or March 13th of 2020, in respect of
16 its interest payments?

17 A. At that time, Mill Street
18 had made its interest payment for November, and it
19 had also made its interest payment for December
20 and it had also made its interest payment for
21 January and February.

22 111 Q. Thank you. There was
23 also some discussion generally regarding notices
24 of default and what notices, if any, that Crown
25 Capital had issued to Mill Street regarding a