

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

**B E T W E E N:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

APPLICATION UNDER Section 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

**MOTION RECORD  
(Returnable March 6, 2014)**

February 26, 2014

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# INDEX

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# TAB 1

**ONTARIO**

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

**B E T W E E N:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

APPLICATION UNDER Section 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

**NOTICE OF MOTION**

A. Farber & Partners Inc. ("**Farber**") in its capacity as court-appointed receiver (the "**Receiver**") of I M B C Blowmolding Inc. (the "**Debtor**") will make a motion to a judge presiding over the Commercial List on Thursday, March 6, 2014, at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order substantially in the form of the draft order attached hereto as Schedule “A”, *inter alia*:

- (a) declaring the time for and method of service of this Notice of Motion and the Motion Record is abridged and validated such that this motion is properly returnable;
- (b) approving the payment of certain employee related expenditures of the Debtor incurred during the Receivership proceeding;
- (c) approving the fees and disbursements of the Receiver and its legal counsel as set out in the Affidavit of Peter Crawley sworn on February 26, 2014 (the “**Crawley Affidavit**”) and the Affidavit of Jane Dietrich sworn on February 26, 2014 (the “**Dietrich Affidavit**”) including the estimated costs to complete the Receivership administration set out therein;
- (d) authorizing the Receiver to file an assignment into bankruptcy on behalf of the Debtor and naming Farber as the trustee in bankruptcy (the “**Trustee**”);

- (e) authorizing the Receiver to transfer to Farber the amount of \$40,000 (the “**Trustee’s Fee Reserve**”) free and clear of all claims or encumbrances, solely to be used to fund the fees and expenses of the Trustee with any excess amount being transferred to the bankruptcy estate of the Debtor;
- (f) following the making of the assignment into bankruptcy, authorizing the Receiver to transfer any Property in the possession and control of the Receiver, other than the Trustee’s Fee Reserve, to the bankruptcy estate of the Debtor;
- (g) approving the third report to Court of the Receiver dated February 26, 2014 (the “**Third Report**”) and the activities set out herein; and
- (h) following the assignment into bankruptcy by the Debtor, discharging Farber as Receiver and releasing Farber from any and all liability as set out in the draft order requested.

2. Such further and other relief that counsel may request and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

1. The Debtor is a corporation founded in 1989 which manufactures custom extrusion blowmolded products;
2. On December 6, 2013, GE Canada brought an application to appoint Farber as Receiver over the assets, properties and undertakings of the Debtor for the purpose of authorizing the Receiver to enter into a stalking horse agreement of purchase and sale, to conduct a related sales process and to sell substantially all of the assets of the Debtor;
3. On December 10, 2013, Justice Mesbur granted an Order in the form requested by GE Canada (the “**Receivership Order**”). The Receiver was not given the power to operate or take possession of the Debtor’s property or business, but rather the Debtor remained in possession and control of the Property;
4. The Receiver conducted the Sales Process as approved by the Receivership Order and no other bids were received prior to the approved bid deadline of January 7, 2014 at 3:00 pm EST;
5. On January 15, 2014, an approval and vesting order was granted at the request of the Receiver in relation to the stalking horse agreement of purchase and sale;

6. The Order granted on January 15, 2014 by Justice D. Brown (the “**January 15 Order**”) also approved distributions to GE Canada and RPG and expanded the Receiver’s powers following the closing of the sale transaction to authorize the Receiver to take possession and control of the remaining assets of the Debtor (including cash, accounts receivable and tax refunds);

### **Payment of Employee Benefit Amounts**

7. During the period following the granting of the Receivership Order and prior to the closing of the sale transaction (the “**Operating Period**”), the Debtor remained in possession and control of its business, with the Receiver only conducting the sale process;

8. During the Operating Period, the Debtor was responsible for managing its cash and paying expenses. Following closing of the transaction, in accordance with the January 15 Order, the Receiver took possession and control of the remaining cash and transferred such amount into a trust account maintained by the Receiver. Since that time it has come to the Receiver’s attention that certain expenses during the Operating Period were not paid by the Debtor. These include a number of expenses related to snow removal, shipping, rent and hydro. For some expenses cheques had been issued by the Debtor but had not cleared prior to the transfer of cash by the Receiver to a new account;

9. The Receiver understands that the amount of \$1,161.88 was payable to Standard Life for employee benefits for which a cheque was issued, but did not clear (the

**“Employee Benefit Amount”**). Other than the Employee Benefit Amount, the Receiver is not aware of any amounts owing in respect of wages or compensation for employees;

10. The Receiver’s view is that the Employee Benefit Amount should be paid as it is relatively small and may form a priority amount. However, the Receiver is not proposing to pay other amounts as the Receiver has not run claims process to determine the extent of such amounts owing and is of the view that it would be more appropriate in the circumstances to bankrupt the Debtor and utilize the *Bankruptcy and Insolvency Act* claim process for all unsecured creditors of the Debtor;

#### **Authority to File a Bankruptcy Assignment**

11. As detailed in the Third Report, the Receiver is not aware of any existing unpaid secured creditors of the Debtor. Georgian Triangle and Dufferin Economic Development Corporation (**“CBED”**) has made a registration under the *Personal Property Security Act* (Ontario) against the Debtor. As outlined in the Third Report, despite requests, the Receiver has not been provided with a written security agreement signed by the Debtor in respect of obligations owing by the Debtor to the CBED;

12. As the Receiver understands that all secured creditors of the Debtor have been paid in full, and approximately \$200,000 remains in the hands of the Receiver and additional recoveries of approximately \$120,000 are expected, the Receiver’s view is that a bankruptcy would be the most efficient process to run a claims process and distribute the remaining proceeds. As noted above, other than the Employee Benefit Amount, the

Receiver is not aware of any amounts owing to employees or in respect of wages or compensation by the Debtor;

### **Approval of Fees and Disbursements**

13. The fees and disbursements of the Receiver and its legal counsel for the period until December 31, 2013 were previously approved by the January 15 Order. The fees and disbursements of Receiver and its legal counsel since December 31, 2013, along with estimates to complete the administration, are set out in the Crawley Affidavit and the Dietrich Affidavit. The fees and disbursements are, in the Receiver's view, reasonable in the circumstances and the Receiver is requesting approval of same;

### **Discharge**

14. Following the payment of the requested amounts and the filing of the assignment into bankruptcy of the Debtor, the administration of the Receivership proceedings will be complete. There are no other known secured creditors. In the circumstances, Farber is of the view that it is appropriate to discharge the Receiver and finalize any distribution to unsecured creditors in a bankruptcy proceeding;

## **General**

15. The facts as set out in the Third Report;
16. The provisions of the *Bankruptcy and Insolvency Act* and the *Courts of Justice Act* (Ontario) and the *Rules of Civil Procedure* (Ontario);
17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

### **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

1. The Third Report;
2. Such further and other evidence that counsel may advise and this Honourable Court may permit.

February 26, 2014

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Lawyers for the Receiver

To: SERVICE LIST

**TAB A**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	THURSDAY, THE 6 <sup>TH</sup>
	)	
JUSTICE	)	DAY OF MARCH, 2014

B E T W E E N:

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**DISCHARGE ORDER**

THIS MOTION, made by A. Farber & Partners Inc. ("**Farber**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of I M B C Blowmolding Inc. (the "**Debtor**"), for an order (i) declaring the time for and method of service of this Notice of Motion and the Motion Record is abridged and validated such that this motion is properly returnable; (ii) approving the payment of certain employee related expenditures of IMBC incurred during the Receivership proceeding; (iii) approving the fees and disbursements of the Receiver and its legal counsel as set out in the Affidavit of Peter Crawley sworn on February 26, 2014 (the "**Crawley Affidavit**") and the Affidavit of Jane Dietrich sworn on February 26, 2014 (the "**Dietrich Affidavit**") including the estimated costs to complete the Receivership

administration set out therein; (iv) authorizing the Receiver to file an assignment into bankruptcy on behalf of the Debtor naming Farber as the trustee in bankruptcy (the “**Trustee**”); (v) authorizing the Receiver to transfer to Farber the amount of \$40,000 (the “**Trustee’s Fee Reserve**”), solely to be used to fund the fees and expenses of the Trustee with any excess amount being transferred to the bankruptcy estate of the Debtor; (vi) following the making of the assignment into bankruptcy, authorizing the Receiver to transfer any Property in the possession and control of the Receiver, other than the Trustee’s Fee Reserve, to the bankruptcy estate of the Debtor; (vii) approving the third report to Court of the Receiver dated February 26, 2014 (the “**Third Report**”) and the activities set out herein; and (viii) following the assignment into bankruptcy by the Debtor, discharging Farber as Receiver and releasing Farber from any and all liability as set out in the draft order requested was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report, the Crawley Affidavit and the Dietrich Affidavit, and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed;

1. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver as set out therein are hereby approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the Crawley Affidavit and the Dietrich Affidavit including the estimates to complete the Receivership administration set out therein, are hereby approved.
3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to the pay the Employee Benefit Amount as defined in the Third Report.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized on behalf of the Debtor to file an assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* naming Farber as Trustee of the Debtor’s bankruptcy estate.

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to transfer to Farber the Trustee's Fee Reserve free and clear of all claims or encumbrances to be used solely to satisfy the fees and expenses of the Trustee with any excess being paid to the Debtor's bankruptcy estate.

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized, following the assignment in to bankruptcy of the Debtor, to transfer the remaining Property (other than the Trustee's Fee Reserve) to the Debtor's bankruptcy estate.

7. **THIS COURT ORDERS** that upon payment of the amounts and completion of actions set out in paragraphs 3 to 6 hereof and upon the Receiver filing a certificate in the form attached as Schedule "A" hereto certifying that it has completed the other activities described herein, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Farber in its capacity as Receiver.

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

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Schedule "A"

Court File No. CV-13-10355-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of this Court made on December 10, 2013, A. Farber & Partners Inc. ("**Farber**") was appointed as receiver (the "**Receiver**") of all of the assets, undertakings and properties of I M B C Blowmolding Inc. (the "**Debtor**").

B. Pursuant to an Order of this Court made on March 6, 2014, Farber was discharged as Receiver of the Debtor upon the filing of this Receiver's Certificate with the Court (the "**Discharge Order**") certifying that the Receiver has completed the activities set out in therein.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES that it has completed all of the actions set out in the Discharge Order.

This certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_, 2014.

A. Farber & Partners Inc. in its capacity as court-appointed receiver of all of the assets, undertakings and properties of I M B C Blowmolding Inc.

Per:

Name:

Title:

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**DISCHARGE ORDER**

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**GE CANADA EQUIPMENT FINANCING G.P.**  
Applicant

- and -

**I M B C BLOWMOLDING INC.**  
Defendant

APPLICATION UNDER Section 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

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION**  
(returnable March 6, 2014)

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**TAB 2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING 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**

**A. FARBER & PARTNERS INC.**

**COURT APPOINTED RECEIVER**

**THIRD REPORT OF THE RECEIVER**

**FEBRUARY 26, 2014**

**LIST OF APPENDICES**

<b>Appendix "A"</b>	First Report of Proposed Receiver (without appendices) dated December 6, 2013
<b>Appendix "B"</b>	Order of the Honourable Madame Justice Mesbur dated December 10, 2013
<b>Appendix "C"</b>	Second Report of the Receiver (without appendices) dated January 10, 2014
<b>Appendix "D"</b>	Approval and Vesting Order of Honourable Justice D. Brown dated January 15, 2014 and related endorsement
<b>Appendix "E"</b>	CRA Examiner's Statement of Account dated January 23, 2014
<b>Appendix "F"</b>	Receiver's Statement of Receipts and Disbursements dated February 21, 2014
<b>Appendix "G"</b>	Affidavit of P. Crawley sworn February 26, 2014
<b>Appendix "H"</b>	Affidavit of J.Dietrich sworn February 26, 2014

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**INTRODUCTION**

1. On December 6, 2013, GE Canada Equipment Financing G.P. (“**GE Canada**”) made an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for the appointment of A. Farber & Partners Inc. (“**Farber**”) as receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of I M B C Blowmolding Inc. (“**IMBC**” or the “**Company**”) pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* and Section 101 of the *Courts of Justice Act* (the “**Receivership Proceedings**”). The application was returnable on December 10, 2013.
2. On December 6, 2013, Farber in its capacity as proposed Receiver submitted its first report (the “**First Report**”) in support of GE Canada’s application. The First Report (without appendices) is attached as **Appendix “A”** hereto.
3. On December 10, 2013, the Court granted an order (the “**Receivership Order**”) appointing Farber as Receiver of the Property. A copy of the Receivership Order is attached as

**Appendix “B”.** The Receiver was not appointed as manager nor was it directed to take control or possession of the Property at that time.

4. The Receivership Order also approved (a) the Receiver entering into an agreement of purchase and sale made as of December 6, 2013 (the “**Stalking Horse APS**”), to sell substantially all of the Property (the “**Purchased Assets**”) to Plastique Micron Inc. (“**PMI**”); and (b) a stalking horse sales and marketing process including bidding procedures and a possible auction (the “**Sales Process**”).

5. On January 10, 2014, Farber submitted its second report (the “**Second Report**”) in support of the Receiver’s motion for an order, *inter alia*, (i) vesting in IMBC Blowmolding 2014 Inc. (“**IMBC 2014**”) as assignee of PMI all of IMBC’s and the Receiver’s right, title and interest, if any, in and to the Purchases Assets free and clear of any claims and encumbrances upon closing of the transaction contemplated by the Stalking Horse APS (the “**Sale**”); (ii) following the closing of the Sale, authorizing a distribution to GE Canada in an amount necessary to satisfy all amounts owing to GE Canada by the Company; (iii) following the closing of the Sale, authorizing a distribution to RPG Receivables Purchase Group Inc. (“**RPG**”) in an amount necessary to satisfy all amounts owing to RPG by the Company excluding any claims that may arise under a master receivables purchase agreement between the Company and RPG dated June 30, 2011 (the “**Receivables Purchase Agreement**”); and (iv) upon closing of the Sale, amending the Receivership Order so that the Receiver’s powers were expanded such that the Receiver took possession and control of the Property remaining after closing of the Sale. The Second Report (without appendices) is attached as **Appendix “C”** hereto.

6. On January 15, 2014, Justice D. Brown granted an order (the “**Approval & Vesting Order**”) vesting IMBC’s and the Receiver’s right, title and interest in the Purchased Assets to IMBC 2014 and granting the other relief referred to above. A copy of the Approval & Vesting Order and related endorsement of Justice D. Brown are attached as **Appendix “D”**.

#### **PURPOSE OF THE REPORT**

7. The Purpose of this third report to the Court (the “**Third Report**”) of Farber in its capacity as the Receiver is to:

- (a) report to the Court on the Receiver’s activities since the issuance of the Approval & Vesting Order;
- (b) provide support for an order as requested by the Receiver, *inter alia*:
  - (i) approving the payment of certain expenditures of IMBC incurred while in receivership that were not paid prior closing of the Sale on January 17, 2014;
  - (ii) approving the fees and disbursements of the Receiver and its legal counsel as set out in Affidavit of Peter Crawley sworn on February 26, 2014 (the “**Crawley Affidavit**”) and the Affidavit of Jane Dietrich sworn on February 26, 2014 (the “**Dietrich Affidavit**”);
  - (iii) authorizing the Receiver to file an assignment into bankruptcy on behalf of the Debtor and naming Farber as the trustee in bankruptcy (the “**Trustee**”);

- (iv) authorizing the Receiver to transfer to Farber the amount of \$40,000 (the “Trustee’s Fee Reserve”) free and clear of all claims or encumbrances, solely to be used to fund the fees and expenses of the Trustee with any excess amount being transferred to the bankruptcy estate of the Debtor;
- (v) following the making of the assignment into bankruptcy, authorizing the Receiver to transfer any Property in the possession and control of the Receiver, other than the Trustee’s Fee Reserve, to the bankruptcy estate of the Debtor;
- (vi) approving this Third Report and the activities set out herein; and
- (vii) following the completion of the matters referred to herein, discharging Farber as Receiver and releasing Farber from any and all liability as set out in the draft order requested.

#### **DISCLAIMER**

8. Farber has relied upon the financial records and information provided by the Company, as well as other information supplied by GE Canada, management, appraisers, secured creditors agents and others. Farber has not performed an audit or otherwise attempted to verify the information provided and expresses no opinion thereon.

9. A copy of this Third Report, along with all other motion materials and Orders and Endorsements issued in this proceeding, are available on the Receiver’s website at:

<http://www.farberfinancial.com/insolvency-engagements/bid/357778/I-M-B-C-Blowmolding-Inc>

## ACTIVITIES OF THE RECEIVER

10. On January 17, 2014, the Sale closed and the Receiver filed the Receiver's Certificate (as defined in the Approval and Vesting Order) with the Court.

11. On January 20, 2014, the Receiver repaid the Receiver's Borrowings of \$60,000 plus interest owing by the Receiver to RPG as secured by the Receiver's Borrowing Charge.

12. As outlined in paragraph 43 of the Second Report, the Receiver awaited the outcome of Canada Revenue Agency's ("CRA") trust examination which was conducted at IMBC's premises on January 23, 2014 prior to making the authorized distributions to GE Canada and RPG. On January 24, 2014 the Receiver received confirmation from CRA that the source deductions account was current and that the H.S.T. account was in a refund position. A copy of the Examiner's Statement of Account is attached as **Appendix "E"**. The Receiver has since received the H.S.T. refund in the amount of \$10,000.76. Accordingly, on January 24, 2014 the Receiver distributed funds per the Approval & Vesting Order as follows:

- (a) \$1,056,925.51 to GE Canada; and
- (b) \$146,289.78 to RPG.

13. The Receiver has engaged IMBC's Scientific Research and Experimental Development ("SRED") consultant and IMBC's external accountants to assist with filing the 2013 corporate tax return and accompanying SRED claim. The Receiver expects to receive a SRED refund for the 2013 fiscal period of approximately \$69,000, net of costs. This estimate is lower than the original estimate of \$120,000 as reported in the Second Report as a result of reduced SRED activity in fiscal 2013, largely attributable to the solvency challenges faced by IMBC.

14. The distributions to RPG discussed above satisfied all amounts owing to RPG by the Company other than amounts owing under the Receivables Purchase Agreement. Pursuant to the Receivables Purchase Agreement, with respect to factored receivables, RPG holds certain funds in reserve (the “**Reserve**”) and as RPG collects the accounts receivables, the cash balance of the Reserve accumulates. The Receiver continues to liaise with RPG to track the collection of the receivables and monitor the accumulating cash value of the Reserve as RPG is obligated to release reserve funds in excess of its total exposure to the Receiver.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

15. The Statement of Receipts and Disbursements of the Receiver as at February 21, 2014 is attached as **Appendix “F”**.

16. The Receiver presently has \$217,408.90 in its trust account.

#### **OPERATING DISBURSEMENTS**

17. Operations of IMBC ceased at closing of the Sale on January 17, 2014. Pursuant to the Approval and Vesting Order provisions, upon the filing of the Receiver’s Certificate, the Receiver took possession and control of all remaining assets, including cash balances. As a result, the Receiver closed IMBC’s operating bank accounts and requested the transfer of the remaining cash balances to its trust account. Subsequent to the closing of the operating bank accounts it has come the Receiver’s attention that there were operating expenses incurred by IMBC during the Receivership Proceedings that were not paid. The following amounts have been identified:

- (a) \$1,161.88 payable to Standard Life for employee benefits (the “**Employee Benefit Amount**”);
- (b) \$5,000.00 payable to Peel Landscaping for snow removal services;
- (c) \$25,162.00 payable to the landlord on account of rent;
- (d) \$385.33 payable to Clean-Coe Systems Inc. on account of cleaning services;
- (e) \$9,678.34 payable to Orangeville Hydro on account of utilities;
- (f) \$689.30 payable to Sprung Transport on account of shipping; and
- (g) \$161.00 USD payable to Willson International Inc. on account of customs brokerage.

18. The Receiver recommends paying the Employee Benefit Amount as it is a relatively small amount and is the only amount of which the Receiver is aware outstanding which relates to wages and compensation owing to employees of IMBC for services rendered during the Receivership proceeding. The Receiver does not recommend paying the other amounts listed at this time as the Receiver has not run a full claims process and in the Receiver’s view such a claims process is most effectively run in a bankruptcy proceeding.

#### **FEES AND DISBURSEMENTS OF THE RECEIVER AND RECEIVER’S COUNSEL**

19. As set out in the Crawley Affidavit attached as **Appendix “G”**, for the period January 1, 2014 to February 14, 2014, the Receiver has expended 89.15 hours, amounting to fees of \$35,764.00 and disbursements of \$3,070.08 (before H.S.T.). It is estimated that no more than \$10,000.00 (the “**Receiver Fee Accrual**”) would be incurred in additional fees and expenses to complete the Receivership Proceedings, assuming the order requested is granted.

20. As set out in the Dietrich Affidavit, attached as **Appendix “H”**, for the period January 1, 2014 to January 31, 2014 the fees of Denton’s Canada LLP (“**Dentons**”), independent legal counsel for the Receiver, were \$26,439.00 with disbursements of \$969.02 (before H.S.T.). It is

estimated that no more than \$10,000 (the “**Legal Fee Accrual**”) would be incurred in additional fees and expenses to complete the Receivership Proceedings, assuming the order requested is granted.

21. Fees and expenses of Farber until January 1, 2014 in the amount of \$45,096.11 and of Dentons in the amount of \$33,281.16 were approved by the Court on January 15, 2014.

22. The Receiver respectfully requests that this Court approve the fees and disbursements of Farber and Dentons as set out in the Crawley Affidavit and the Rabinovitch Affidavit, along with the Receiver Fee Accrual and the Legal Fee Accrual, as in the Receiver’s view such are reasonable in the circumstances.

#### **REQUEST TO FILE AN ASSIGNMENT INTO BANKRUPTCY**

23. As noted in the Second Report, registrations under the *Personal Property Security Act* (Ontario) (the “**PPSA**”) against the Company were made by Robert Starr (“**Starr**”), Key Equipment Finance Canada Ltd. (“**Key Equipment**”), National Leasing Group Inc. (“**National Leasing**”), GE Canada, RPG and Georgian Triangle and Dufferin Economic Development Corporation (“**CBED**”). As noted, distributions have been made to GE Canada and RPG. Starr, Key Equipment and National Leasing have confirmed that no amounts are owing to them by the Company and Key Equipment and National Leasing have discharged their PPSA registrations.

24. As described in the Second Report, CBED had entered into a priorities agreement with GE Canada and RPG which provided that RPG and GE Canada had priority over any amounts owing by the Company to CBED other than in respect of a life insurance policy in respect of

Starr. However, at the time the Second Report was issued the Receiver had not received or reviewed the CBED loan and security documentation.

25. Following receipt of the CBED loan and security documentation, the Receiver's independent counsel reviewed same. The documentation provided by CBED included a loan agreement between 1309742 Ontario Ltd. ("130") as borrower and CBED as lender dated June 22, 2011. 130 is a company controlled by Starr (who was also the principal of IMBC) and which owns the real property on which IMBC operated.

26. IMBC appears to have guaranteed amounts owing by 130 to CBED up to a maximum amount of \$250,000 pursuant to a guarantee dated June 30, 2011 (the "Guarantee"). However, despite requests by the Receiver's counsel for additional documentation from CBED, no documentation supporting a grant of security by IMBC in favour of CBED as security for the Guarantee has been provided to the Receiver. As a result, the Receiver understands that CBED, to the extent the Guarantee is called upon, is an unsecured creditor of IMBC.

27. As a result, the Receiver understands that no secured creditors of IMBC remain. The Receiver understands that all amounts owing to employees (other than the Employee Benefit Amount noted above and potential termination and/or severance claims) have been paid in full.

28. In addition to the current funds on hand of \$217,408.90, the Receiver expects to receive a SRED refund of approximately \$69,000 (as discussed above) and additional amounts from RPG in respect of the Reserve of approximately \$70,000.

29. A proper claims process is required to determine and effect a distribution of the remaining funds to unsecured creditors of IMBC.

30. The Receiver seeks authority to name Farber as Trustee in the bankruptcy. Although the Receiver understands that no secured creditors of IMBC remain, if a secured creditor were to come forward (i.e. CBED were to find a signed security agreement), it is possible that there would be no funds in the bankruptcy estate with which to pay the Trustee's fees and expenses. As a result, the Receiver is requesting the authority to transfer the Trustee Reserve Amount to Farber, free and clear of all claims and encumbrances in order to satisfy any fees and expenses of Farber as Trustee, with any excess amount being paid over to the IMBC bankruptcy estate.

31. In the Receiver's view, a bankruptcy is the most efficient process within which to conduct the claims process and distribution to unsecured creditors. As a result the Receiver is requesting the authority to file an assignment into bankruptcy on behalf of IMBC and name Farber as trustee in bankruptcy and seeking its discharge as Receiver immediately thereafter.

#### **RECOMMENDATION**

32. The Receiver respectfully requests that this Court grant an order for the relief set out in section 7(b) hereof.

All of which is respectfully submitted this 26<sup>th</sup> day of February, 2014.

**A. FARBER & PARTNERS INC., in its capacity as  
the Court-appointed Receiver of I M B C Blowmolding Inc.  
and not in its personal capacity**

*A. Farber & Partners Inc.*

**TAB A**

Court File No. CV13-10355-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING 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**

**A. FARBER & PARTNERS INC.**

**PROPOSED COURT APPOINTED RECEIVER**

**FIRST REPORT OF THE PROPOSED RECEIVER**

**DECEMBER 6, 2013**

## PURPOSE OF THE REPORT

1. The Purpose of this first report to the Court (the "First Report") of A. Farber & Partners Inc. ("Farber") in its capacity as the proposed receiver (the "Proposed Receiver") is to provide the Proposed Receiver's view with respect to an agreement of purchase and sale dated December 6, 2013 which has been submitted as the stalking horse sale agreement (the "Stalking Horse APS") for the sale of substantially all of I M B C Blowmolding Inc.'s ("IMBC" or the "Company") property, assets and undertaking to Plastique Micron Inc. on behalf of a company to be incorporated ("PMI" or the "Purchaser"), including the sales process (the "Sales Process") included therein.
2. GE Canada Equipment Financing G.P. ("GE Canada") has made an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for the appointment of a receiver pursuant to Section 243 (1) of the *Bankruptcy and Insolvency Act* and Section 101 of the *Courts of Justice Act* (the "Receivership Proceedings"). It is proposed that Farber be appointed to act as the receiver (the "Receiver") in the Receivership Proceedings. Farber has consented to act in such capacity.
3. The affidavit of Michael Pisani, a Vice President, workout Leader of the GE Canada group of companies, sworn December 6, 2013 (the "Pisani Affidavit") filed in connection with the Receivership Proceedings, describes, *inter alia*, the Company's background, corporate structure, current operations, stakeholders analysis and the reasons for the requested Receivership Proceedings.

**DISCLAIMER**

4. Farber has relied upon the financial records and information provided by the Company, as well as other information supplied by GE Canada, management, appraisers, secured creditors agents and others. Farber has not performed an audit or otherwise attempted to verify the information provided and expresses no opinion thereon.

**COMPANY BACKGROUND**

5. IMBC is a Canadian corporation that was founded in 1989. The Company is ISO/TS 16949 certified and manufactures custom extrusion blowmolded products for the following industries:

- Automotive components and additives;
- Food and beverage;
- Health and beauty; and
- Medical/pharmaceutical products.

6. The Proposed Receiver is advised by the Company that its sole shareholder is Robert Starr ("Starr"), who is also the Company's President and founder. Due to health issues, Starr has not been actively involved in the day to day management of the company for some time. Starr's wife, Sandra Starr, IMBC's business manager, has been the main point of contact with Farber.

7. The Proposed Receiver is advised by the Company it employs 41 full-time, non-unionized employees.

8. IMBC operates 17 machines and 3 secondary production lines in its 70,000 square foot leased facility at 71/81 Centennial Road, Orangeville, Ontario (the "Leased Premises"). The owner of the Leased Premises is a 1309742 Ontario Ltd. operating as Starr Properties ("130 Co."), a company related to Starr.

9. Farber was engaged by 130 Co. on October 17, 2013 to review the business affairs of 130 Co. and IMBC and to advise on potential sales of the assets of each. In this capacity Farber has been involved in the negotiation of the Stalking Horse APS described further below. A copy of the engagement letter is attached as Appendix "A".

#### **SECURED CREDITORS AND PRIORITIES AGREEMENT**

10. The Proposed Receiver has not yet obtained an independent security review with respect to the Company's secured creditors. However, the Company has advised the Proposed Receiver that the senior secured creditors of the Company include: GE Canada, RPG Receivables Purchase Group Inc. ("RPG") and Georgian Triangle and Dufferin County Economic Development Corporation ("CBED") (collectively, the "Secured Lenders").

11. From discussions with the Company and GE Canada, the Proposed Receiver understands that GE Canada has both a general security agreement against the assets of the Company and has specifically entered into an equipment finance agreement with respect to all machinery and equipment and all other tangible personal property of the Company financed, whether directly or indirectly, by GE Canada (the "GE Assets"). The Proposed Receiver understands from its discussions with the Company that the GE Assets comprise all of the equipment and machinery of the Company. To facilitate the Sales Process and completing a transaction, GE Canada has agreed to forgo collecting the prepayment bonus payable pursuant

to its loan and security agreements with IMBC. As of November 26, 2013, the Proposed Receiver is advised that GE Canada had an outstanding balance owing of \$1,005,341 (exclusive of legal costs and minus the prepayment bonus totalling approximately \$95,000).

12. From discussions with the Company and RPG, the Proposed Receiver understands that RPG has advanced funds pursuant to a master receivables purchase agreement and an inventory facility agreement. The Proposed Receiver is advised that as of December 5, 2013, RPG had approximately \$487,000 of factored receivables outstanding and an outstanding balance owing under the inventory facility agreement of approximately \$151,000 (prior to ongoing professional costs and accrued interest).

13. From discussions with the Company, the Proposed Receiver understands that CBED is owed approximately \$250,000 by the Company.

14. On June 30, 2011, the Company entered into a priorities agreement (the "Priorities Agreement") with the Secured Lenders. The Priorities Agreement defined and established the relative priorities of the respective charges and security interests over and in the property, assets and undertakings of the Company (the "Assets") as follows:

- (a) RPG has first priority with respect to the Assets, other than the GE Assets;
- (b) with respect to the GE Assets, GE Canada has first priority to the extent of the GE Canada indebtedness;
- (c) with respect to the GE Assets, RPG has a second priority to the extent of the RPG indebtedness;

- (d) with respect to the Assets, GE Canada has a second priority to the extent of the GE indebtedness; and
- (e) with respect to the Assets, CBED has a third priority to the extent of the CBED indebtedness.

15. The Proposed Receiver understands that Starr, National Leasing Group Inc. and Key Equipment Finance Ltd. have also made registrations in accordance with the PPSA. The Company has advised the Proposed Receiver that no amounts are owing to these parties.

#### **STALKING HORSE BID**

16. PMI has submitted an offer to purchase substantially all of the right, title and interest in the Company's assets (other than specifically excluded assets), properties and undertakings in the form of an agreement of purchase and sale, which will act as a stalking horse bid (the "Stalking Horse APS"). The Stalking Horse APS is in the form of an agreement of purchase and sale, which remains subject to the Proposed Receiver receiving a better offer through a marketing and sale process as detailed in Schedule "E" of the Stalking Horse APS (the "Sale Process"). A copy of the Stalking Horse APS including the Sale Process is attached hereto as Appendix "B".

17. The Stalking Horse APS contemplates the continued employment of the majority IMBC employees by the Purchaser.

18. The key terms of the Stalking Horse APS include, but are not limited to, the following (defined terms not otherwise defined have the meaning provided to them in the Stalking Horse APS):

- (a) The Purchased Assets include all property, assets, and undertaking of the Company wherever situate, other than Excluded Assets used in conjunction with, or as part of, the operation of the blowmolding business. Specifically, the Purchased Assets include: machinery and equipment, inventory, equipment replacement parts and intellectual property;
- (b) The Excluded Assets include: cash on hand and bank deposits, accounts receivable, prepaid deposits and expenses, any tax refunds and rebates and the Company's interest in causes of action against third parties arising out of events occurring on or prior to the Closing;
- (c) The Purchase Price payable by the Purchaser for the Purchased Assets is as follows:
  - (i) for Inventory, other than equipment replacement parts, the amount to be paid will be an amount equal to the lower of cost or net realizable value of the Inventory;
  - (ii) \$25,000 for the equipment replacement parts, and
  - (iii) \$1,250,000 for all the other Purchased Assets, in accordance with an allocation set out in the Stalking Horse APS (allocated as \$1,249,999 to Machinery and Equipment and \$1.00 to other assets including Assumed Contracts and Intellectual Property);
- (d) Payment of a \$250,000 deposit to the Receiver at the time of submission of the Stalking Horse APS;

- (e) Payment of a break fee of \$125,000 (the "Break Fee") to the Purchaser in the event that an Alternate Transaction occurs;
- (f) Assumption of ordinary course employee liabilities for the Assumed Employees;
- (g) Conditional on there being no material interruption to the Company's business operations in the normal course prior to the Closing;
- (h) Conditional on the Court granting an Approval and Vesting Order on or before January 15, 2014;
- (i) Closing Date to be 2 business days following the day on which the Approval and Vesting Order is granted.

19. In addition to finalizing the terms of the Stalking Horse APS, the Proposed Receiver has been advised that PMI, should they be the successful purchaser, has negotiated a 10 year lease (the "Lease") with 130 Co. for the Leased Premises. The Proposed Receiver notes that the Lease is subject to approval of the Stalking Horse APS as the Winning Bidder.

20. The Proposed Receiver has also been advised that PMI has, to its satisfaction, agreed on a form of non-disturbance agreement with certain of the mortgagees of the Leased Premises.

21. The Proposed Receiver understands from 130 Co. that 130 Co. is in forbearance discussions with its primary mortgagee and that both 130 Co. and its primary mortgagee are open to discussing the entering into of lease and non-disturbance agreements with alternate bidders.

22. The Break Fee is approximately 8.75% of the purchase price of the Purchased Assets (assuming the value of inventory is approximately the same value as the RPG indebtedness of approximately \$150,000). The Break Fee is inclusive of the Purchaser's direct expenses in finalizing the Stalking Horse APS. The Proposed Receiver is of the view that the Break Fee is reasonable in the circumstances, particularly in light of the absolute value of the Purchase Price and the negotiations with a number of the Secured Lenders of the Company and other stakeholders in relation to the lease agreement and non-disturbance agreement required to finalize the Stalking Horse APS.

23. The Proposed Receiver is advised by the Company that it has experienced significant cash flow constraints over the past 18 months. The expedited marketing and sales process is required for the reasons set out in the Pisani Affidavit. Further, the Proposed Receiver is advised by the Company that the cash needs of the Company are so severe that operations cannot continue without additional funding. The Proposed Receiver has been in discussions with a few parties who may be willing to provide this necessary funding through Receiver's Borrowings. The Proposed Receiver understands from the Company that in order to continue normal course operations until January 17, 2014, approximately \$100,000 of additional funds would be required.

#### **SALES PROCESS**

24. The Sale Process (described in more detail below and set out in Schedule "E" to the Stalking Horse APS) provides for a marketing and sales process which culminates in an offer deadline date of January 7, 2014 (the "Bid Deadline") and approval of the Stalking Horse APS, or an Alternative Transaction, on or before January 15, 2014 and a closing by January 17, 2014.

25. As noted above, the Proposed Receiver understands from the Company that cash flow constraints require a closing on or before January 17, 2014.
26. A summary of the Sales Process is as follows:
  - (a) The Receiver will, no later than December 13, 2013, advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute an interest solicitation letter to potential interested parties. Attached to the interest solicitation letter will be a form of confidentiality agreement ("CA");
  - (b) The Receiver will, from and after December 13, 2013, make available to prospective purchasers (collectively, the "Prospective Purchasers"), upon receipt of an executed CA, access to an online data room. The Receiver will facilitate due diligence efforts, including but not limited to, arranging site visits, arranging meetings with management of the Company, and responding to questions from Prospective Purchasers;
  - (c) Prospective Purchasers will be provided with a hard and soft copy of the Stalking Horse APS, and will be required to submit offers in the form of the Stalking Horse APS;
  - (d) The Receiver in its sole discretion shall determine whether offers are "Qualified Bids". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Stalking Horse APS, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:

- (i) the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
- (ii) the offer must be submitted in writing and include a blackline of the offer to the Stalking Horse APS, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
- (iii) the offer must be accompanied by a deposit in the form of certified cheque payable to the Receiver, in trust, which is equal to at least \$250,000;
- (iv) the offer must be open for acceptance by the Receiver until January 20, 2014;
- (v) the offer must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse APS;
- (vi) the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the Prospective Purchaser's obligation to complete the transaction that are not otherwise contained in the Stalking Horse APS;

- (vii) the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
- (viii) the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.

27. The Sales Process also provides for an auction (the "Auction") in the event that there are one or more Qualified Bidders. The Auction shall be held at 10:00 a.m. on the second (2nd) Business Day after the Bid Deadline (or such other date and time as the Receiver may in its sole discretion designate) at the offices of the Receiver.
28. The Receiver will, subject to approval of the Court, have the right to adopt such other rules for the Sale Process that, in its sole discretion, will better promote the goals of the Sale Process.
29. The Receiver shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "Winning Bid"), subject to Court approval.
30. The Receiver shall make a motion to the Court by serving motion material on or before January 13, 2014 for a hearing to be held on or before January 15, 2014 to seek approval of the Winning Bid and an approval and vesting order.

31. The timeline for the proposed Sales Process, subject to the approval by the Court, is summarized in the following table:

<b>Milestone</b>	<b>Timeline</b>
Receivership Application	December 10, 2013
Advertisement in The Globe and Mail, interest solicitation letter disseminated and access to online data room granted to those submitting executed CAs	December 13, 2013
Bid Deadline under Sales Process	January 7, 2014
Tentative Auction Date	January 9, 2014
Service of Receiver's motion for Approval and Vesting Order	January 13, 2014
Hearing of Motion for Approval and Vesting Order	January 15, 2014
Anticipated Closing Date of the Stalking Horse APS	January 17, 2014

## **RECOMMENDATION**

32. Should the Court be inclined to Appoint Farber as Receiver, Farber, as Proposed Receiver, recommends that this Court issue an Order approving the Sales Process, including the approval of the Stalking Horse APS, for the following reasons:

- (a) The Sales Process provided for is, in the Proposed Receiver's view, appropriate and of sufficient duration, particularly in light of the cashflow constraints of the Company;

- (b) The Stalking Horse APS provides for continued employment of the majority of IMBC's employees;
- (c) The Sales Process provides the opportunity for continued supply of product to the customers of IMBC's business;
- (d) The Sales Process appears reasonable in that it will provide a benchmark for a going concern realization while at the same time providing a forum and a deadline to permit and encourage any serious alternative bidders to come forward with firm purchase offers; and
- (e) The Sales Process is the most viable option given the cashflow constraints of the Company for preserving enterprise value for the benefit of all stakeholders.

**A. Farber & Partners Inc., in its capacity as  
the proposed Court-appointed Receiver of  
I M B C Blowmolding Inc. and not in its personal capacity**

*A. Farber & Partners Inc.*

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**GE CANADA EQUIPMENT FINANCING G.P.**  
Applicant

- and -

**I M B CBLOWMOLDING INC.**  
Defendant

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
PROCEEDING COMMENCED AT TORONTO**

**FIRST REPORT OF THE PROPOSED  
RECEIVER (DECEMBER 6, 2013)**

**DENTONS CANADA LLP**  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

**LAWYERS FOR the Receiver**

**Lawyer:** Jane O. Dietrich  
**LSUC:** 49302U  
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**TAB B**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MADAM

JUSTICE MESBUR

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)  
)

TUESDAY, THE 10<sup>th</sup>

DAY OF DECEMBER, 2013

BETWEEN:

GE CANADA EQUIPMENT FINANCING G.P.

Applicant



- and -

I M B C BLOWMOLDING INC.

Respondent

APPLICATION UNDER Section 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

**RECEIVERSHIP ORDER**

**THIS APPLICATION** made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing A. Farber & Partners Inc. as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of I M B C Blowmolding Inc. (the "**Debtor**"), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") for the primary purpose of effecting a sale (the "**Transaction**") of substantially all of the Debtor's right, title and interest in its business and Property to Plastique Micron Inc. (the "**Purchaser**") pursuant to an asset purchase agreement between the Receiver and the Purchaser dated December 6, 2013 (the "**Sale Agreement**") or a Winning Bid as

defined in the Sales Process attached hereto as **Schedule "B"** (the "**Sales Process**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Michael Pisani sworn December 6, 2013 and the exhibits thereto and the First Report of A. Farber & Partners Inc. in its capacity as proposed Receiver of the Property dated December 6, 2013 and appendices thereto (the "**First Report**"), and on hearing the submissions of counsel for the Applicant, the Respondent and the proposed Receiver, and no one else appearing for any other person served with the Notice of Application and the Application Record as appears from the affidavits of service of Deepa Tailor and Craig Mills sworn December 6, 2013 and on reading the consent of A. Farber & Partners Inc. to act as the Receiver,

#### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

#### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, A. Farber & Partners Inc. is hereby appointed Receiver, without security, of all of the Debtor's Property for the primary purpose of effecting a sale of the Property pursuant to the Sales Process.

#### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that except as expressly set out herein or in a further Order of the Court, the Receiver is not appointed as manager of the Debtor and shall not take possession or control of the Property or operate the business of the Debtor or employ any of the Debtor's employees (and for greater certainty, subject to the terms of this Order or any further Order of the Court, the Property shall remain in the possession and control of the Debtor), but the Receiver is hereby expressly empowered and authorized, but not obligated, to do any of the following:

- (a) to complete the Transaction between the Receiver and the Purchaser as contemplated by the Sale Agreement or a Winning Bid as determined by the Sales Process;

- (b) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (c) to report to, meet with and discuss with the Applicant and such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (d) to secure funding for the operations of the Debtor as provided for in paragraph 27 hereof;
- (e) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property; and
- (h) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

4. THIS COURT ORDERS that neither the making of this Order nor anything in this Order shall deem the Receiver to be an owner of any of the Property for any purpose and that neither

the making of this Order or anything in this Order shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management of any of the Property, or the business or operations of the Debtor. For greater certainty, the Receiver shall not employ any of the employees of the Debtor.

#### **THE STALKING HORSE OFFER**

5. THIS COURT ORDERS that the Receiver shall be authorized and directed to accept the Sale Agreement (the "**Stalking Horse Offer**") signed by the Purchaser pursuant to which the Purchaser has agreed to purchase all of the right, title and interest of the Debtor in and to the assets specified in the Stalking Horse Offer (the "**Purchased Assets**") and the Break Fee as defined therein be and are hereby approved.

6. THIS COURT ORDERS that if the Receiver does not receive and accept at or before the Bid Deadline (as defined in the Sales Process) a Qualified Bid in accordance with the Sales Process, the Receiver is entitled to take all actions or steps necessary to complete the Transaction in accordance with its terms, without further approval of this Court, however, the Receiver shall apply for the appropriate vesting order. If the Receiver does receive a Qualified Bid at or before the Bid Deadline in accordance with the Sales Process, the Receiver shall apply to the Court for approval of the Winning Bid.

7. THIS COURT ORDERS that the Receiver shall undertake the marketing and sale of the Property, including soliciting offers and negotiating the terms and conditions of sale in accordance with the Sales Process.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

8. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

9. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 9 or in paragraph 10 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

10. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

**NO EXERCISE OF RIGHTS OR REMEDIES**

13. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

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

date of this Order are paid by the Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

16. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received by the Receiver from and after the making of this Order from the sale of all or any of the Property pursuant to the Sale Process, although specifically excluding the accounts receivable of the Debtor which have been factored by RPG Receivables Purchase Group Inc., before or after the making of this Order (the "**RPG Receivables**"), shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court. Any funds received by the Receiver or by the Debtor on account of the RPG Receivables shall, upon confirmation by the Receiver that such funds are on account of the RPG Receivables, be paid forthwith to RPG.

#### **EMPLOYEES**

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

#### **PIPEDA**

18. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete the Sale, shall return all such information to the Receiver, or in the alternative

destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

#### **RECEIVER'S ACCOUNTS**

21. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and

that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, which Receiver's Charge shall not exceed the aggregate amount of \$120,000, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

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

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

#### **DEBTOR'S ACCOUNTS**

24. THIS COURT ORDERS that counsel to the Debtor shall be paid its reasonable fees and disbursements in each case at its standard rates and charges. Legal counsel to the Debtor shall pass its accounts from time to time and for this purpose, the accounts of legal counsel to the Debtor are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

25. THIS COURT ORDERS that counsel to the Debtor shall be entitled to and is hereby granted a charge (the "**Debtor's Administration Charge**") on the Property which Charge shall not exceed the amount of \$15,000 as security for its fees and disbursements incurred at its standard rate and charges both before and after the making of this Order in respect of these proceedings and that the Debtor's Administration Charge shall form a charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate to the Receiver's Charge, the Receiver's Borrowings Charge and to the security interests of the Applicant, and subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

26. THIS COURT ORDERS that the Debtor's Administration Charge shall not be enforced without leave of this Court.

#### **FUNDING OF THE RECEIVERSHIP**

27. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 at any given time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order and for the purpose of providing funding to the Debtor to permit the Debtor to maintain operations, provided that the Receiver shall not manage or control, or be liable to any Person for, the use made by the Debtor of any such funding. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowing Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

28. THIS COURT ORDERS that the RPG Receivables are specifically excluded from the Receiver's Charge, the Receiver's Borrowing Charge and the Debtor's Administration Charge and that the RPG Receivables do not form part of the Debtor's Property for the purposes of this Order.

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

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

31. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

**GENERAL**

32. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at [www.ontariocourts.ca/scj/en/commercialist](http://www.ontariocourts.ca/scj/en/commercialist)) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.farberfinancial.com/insolvency-engagements/bld/357778/I-M-B-C-Blowmolding-Inc>.

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

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

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

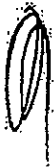
36. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

37. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor' estate with such priority and at such time as this Court may determine.

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



ENREGISTRÉ AU BUREAU D'ENREGISTREMENT  
ON / BOUQUIN  
LE / DANS LE REGISTRE NO.:



DEC 10 2013

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$100,000

1. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of I M B C Blowmolding Inc., acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10<sup>th</sup> day of December, 2013 (the "**Order**") made in an action having Court file number CV-13-10355-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$100,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

A. Farber & Partners Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

GE CANADA EQUIPMENT FINANCING G.P.

and

Applicant

I M B C BLOWMOLDING INC.

Respondent

Court File No: CV-13-10355-00CL

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

Proceeding commenced at Toronto

**RECEIVER'S CERTIFICATE**

**MILLER THOMSON LLP  
ONE LONDON PLACE  
255 QUEENS AVENUE, SUITE 2010  
LONDON, ON CANADA N6A 5R8**

**Alissa K. Mitchell LSUC#: 35104E  
Tel: 519.931.3510  
Fax: 519.858.8511**

**Craig A. Mills LSUC#: 40947B  
Tel: 416.595.8596  
Fax: 416.595.8695**

Lawyers for the Applicant

## **Schedule "B"**

### **Sales Process**

1. **Definitions.** All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.
2. **Advertisement.** Not later December 13, 2013, the Vendor shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute a teaser document to potential interested parties.
3. **Due Diligence.** Not later than December 13, 2013, the Vendor shall make available to prospective purchasers (collectively, the "Prospective Purchasers"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. **Bid Deadline.** Any offers to purchase the Purchased Property must be submitted in writing to and received by the Vendor at Suite 1600, 150 York Street, Toronto, ON M5H 3S5, attention: Hylton Levy by 3:00pm (E.S.T.) on January 7, 2014 (the "Bid Deadline").
5. **Qualified Bid.** The Vendor in its sole discretion shall determine whether any offers are "Qualified Bids". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
  - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
  - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
  - iii. the offer must be accompanied by a deposit in the form of certified cheque payable to the Vendor which is equal to at least \$250,000;
  - iv. the offer must be open for acceptance by the Vendor until January 20, 2014;
  - v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement;
  - vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the Prospective Purchaser's

obligation to complete the transaction that are not otherwise contained in the Agreement;

- vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
  - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Vendor receives one or more Qualified Bids by the Bid Deadline, the Vendor shall extend invitations by phone, fax and/or email by 10:00 a.m. E.S.T. one (1) Business Day after the Bid Deadline (or such other date and time as the Vendor may in its sole discretion designate) to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the "Auction"). The Auction shall be held at 10:00 a.m. on the second (2nd) Business Day after the Bid Deadline (or such other date and time as the Vendor may in its sole discretion designate) at the offices of the Vendor.
  7. Conduct of the Auction. The Vendor shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$50,000, or such other amount as the Vendor determines to facilitate the Auction (the "Incremental Amount"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Vendor in its sole discretion.
  8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Vendor shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "Winning Bid"), subject to Court approval.
  9. Court Approval of the Winning Bid. The Vendor shall make a motion to the Court by serving motion material on or before January 13, 2014 for a hearing to be held on or before January 15, 2014 to seek approval of the Winning Bid and an approval and vesting order.
  10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendor shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement.
  11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Vendor until January 20, 2014 and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Winning Bid, the Vendor shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the "Winning Bidder") forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Vendor shall not have any obligation to return the deposit submitted with the Winning Bid

and such deposit shall be retained by the Vendor as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Vendor shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.

12. Modifications. Subject to the Receivership Order, the Vendor shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

10728258.5

GE CANADA EQUIPMENT FINANCING

I M B C BLOWMOLDING INC.

and

Court File No: CV-13-10355-00C

G.P.

Respondent

Applicant

<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b> <b>(COMMERCIAL LIST)</b>	
	Proceeding commenced at Toronto
<b>RECEIVERSHIP ORDER</b>	
<b>MILLER THOMSON LLP</b> <b>ONE LONDON PLACE</b> <b>255 QUEENS AVENUE, SUITE 2010</b> <b>LONDON, ON CANADA N6A 5R8</b>  <b>Alissa K. Mitchell LSUC#: 35104E</b> <b>Tel: 519.931.3510</b> <b>Fax: 519.858.8511</b>  <b>Craig A. Mills LSUC#: 40947B</b> <b>Tel: 416.595.8596</b> <b>Fax: 416.595.8695</b>  <b>Lawyers for the Applicant</b>	

**TAB C**

Court File No. CV13-10355-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING 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**

**A. FARBER & PARTNERS INC.**

**COURT APPOINTED RECEIVER**

**SECOND REPORT OF THE RECEIVER**

**JANUARY 10, 2014**

**LIST OF APPENDICES**

<b>Appendix "A"</b>	First Report of Proposed Receiver (without appendices) dated December 6, 2013
<b>Appendix "B"</b>	Order of the Honourable Madame Justice Mesbur dated December 10, 2013
<b>Appendix "C"</b>	Stalking Horse Agreement of Purchase and Sale made as of December 6, 2013
<b>Appendix "D"</b>	Advertisement appearing in the Globe & Mail on December 12, 2013
<b>Appendix "E"</b>	Security opinion with respect to GE Canada and RPG
<b>Appendix "F"</b>	Affidavit of Peter Crawley sworn January 10, 2014
<b>Appendix "G"</b>	Affidavit of Neil Rabinovitch sworn January 10, 2014
<b>Appendix "H"</b>	Receiver's Anticipated Receipts & Disbursements

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**INTRODUCTION**

1. On December 6, 2013, GE Canada Equipment Financing G.P. ("**GE Canada**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for the appointment of A. Farber & Partners Inc. ("**Farber**") as receiver (the "**Receiver**") of all of the assets, undertakings and properties (the "**Property**") of I M B C Blowmolding Inc. ("**IMBC**" or the "**Company**") pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* and Section 101 of the *Courts of Justice Act* (the "**Receivership Proceedings**"). The application was returnable on December 10, 2013.

2. On December 6, 2013, Farber in its capacity as proposed Receiver submitted its first report (the "**First Report**") in support of GE Canada's application. The First Report (without appendices) is attached as **Appendix "A"** hereto.

3. On December 10, 2013, the Court granted an order (the “**Receivership Order**”) appointing Farber as Receiver of the Property. A copy of the Receivership Order is attached as **Appendix “B”**.

4. The Receivership Order also approved (a) the Receiver entering into an agreement of purchase and sale made as of December 6, 2013 (the “**Stalking Horse APS**”), to sell substantially all of the Property (the “**Purchased Assets**”) to Plastique Micron Inc. (“**PMI**”); and (b) a stalking horse sales and marketing process including bidding procedures and a possible auction (the “**Sales Process**”).

5. The Receiver was not appointed as manager nor was it directed to take control or possession of the Property.

6. The Receivership Order further provided for:

- (a) a Receiver’s Charge of \$120,000 as security for the professional fees of the Receiver and its counsel;
- (b) a Debtor’s Administration Charge of \$15,000 as security for the fees and disbursements of legal counsel to IMBC; and
- (c) a Receiver’s Borrowing Charge of \$100,000 as security for monies borrowed by the Receiver for the purpose of providing funding to IMBC to permit IMBC to maintain operations during the Receivership Proceedings.

**PURPOSE OF THE REPORT**

7. The Purpose of this second report to the Court (the “**Second Report**”) of Farber in its capacity as the Receiver is to:

- (a) report to the Court on the conduct and results of the Sales Process;
- (b) report to the Court on the Receiver’s activities;
- (c) provide support for an order as requested by the Receiver, *inter alia*:
  - (i) vesting in IMBC Blowmolding 2014 Inc. (the “**Purchaser**”) as assignee of PMI all of IMBC’s and the Receiver’s right, title and interest, if any, in and to the Purchased Assets (as defined in the Stalking Horse APS), free and clear of any claims and encumbrances upon closing of the transaction (the “**Transaction**”) contemplated by the Stalking Horse APS;
  - (ii) Authorizing the Receiver to make the following payments from the proceeds of sale of the Transaction provided that following such payments at least \$105,000 remain in the control of the Receiver:
    - (1) \$1,049,182.61 plus per diem interest to GE Canada in full and final satisfaction of all claims of GE Canada against the Debtor;
    - (2) \$140,839.86 plus per diem interest and reasonable legal fees incurred by RPG Receivables Purchase Group Inc. (“**RPG**”) to RPG in full and final satisfaction of claims of RPG against the Debtor;

- (iii) Declaring the distributions provided for in (c) above are not “distributions” for purposes of section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada), section 107 of the Corporations Tax Act (Ontario) and section 117(1) of the Taxation Act, 2007 (Ontario) (collectively, the “**Tax Provisions**”), and that the Receiver, in making the payments and remittances authorized herein is not “distributing”, or considered to have “distributed” the net sale proceeds, and shall have no obligation to obtain a clearance certificate in respect of such payments or remittances and declaring that the Receiver shall incur no personal liability for or have an obligation to remit amounts payable to the Canada Revenue Agency in respect of amounts owing by the Debtors for taxes under such Acts for making the payments and remittances so authorized;
- (iv) Amending the Receivership Order to expand the powers of the Receiver, following closing of the Transaction to authorize the Receiver to take possession and control of the Property (as defined in the Receivership Order);
- (v) Approving the fees and disbursements of the Receiver and its legal counsel as set out in Affidavit of Peter Crawley sworn on January 10, 2014 (the “**Crawley Affidavit**”) and the Affidavit of Neil Rabinovitch sworn on January 10, 2014 (the “**Rabinovitch Affidavit**”); and

- (vi) Approving this Second Report, the First Report and the activities set out therein.

## **DISCLAIMER**

8. Farber has relied upon the financial records and information provided by the Company, as well as other information supplied by GE Canada, management, appraisers, secured creditors agents and others. Farber has not performed an audit or otherwise attempted to verify the information provided and expresses no opinion thereon.

9. A copy of this Second Report, along with all other motion materials and Orders and Endorsements issued in this proceeding, are available on the Receiver's website at:

<http://www.farberfinancial.com/insolvency-engagements/bid/357778/I-M-B-C-Blowmolding-Inc>

## **BACKGROUND**

10. IMBC is a Canadian corporation that was founded in 1989. The Company is ISO/TS 16949 certified and manufactures custom extrusion blowmolded products for the following industries:

- Automotive components and additives;
- Food and beverage;
- Health and beauty; and
- Medical/pharmaceutical products.

11. The Company employs approximately 33 full-time, non-unionized employees.
12. IMBC operates 17 machines and 3 secondary production lines in its 70,000 square foot leased facility at 71/81 Centennial Road, Orangeville, Ontario (the “**Leased Premises**”). The owner of the Leased Premises is a 1309742 Ontario Ltd. operating as Starr Properties (“**130 Co.**”), a company related to IMBC.

### **STALKING HORSE BID**

13. As reported in the First Report, prior to the Receivership Order, PMI submitted an offer to purchase substantially all of the right, title and interest in the Company’s assets (other than specifically excluded assets), properties and undertakings in the form of the Stalking Horse APS. The Stalking Horse APS was approved by the Receivership Order and the Receiver was authorized to execute same. A copy of the fully executed Stalking Horse APS including the Sale Process is attached hereto as **Appendix “C”**.

14. As reported in the First Report, a summary of the transaction contemplated by the Stalking Horse APS is as follows (defined terms not otherwise defined have the meaning provided to them in the Stalking Horse APS):

- (a) the continued employment of the majority of the IMBC employees by the Purchaser;
- (b) Purchased Assets include all property, assets, and undertaking of the Company wherever situate, other than Excluded Assets, used in conjunction with, or as part of, the operation of the blowmolding business. Specifically, the Purchased Assets

include: machinery and equipment, inventory, equipment replacement parts and intellectual property;

- (c) Excluded Assets include: cash on hand and bank deposits, accounts receivable, prepaid deposits and expenses, any tax refunds and rebates and the Company's interest in causes of action against third parties arising out of events occurring on or prior to the Closing;
- (d) The Purchase Price payable by the Purchaser for the Purchased Assets is as follows:
  - (i) for Inventory, other than equipment replacement parts, the amount to be paid will be an amount equal to the lower of cost or net realizable value of the Inventory. The Receiver is advised by management of IMBC that it is estimated that this amount is expected to be approximately \$250,000 at the time of closing;
  - (ii) \$25,000 for the equipment replacement parts, and
  - (iii) \$1,250,000 for all the other Purchased Assets, in accordance with an allocation set out in the Stalking Horse APS (allocated as \$1,249,999 to Machinery and Equipment and \$1.00 to other assets including Assumed Contracts and Intellectual Property);
- (e) Payment of a \$250,000 deposit to the Receiver's counsel at the time of submission of the Stalking Horse APS. The Receiver's counsel received the deposit from PMI on December 6, 2013;

- (f) Payment of a break fee of \$125,000 (the “Break Fee”) to PMI in the event that an Alternate Transaction occurs;
- (g) Assumption of ordinary course employee liabilities for the Assumed Employees;
- (h) Conditional on there being no material interruption to the Company’s business operations in the normal course prior to the Closing; and
- (i) Conditional on the Court granting an Approval and Vesting Order on or before January 15, 2014, with the Closing Date to be 2 business days following the day on which the Approval and Vesting Order is granted.

15. In addition, the Receiver was advised that PMI, should they or its assignee be the successful purchaser, has negotiated a 10 year lease (the “Lease”) with 130 Co. for the Leased Premises. The Receiver understands that the Lease is conditional on the closing of the Transaction.

16. The Receiver has also been advised that PMI has, to its satisfaction, agreed on a form of non-disturbance agreement with certain of the mortgagees of the Leased Premises.

17. Based on the foregoing, the total purchase price to be paid in cash at closing, including the deposit, is approximately \$1,525,000.

#### **SALES PROCESS**

18. As there is an urgent need to complete a transaction to preserve the customer base as much as possible; an extraordinarily tight cash flow and liquidity constraints; and the

stakeholders' need for stability in the ongoing business, an expedited marketing and sales process was required and approved by the Receivership Order.

19. In order to further expose the IMBC opportunity to the marketplace and to seek offers in excess of the purchase price in the Stalking Horse APS, the Receiver conducted the Sales Process as approved by the Receivership Order. The Receiver began canvassing the market immediately upon the issuance of the Receivership Order. A summary of activities undertaken is set out below:

- IMBC, together with the Receiver, prepared a list of potential interested parties to contact;
- A "teaser" information summary was prepared with respect to IMBC and distributed to potentially interested parties;
- A confidentiality agreement was prepared and put in place to be signed by interested parties;
- A virtual data room was set up and populated with financial and other information. Password access was provided to Prospective Purchasers (as defined in the Sales Process) to allow due diligence to be conducted;
- An advertisement was placed in the Globe & Mail (national edition) on December 12, 2013, a copy of which is attached as **Appendix "D"**; and
- The Stalking Horse APS and Sales Process were posted on the web site of the Receiver.

20. A total of thirty (30) potential bidders were contacted or responded to the advertisement. Of these, seventeen (17) were possible going-concern purchasers and thirteen (13) were liquidators/auctioneers. Fourteen (14) parties executed confidentiality agreements and five (5) of those conducted site visits.

21. The Receiver did not receive any competing bids by the offer deadline established in the Sales Process of 3:00 p.m. on January 7, 2014.

22. The Sales Process also provided for an auction (the “**Auction**”) in the event that there were one or more Qualified Bids (as defined in the Sales Process). The Auction was not necessary.

#### **SECURITY OPINION**

23. The Receiver instructed its independent counsel, Dentons, to prepare a security opinion with respect to the security held in favour of each of RPG and GE Canada, a copy of which is attached as **Appendix “E”**. Subject to the usual assumptions and qualifications, the security opinion states that the security granted by IMBC in favour of each of RPG and GE Canada is valid and enforceable as against IMBC.

24. Dentons has not reviewed nor opined on the security of Georgian Triangle and Dufferin Economic Development Corporation (“**CBED**”). CBED, RPG and GE Canada are subject to a priorities agreement which provides as follows:

- (1) RPG has priority over all of the Debtor’s assets, except for all machinery and equipment and all other tangible personal property of the Debtor financed,

directly or indirectly, by GE Canada ("GE Assets"), to the extent of the Debtor's indebtedness to RPG;

- (2) GE Canada has priority over the GE Assets to the extent of the Debtor's indebtedness to GE Canada;
- (3) RPG has second priority with respect to the GE Assets to the extent of the Debtor's indebtedness to RPG;
- (4) GE Canada has second priority over all of the Debtor's assets that are not the GE Assets to the extent of the Debtor's indebtedness to GE Canada; and
- (5) CBED has third priority with respect to the Debtor's assets except in respect of any proceeds obtained from a \$150,000 life insurance policy over the life of Robert Starr, for which it has first priority.

25. As at January 8, 2014, the Receiver is advised by RPG and IMBC that IMBC was indebted to RPG in the amount of \$140,839.86 and interest is accruing at a per diem of \$57.71. In addition, RPG advises that it has incurred approximately \$4,800 in legal fees in relation to the Receivership Proceedings.

26. As at January 9, 2014, the Receiver is advised by RPG and IMBC that IMBC was indebted to GE Canada in the amount of \$1,014,733.74. Further, GE Canada has incurred professional fees of \$34,448.87.

27. Registrations under the Personal Property Security Act (Ontario) against the Debtor were also made by Robert Starr ("Starr"), Key Equipment Finance Canada Ltd. ("Key

**Equipment”)** and National Leasing Group Inc. (**“National Leasing”**). The Receiver has been advised that Key Equipment and National Leasing have now discharged their PPSA registrations as no amounts were owing to them.

28. The Receiver also understands that Starr, the principal of the Debtor, is not owed any money by the Debtor. Starr has also executed documentation postponing his interest, if any, to each of GE Canada and RPG.

#### **POTENTIAL PRIORITY CLAIMS**

29. The Receiver has been advised by Canada Revenue Agency (**“CRA”**) that a trust examiner from CRA has made arrangements to attend the Leased Premises on January 23, 2014, to review the books and records to establish if priority amounts are owed to CRA in respect of payroll source deductions and H.S.T. The Receiver understands that the Purchaser will provide access to the appropriate books and records to CRA for this purpose.

30. The Receiver is further advised by IMBC that source deduction remittances are current as these are processed through a payroll service provider.

31. The Receiver is advised that IMBC is typically in a refund position for its H.S.T. filings due to the large amount of sales to the United States.

32. With respect to other amounts owing to CRA, the Receiver understands that the Debtor has sufficient losses such that it is not expected to owe any other amounts to CRA.

33. IMBC management has also advised the Receiver that all wages and vacation pay owing to past and present employees of IMBC are current.

34. The Receiver has received no demands for repossession of goods pursuant to section 81.1 of the BIA.

#### **RECEIVER'S BORROWINGS**

35. The cash needs of the Company were so severe that operations could not continue without additional funding. The Receiver secured the necessary funding commitment of \$100,000 through Receiver's Borrowings from RPG. As of the date of this report, RPG had advanced \$60,000 and it is expected that the Receiver will borrow an additional amount prior to closing. In accordance with the Receivership Order, the Receiver intends to repay this amount, plus interest to RPG out of the funds received on closing of the Stalking Horse APS.

#### **FEES AND DISBURSEMENTS OF THE RECEIVER AND RECEIVER'S COUNSEL**

36. As set out in the Crawley Affidavit attached as **Appendix "F"**, for the period October 30, 2013 to December 31, 2013, the Receiver has expended 94.6 hours, amounting to fees of \$39,268.00 and disbursements of \$723.27 (before H.S.T.).

37. As set out in the Rabinovitch Affidavit, attached as **Appendix "G"**, Dentons' fees and disbursements for the period December 3, 2013 to December 31, 2013 were \$29,452.35 (not including H.S.T.).

38. The Receiver respectfully requests that this Court approve the fees and disbursements of Farber and Dentons as set out in the Crawley Affidavit and the Rabinovitch Affidavit as in the Receiver's view such are reasonable in the circumstances.

**PROPOSED DISTRIBUTION**

39. The anticipated receipts and disbursements of the Receiver, immediately following closing of the Transaction, are summarized in **Appendix "H"**.

40. In addition to the closing proceeds from the Stalking Horse APS, IMBC expects to receive a Scientific Research and Experimental Development refund ("SRED") for the 2013 fiscal period. Provided that the powers of the Receiver are expanded to deal with the remaining assets as requested, the Receiver will be working with existing management to file IMBC's 2013 SRED application with CRA. It is anticipated that this can be filed by February 28, 2014. The net recoverable amount, after provision for consultants' fees, is expected to be approximately \$120,000.

41. The Receiver proposes to pay \$140,839.86 (plus applicable per diem and reasonable legal fees estimated to be \$4,800.00) to RPG and \$1,014,733.74 (plus applicable per diem and professional fees of \$34,448.87) to GE Canada, subject to the approval of this Honourable Court, in full satisfaction of their respective secured positions.

42. The Receiver is requesting the authorization to repay the full amounts owing to RPG and GE Canada and following such payments the Receiver is expected to have approximately \$105,000 remaining in immediately available funds (along with additional assets to be realized, including the expected SRED refund) to address potential claims of CRA, the Receiver's Charge, and the Debtor's Administration Charge and subordinate creditors.

43. The Receiver proposes to await the results of the aforementioned CRA trust examination scheduled to occur on January 23<sup>rd</sup> prior to making the requested payments to GE

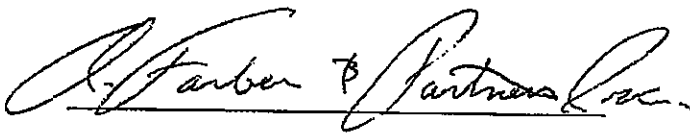
Canada and RPG. If unexpected matters arise as a result of such trust examination such that the Receiver is concerned that priory amounts may exceed the \$105,000 remaining, the Receiver intends to return to Court for directions.

#### **RECOMMENDATION**

44. The Receiver respectfully requests that this Court grant an order for the relief set out in section 7(c) hereof.

All of which is respectfully submitted this 10<sup>th</sup> day of January, 2014.

**A. FARBER & PARTNERS INC., in its capacity as  
the Court-appointed Receiver of I M B C Blowmolding Inc.  
and not in its personal capacity**

A handwritten signature in cursive script, appearing to read "A. Farber & Partners Inc.", written over a horizontal line.

**TAB D**



Court File No. CV-13-10355-00CL

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

THE HONOURABLE MR.	)	WEDNESDAY, THE 15 <sup>TH</sup>
	)	
JUSTICE D. BROWN	)	DAY OF JANUARY, 2014

**BETWEEN:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

APPLICATION UNDER Section 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

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by A. FARBER & PARTNERS INC., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of I M B C Blowmolding Inc. (the "**Debtor**") for: (i) an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and IMBC Blowmolding 2014 Inc. (the "**Purchaser**") as assignee of Plastique Micron Inc. made as of December 6, 2013, and appended to the Second Report of the Receiver dated January 10, 2014 (the "**Second Report**"), and vesting in the Purchaser the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets as defined in the Sale Agreement and as set out on Schedule "**B**" hereto (the "**Purchased Assets**"); (ii) authorizing the Receiver to make

the payments to GE Canada Equipment Financing G.P. ("**GE Canada**") and RPG Receivables Purchase Group Inc. ("**RPG**") from the proceeds of sale of the Transaction provided that following such payments at least \$105,000 remain in the control of the Receiver; (iii) declaring the payments provided for to GE Canada and RPG are not "distributions" for purposes of section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada), section 107 of the Corporations Tax Act (Ontario) and section 117(1) of the Taxation Act, 2007 (Ontario) (collectively, the "**Tax Provisions**"), and that the Receiver, in making the payments and remittances authorized herein is not "distributing", or considered to have "distributed" the net sale proceeds, and shall have no obligation to obtain a clearance certificate in respect of such payments or remittances and declaring that the Receiver shall incur no personal liability for or have an obligation to remit amounts payable to the Canada Revenue Agency in respect of amounts owing by the Debtors for taxes under such Acts for making the payments and remittances so authorized; (iv) amending the Order of Justice Mesbur made on December 10, 2013 appointing the Receiver (the "**Receivership Order**") to expand the powers of the Receiver, following closing of the Transaction to authorize the Receiver to possession and control of the Property (as defined in the Receivership Order); (v) approving the fees and disbursements of the Receiver and its legal counsel as set out in Affidavit of Peter Crawley sworn on January 10, 2014 (the "**Crawley Affidavit**") and the Affidavit of Neil Rabinovitch sworn on January 10, 2014 (the "**Rabinovitch Affidavit**"); and (vi) approving the second report to court of Farber in its capacity as Receiver of the Debtor dated January 10, 2014 (the "**Second Report**"), the first report to court of Farber in its capacity as proposed Receiver of the Debtor dated December 6, 2013 (the "**First Report**") and the activities set out therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, the Respondent, the Purchaser, the Applicant, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Stephanie Waugh sworn January 10, 2014, filed:

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

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved as set out in the Sale Agreement which the Receiver was authorized and approved to execute with such minor amendments as the Receiver may deem necessary pursuant to the Receivership Order. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the

Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets (the "Net Proceeds") with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act*

(Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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

10. THIS COURT ORDERS that the Receiver is hereby authorized to pay, from the Net Proceeds the following amounts provided that following such payments at least \$105,000 remains in the control of the Receiver:

- (a) \$1,049,182.61 plus *per diem* interest and reasonable legal fees not to exceed \$7,500 to GE Canada in full and final satisfaction of all claims of GE Canada against the Debtor; and
- (b) \$140,839.86 plus *per diem* interest and reasonable legal fees to RPG in full and final satisfaction of all claims of RPG against the Debtor excluding any liabilities, obligations or indebtedness of the Debtor that may arise under the master receivables purchase agreement between the Debtor and RPG dated June 30, 2011.

11. THIS COURT ORDERS that upon filing of the Receiver's Certificate, paragraph 3 of the Receivership Order be and is hereby amended to read as follows:

**RECEIVER'S POWERS**

3. *THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and*

*authorized to do any of the following where the Receiver considers it necessary or desirable:*

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;*
- (b) to receive, preserve, and protect the Property, or any part or parts thereof,*
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;*
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;*
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;*
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;*
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or*

*applications for judicial review in respect of any order or judgment pronounced in any such proceeding;*

- (h) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;*
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause; and in each such case notice under subsection 63(4) of the Ontario Personal Property Security Act, shall not be required, and in each case the Ontario Bulk Sales Act shall not apply;*
- (j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;*
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;*
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;*
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals*

*thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;*

- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;*
- (o) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and*
- (p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.*

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

12. THIS COURT ORDERS that upon filing of the Receiver's Certificate, paragraph 16 of the Receivership Order be and is hereby amended to read as follows:

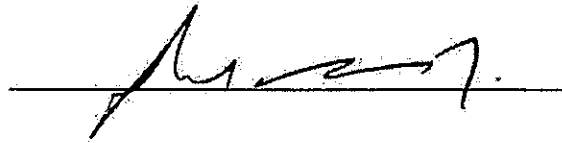
**RECEIVER TO HOLD FUNDS**

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

*Order or any further Order of this Court.* Any funds received by the Receiver or by the Debtor on account of the RPG Receivables shall, upon confirmation by the Receiver that such funds are on account of the RPG Receivables, be paid forthwith to RPG.

13. THIS COURT ORDERS that the fees and disbursements of the Receiver and its legal counsel as set out in the Crawley Affidavit and the Rabinovitch Affidavit be and are hereby approved.

14. THIS COURT ORDERS that the First Report, the Second Report and the activities of the Receiver as set out therein be and are hereby approved.

A handwritten signature in black ink, appearing to be "J. Rabinovitch", written over a horizontal line.

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

JAN 15 2014

NB

**Schedule A – Form of Receiver’s Certificate**

Court File No. CV-13- 10355-00CL

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

**B E T W E E N :**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

APPLICATION UNDER Section 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

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Mesbur of the Ontario Superior Court of Justice (the “**Court**”) dated December 10, 2013, A. FARBER & PARTNERS INC. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of I M B C Blowmolding Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated January 15, 2014, the Court approved the agreement of purchase and sale made as of December 6, 2013 (the “**Sale Agreement**”), between the Receiver and IMBC Blowmolding 2014 Inc. (the “**Purchaser**”) as assignee of Plastique Micron Inc. and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the

Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [TIME] on January ●, 2014.

**A. FARBER & PARTNERS INC., in its capacity as Receiver of the undertaking, property and assets of IMBC Blowmolding Inc., and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

## **Schedule B – Purchased Assets**

All property, assets, and undertaking of the Debtor wherever situate, other than the Excluded Assets and, without limiting the generality of the foregoing, includes all chattels, personal property, equipment, inventory, Assumed Contracts, rights, intellectual property and all other assets used in conjunction with, or as part of, the operation of the blowmoulding business located at the property municipally known as 71-81 Centennial Road, Orangeville, Ontario ("Premises").

"Assumed Contracts" means:

1. All software and information technology contracts related to licencing agreements with respect to Windows Exchange software, Windows NT software, Excel, and other software and information technology contracts licences by the Debtor, other than any of those Contracts in respect of which any consent is necessary to effect the assignment thereof to the Purchaser and which shall not have been given.
2. The lease agreement with the Debtor for the photocopier that is currently used by the Debtor.

"Excluded Assets" means:

All cash and cash equivalents, bank deposits or similar cash items of the Debtor;

all accounts receivable;

any claim, right or interest of the Debtor in or to any refund, rebate, abatement or other recovery for taxes (including tax refunds and/or tax credits) and paid by or on behalf of the Debtor, together with any interest due thereon or penalty rebate arising therefrom, for any tax period (or portion thereof);

the lease, if any, of the Debtor for the Premises;

the 2011 Buick Enclave;

all deposits and prepaid charges and expenses of the Debtor;

the Debtor's rights, claims or causes of action against third parties relating to the assets, properties, business or operations of the Debtor arising out of events occurring on or prior to the closing date, and any proceeds arising from such action;

the Debtor's corporate books, minute books, financial and accounting records;  
and

any other items that that the Purchaser notifies the Vendor in writing before the Closing as an excluded asset.

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Defendant

APPLICATION UNDER Section 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

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
PROCEEDING COMMENCED AT TORONTO**

**APPROVAL AND VESTING ORDER**

DENTONS CANADA LLP  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

**LAWYERS FOR the Receiver**

Lawyer: Neil S. Rabinovitch / Jane O.  
Dietrich  
LSUC: 33442F / 49302U  
E-mail: neil.rabinovitch@dentons.com /  
jane.dietrich@dentons.com  
Telephone: 416 863-4656 / 416 863-4467  
Facsimile: 416 863-4592



GE CANADA EQUIPMENT FINANCING G.P.  
Applicant

- and -

I M B C BLOWMOLDING INC.  
Defendant

APPLICATION UNDER Section 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

Court File No: CV-13-10355-00CL

4.

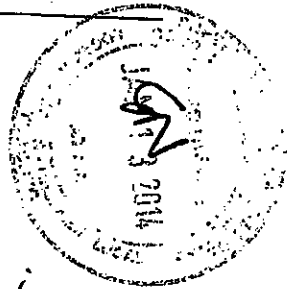
Jan 15/14

Paper review has been made. No party opposes.  
Soundair has been met. The request in para 1(d)  
of the Motion of Mr. Han has been withdrawn.  
I have signed the order.

As to para 1(d):

- ① I resign myself of this proceeding; and,
- ② If the Rev. subsequently wishes to seek such relief, meaning a notice specifically showing otherwise to the declarator by relief sought must be given to the taxing authorities before I will consider party or such relief.

*[Signature]*  
D.N. BROWN T.



ONTARIO

SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD

(returnable January 15, 2014)

DENTONS CANADA LLP

77 King Street West

Suite 400

Toronto Ontario

M5K 0A1

LAWYERS FOR the Receiver

Lawyer:

Neil S. Rabinovitch / Jane O.  
Dietrich

LSUC:

33442F / 49302U

E-mail:

neil.rabinovitch@dentons.com /  
jane.dietrich@dentons.com

Telephone:

416 863-4656 / 416 863-4467

Facsimile:

416 863-4592

# TAB E



EXAMINER'S STATEMENT OF ACCOUNT - RELEVÉ DE COMPTE DE L'EXAMINATEUR

Taxpayer's Name - Nom du contribuable <b>IMBC Blowmolding Inc</b>		Date <b>2014-01-23</b>
Taxpayer's Address - Adresse du contribuable <b>C/O Farber Financial Group Attn: Peter Crawley 150 York St. Suite 1600 Toronto, ON</b>		Collections Sections Contact - Personne ressource / Section des recouvrements <b>W Rueger</b>
Account Number - Numéro de compte <b>121997043 R P0001</b>		Collections Section Telephone - Téléphone Section des recouvrements <b>519-866-323-6336</b>
Tax Services Office - Bureau des services fiscaux <b>Kitchener</b>		

An examination of your payroll records performed on 2014-01-23  
covering the period(s) 2013-01-01 to 2013-01-23  
discloses discrepancies in your remittances as follows:

Un examen de vos registres de paie exécuté le \_\_\_\_\_  
visant les périodes du \_\_\_\_\_ au \_\_\_\_\_  
a révélé les écarts suivants dans vos versements :

Details - Détails	Current Year Année courante \$	Previous Years - Années passées	
		2013 \$	\$
Total deductions and taxpayer's obligation Total des retenues et obligation du contribuable	24663.93	393581.70	
Total credits to date Total des crédits jusqu'à maintenant		393581.67	
Adjustments Rajustements			
Difference Différence		.03	
Corrections re EI and/or CPP (See PD86 attached) Corrections pour AE et/ou RPC (voir PD86 ci-jointe)			
Balance Solde		.03	
Failure to remit penalty Pénalité pour défaut de remettre			
Interest Intérêt			
Late remitting penalty Pénalité pour versement tardif			
Failure to deduct penalty Pénalité pour défaut de déduire			
Late filing penalty Pénalité pour production tardive			
Total owing Montant total dû			
Total arrears disclosed during examination Total des arriérés découverts lors de la vérification			
Previous arrears Arriérés antérieurs			
Adjustments (Previous arrears) Rajustements (Arriérés antérieurs)			
Interest to date on previous arrears Intérêt jusqu'à maintenant sur les arriérés antérieurs			
Sub total Somme partielle			
Less: Current payment Moins : Paiement courant			
Balance due Solde dû			

A notice of assessment will follow shortly. However, the amount owing is due and payable immediately and you are therefore required to provide the examiner with the appropriate payment. Failure to do so may result in legal proceedings either by way of garnishee or action in the Federal Court which could result in seizure and sale of your assets.

Nous vous enverrons un avis de cotisation sous peu. Cependant, le solde dû est exigible et payable immédiatement; vous devrez donc remettre à l'examineur le paiement approprié. En omettant de le faire, nous pourrions engager des procédures judiciaires sous forme de saisie-arrest ou d'action en cour fédérale qui pourrait donner lieu à la saisie et à la vente de vos biens.

For Assistant Director, Revenue Collections Division  
Pour le directeur adjoint de la Division du recouvrement des recettes

Signature for receipt only of this statement  
Signature pour accuser réception de ce relevé

**TAB F**

IN THE MATTER OF THE RECEIVERSHIP OF  
**I M B C BLOWMOLDING INC.**  
INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS  
As at February 24, 2014

**Receipts**

Accounts Receivable	\$ 14,098.75
Cash in Bank	40,066.92
H.S.T. Refund	10,000.76
Receiver's Borrowings	60,000.00
Sale of assets enbloc	<u>1,497,991.75</u>
Total Receipts	<u>1,622,158.18</u>

**Disbursements**

Bank charges	312.50
H.S.T. paid on disbursements	9,067.80
Interest expense on Receiver's Borrowings	468.50
Legal fees	29,452.35
Operating expenses	61,657.61
Receiver's expenses	1,307.59
Receiver's fees	39,268.00
Repayment of Receiver's Borrowings	<u>60,000.00</u>
Total Disbursements	<u>201,534.35</u>

**Gross Receipts over Disbursements** 1,420,623.83

**Distributions**

RPG Receivables Purchase Group Inc.	146,289.78
GE Canada Equipment Finance G.P.	<u>1,056,925.15</u>

**Bank balance at February 24, 2014** \$ 217,408.90

**TAB G**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**BETWEEN:**

**GE CANADA EQUIPMENT FINANCING G.P.**

**Plaintiffs**

**AND**

**I M B C BLOWMOLDING INC.**

**Defendants**

**AFFIDAVIT OF PETER CRAWLEY**

I, Peter Crawley, of the City of Burlington, in the Province of Ontario, MAKE OATH  
AND STATE AS FOLLOWS:

1. I am a Senior Manager at A. Farber & Partners Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
2. A. Farber & Partners Inc. ("Receiver") was appointed Receiver over all of the assets, undertakings and properties of I M B C Blowmolding Inc. ("IMBC") pursuant to an Order of this Court made on December 10, 2013. I make this affidavit as a supplement to the Third Report of the Receiver.
3. During the period January 1, 2014 to February 15, 2014 the Receiver has incurred fees and disbursements, including H.S.T., but excluding the fees of its legal counsel, in the total


amount of \$43,483.40. A summary of time is attached herewith as Exhibit A. A copy of the one invoice rendered during this period is attached as Exhibit B.

4. The average hourly rate in respect of time as outlined in Exhibit A is \$401.17.
5. The Receiver's cost to finalize this matter will not exceed \$10,000, plus H.S.T.
6. This Affidavit is made in support of a motion to, *inter alia*, seek approval of the foregoing fees and disbursements as fair and reasonable.

SWORN BEFORE ME at the  
City of Toronto, in the  
Province of Ontario,  
This 26<sup>th</sup> day of February, 2014

  
Commissioner for Taking Affidavits

Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

  
Peter Crawley

**EXHIBIT A**

**THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF PETER CRAWLEY  
SWORN BEFORE ME THIS 26<sup>th</sup>  
DAY OF FEBRUARY, 2014**

  
A Commissioner Etc.

Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

EXHIBIT A

A. FARBER & PARTNERS INC.  
I M B C BLOWMOLDING INC.  
SUMMARY OF RECEIVER'S FEES  
JANUARY 1, 2014 TO FEBRUARY 15, 2014

Jan 1, 2014 to Feb 15, 2014

Name	Rate Per Hour	Hours	Total
H. Levy	\$500.00	23.75	\$ 11,875.00
P. Crawley	\$405.00	54.70	\$ 22,153.50
L. Samoilov	\$165.00	7.70	\$ 1,270.50
D. Falcione	\$155.00	3.00	\$ 465.00
Total		89.15	\$ 35,764.00

Average hourly rate \$ 401.17

Expenses:		\$ 3,070.08
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HST:		\$ 4,649.32
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Totals:		\$ 43,483.40
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**EXHIBIT B**

**THIS IS EXHIBIT "B" TO  
THE AFFIDAVIT OF PETER CRAWLEY  
SWORN BEFORE ME THIS 26<sup>th</sup>  
DAY OF FEBRUARY, 2014**

  
A Commissioner Etc.

Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

150 York Street  
Suite 1000  
Toronto, ON M5H 1Y9  
Canada

Office: 416-492-8150  
Fax: 416-496-3879

www.farberfinancialgroup.com

February 26, 2014

1309742 Ontario Ltd. o/a Starr Properties  
81 Centennial Road  
Orangeville, ON L9W 3R1

Re: IMBC Blowmolding Inc.

Invoice No. 10922

---

TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the  
period ended February 15, 2014:

DATE	SERVICE	STAFF
11/22/2013	Consulting fees - Corporate Telephone calls with Miller Thomson and Dentons regarding process.	Levy
12/16/2013	Consulting fees - Corporate Emails regarding inventory reports and other information requests from Sandra Starr; update discussion with P Crawley.	Levy
01/02/2014	Consulting fees - Corporate Respond to creditor inquiry.	Da Silva-Falcione
01/02/2014	Consulting fees - Corporate Review email from National Leasing; forward PPSA discharges to J Dietrich; call to Key Equipment Finance.	Crawley
01/06/2014	Consulting fees - Corporate Inquiry from interested party re: site visit today; emails with P Crawley re: same.	Da Silva-Falcione
01/06/2014	Consulting fees - Corporate Calls with prospective bidder and S Starr re: site visit and decision to not proceed; return R Haas call; update H Levy; call from Richard of Key Equipment Finance to discuss PPSA discharges.	Crawley
01/07/2014	Consulting fees - Corporate Document preparation.	Da Silva-Falcione
01/07/2014	Consulting fees - Corporate Preparing second report; review inventory update from S Starr; query S Starr on cash flow update whereabouts; review documentation; follow-up with R McAuliffe of Key	Crawley

Equipment Finance for PPSA discharge; call to R Sabourin; discuss with H Levy the outcome of the sales process and contents of the report; call to S Starr to discuss SR&ED, cash flow and sale outcome.

01/08/2014	Consulting fees - Corporate	Da Silva-Falcione
	Update creditor contact information; prepare Affidavit of Fees and finalize December 31 invoice.	
01/08/2014	Consulting fees - Corporate	Crawley
	Complete first draft of Second Report; calls to C Mamon of GE and A Mitchell to update them on the outcome of the sales process; query R Sabourin for current loan balance; respond to creditor certified payment enquiry; request additional information required for the report; call from W Rueger of CRA.	
01/09/2014	Consulting fees - Corporate	Da Silva-Falcione
	Update Affidavit of Fees per P Crawley instructions.	
01/09/2014	Consulting fees - Corporate	Crawley
	Amendments to second report and statement of anticipated R&D ; calls from creditors and service providers; call with J Dietrich to discuss report and required disclosures; prepare anticipated statement of R&D; review closing agenda; review draft Approval and Vesting Order; review emails from S Starr with updates on closing inventory count and status of vehicle ownership; locate and review bank account information in preparation for expansion of Receiver's powers.	
01/09/2014	Consulting fees - Corporate	Levy
	To supervise the IMBC matter including calls, emails and discussions re: report, bid deadline, court materials, inventory and cash flow reporting.	
01/10/2014	Consulting fees - Corporate	Crawley
	Finalize Second Report and fee affidavit; discuss with J Dietrich and H Levy; request additional information on outstanding balance from R Sabourin of RPG; revise and amend report, R&D and affidavit and sign; send documents to J Dietrich for service; instruct D Falcione in website update; respond to enquiries from R Sabourin.	
01/13/2014	Consulting fees - Corporate	Crawley
	Discuss next steps with H Levy; correspond with R Sabourin for current factoring position; email S Starr	

for inventory and cash flow updates; review and complete HST election form and enquire of counsel on particular requirements and timing; review R Sabourin's comments on the Approval and Vesting Order and forward to counsel for consideration; review and understand RPG factoring reserves.

01/13/2014	Consulting fees - Corporate Levy Various emails regarding agreement, closing and documentation required.
01/14/2014	Consulting fees - Corporate Crawley Review further amendment to draft approval order and forward to R Sabourin for review; inform J Dietrich of current RPG factoring reserve levels; call with S Starr to discuss cash flow needs, inventory reporting and closing matters; further discussion with S Starr about closing inventory levels and to seek assurances; discuss distribution variables with H Levy; communicate payout details to J Dietrich to respond to A Mitchell.
01/14/2014	Consulting fees - Corporate Levy Various emails and calls regarding motion and discussions with P Crawley re: finalization of Order and GE Capital outstanding items; numerous emails regarding Justice Brown comments regarding CRA clearance certificate provisions in the Order.
01/15/2014	Consulting fees - Corporate Da Silva-Falcione Delete data room and all access to same; update website with Approval and Vesting Order, etc.
01/15/2014	Consulting fees - Corporate Crawley Review issue raised by J Brown and discuss CRA positions re: HST, corporate income tax and source deductions with H Levy and J Dietrich; attend Court hearing to seek approval and vesting order; call with S Starr and A Dufour to discuss closing; instruct D Falcione in revisions to be made to website; calls with N Saarimaki; D Drury; S Starr.
01/15/2014	Consulting fees - Corporate Levy Various emails and discussions with P Crawley, S Starr regarding inventory, court orders, banking, closing adjustments and assistance from BDO on return filings; call with P Desmarais regarding court motion and approval.

01/16/2014	Consulting fees - Corporate	Da Silva-Falcione
	Update E-Service list on website; hand deliver signed sale documentation to Dentons.	
01/16/2014	Consulting fees - Corporate	Crawley
	Attend premises to observe inventory count, collect bank account statements and details; discussions with S Starr about closing requirements and inventory valuation matters; review transferred employee list and discuss terminations with S Starr; discuss accounting assistance needs with N Saarimaki of BDO; review closing documents, sign, and arrange delivery to counsel; review cash flow needs with S Starr and current bank position.	
01/16/2014	Consulting fees - Corporate	Levy
	Planning for closing; Numerous discussions with P Crawley.	
01/16/2014	Banking - Corporate	Samoilov
	Prepare and forward to TD request to open new bank account; set up bank account in ASCEND.	
01/17/2014	Consulting fees - Corporate	Crawley
	Prepare closing purchase price payment schedule; discuss closing with H Levy; correspond with S Starr and R Sabourin on closing matters and final RPG funding.	
01/17/2014	Consulting fees - Corporate	Levy
	Supervision of receivership engagement.	
01/17/2014	Banking - Corporate	Samoilov
	Banking, posting.	
01/20/2014	Consulting fees - Corporate	Crawley
	Attend to repaying RPG for the Receiver's Borrowings; discuss accounting entries required in Ascend with L Samoilov in respect of Receiver's Borrowings; discussion with W Rueger of CRA about upcoming trust exam and need to expedite the conclusion; respond to J Dietrich; prepare bank account letter to BMO.	
01/20/2014	Consulting fees - Corporate	Levy
	Calls and emails regarding numerous receivership matters.	
01/20/2014	Banking - Corporate	Samoilov
	Banking, posting; email to TD following up incoming wire transfer.	

01/21/2014	Consulting fees - Corporate	Crawley	Discuss cash position and payroll with S Starr; review bank reconciliations in detail and pose additional questions to S Starr for comment; send bank hold letter to D Coutts; call with D Coutts to discuss process to freeze bank accounts and follow-up email to B Schu of BMO to assist with same; discuss SR&ED and cash flow with H Levy; attend to paying expenses of estate.
01/21/2014	Consulting fees - Corporate	Levy	Various calls and emails with P Crawley regarding CRA, receivables, banking.
01/22/2014	Consulting fees - Corporate	Crawley	Review confirmation from BMO that bank accounts are now frozen; correspond with S Starr on her ability to assist the Receiver going forward; review emails from counsel re: CBED security issues; call with R Sabourin to discuss factor financing wind down and return of deposit.
01/22/2014	Consulting fees - Corporate	Levy	Various supervision with respect to the ongoing file.
01/22/2014	Banking - Corporate	Samoilov	Banking, posting.
01/23/2014	Consulting fees - Corporate	Crawley	Review HST filings and fee quote from BDO; review A/R documents provided by S Starr and RPG and prepare factor position tracking spreadsheet; correspond with CRA to seek an update on outcome of trust examination; review incoming wire confirmations from BMO and Empire and instruct L Samoilov to report thereon.
01/23/2014	Banking - Corporate	Samoilov	Banking, posting, email to TD bank following up incoming wire transfers.
01/24/2014	Consulting fees - Corporate	Crawley	Reconcile A/R payments received on account of RPG factor facility and query S Starr on Berlin payment; review 2014 payroll source deduction remittances to ensure properly deducted by Ceridian vis-a-vis pending CRA confirmation of account status; review email from W Rueger of CRA confirming Receiver is not exposed to CRA; correspond with J Dietrich on actual GE payout figure taking into account per diem; discuss with H Levy;

01/24/2014	Banking - Corporate	Samoilov	Banking, posting; prepare and forward to TD bank two request for wire payments; phone call to TD following up wire confirmation and forward it to P Crawley.
01/27/2014	Consulting fees - Corporate	Levy	Supervision and discussions regarding CRA and annual tax returns issues with P Crawley.
01/27/2014	Consulting fees - Corporate	Crawley	Review year end fee quote from BDO; discuss with H Levy; call and follow-up email to D Coutts to confirm BMO's expectation regarding level of assurance on the year end financial statements; query Micron on reimbursement of asset verification fees; call with D Drury of Pinnacle to discuss logistics of filing SR&ED claim and paying consulting fee; correspond with RPG on status of wire payout; correspond with N Saarimaki on fee quote for year end financials and tax return preparation; review request for payment by insurance broker and determine nothing owed post-filing.
01/27/2014	Banking - Corporate	Samoilov	Banking, posting; email to TD bank re account activity.
01/28/2014	Consulting fees - Corporate	Da Silva-Falcione	Update website with new E-service lists.
01/28/2014	Consulting fees - Corporate	Crawley	Review request for insurance payment from broker vis-a-vis payment that was made post-appointment by company; discuss scheduling of discharge hearing with H Levy; review SR&ED update from D Drury of Pinnacle and discuss quantum of claim with H Levy.
01/29/2014	Consulting fees - Corporate	Crawley	Read email from S Starr re: Peel Landscape and outstanding rent; review RPG A/R aging update; emails from counsel re: timing of discharge motion; receive update on status of Empire A/R payment.

01/30/2014	Consulting fees - Corporate	Levy
	Supervision and discussions with P Crawley regarding emails from S Starr.	
01/30/2014	Consulting fees - Corporate	Crawley
	Emails from S Starr about bounced cheques; forward thoughts to H Levy; correspond with customer about missing wire transfer; message to N Saarimaki at BDO.	
01/30/2014	Banking - Corporate	Samoilov
	E-mail an enquiry to TD following up incoming wire transfer.	
01/31/2014	Consulting fees - Corporate	Levy
	Various emails with S Starr, P Crawley.	
01/31/2014	Consulting fees - Corporate	Crawley
	Call with N Saarimaki; review cash position and advise N Saarimaki of resources; review payments issue with J Dietrich; review uncleared cheques and respond to S Starr.	
01/31/2014	Banking - Corporate	Samoilov
	Banking, posting.	
02/03/2014	Consulting fees - Corporate	Da Silva-Falcione
	Review/process proof of claim.	
02/03/2014	Consulting fees - Corporate	Levy
	Discussions with P Crawley.	
02/04/2014	Consulting fees - Corporate	Crawley
	Discuss requirement to pay rent with H Levy and J Dietrich; discuss items to include in next report; review BDO's comments about year end adjustments required re: income inclusion and discuss same with J Angus, CA.	
02/04/2014	Consulting fees - Corporate	Levy
	Call with J Dietrich, P Crawley regarding rent payment and other payment items after amended receivership order; emails regarding tax returns.	
02/05/2014	Consulting fees - Corporate	Da Silva-Falcione
	Respond to inquiry from WSIB; email copy of Notice of the Receiver and direct to website re: updates, etc.	
02/05/2014	Consulting fees - Corporate	Crawley
	Review year end financial statements provided by S Starr; reconsider N Saarimaki's proposed year end work.	

02/06/2014	Consulting fees - Corporate	Crawley
	Message to N Saarimaki; review emails from S Starr, RPG and customers about payments made in respect of non-factored A/R; prepare Statement of Receiver.	
02/06/2014	Consulting fees - Corporate	Levy
	Various discussions with P Crawley throughout the week.	
02/07/2014	Consulting fees - Corporate	Crawley
	Call with N Saarimaki and her tax specialist to discuss 2013 tax return and agree on requirements while in insolvency; review and sign engagement letter; prepare confirmation letter required by Pinnacle to proceed with SR&ED claim preparation.	
02/10/2014	Consulting fees - Corporate	Crawley
	Update statement of receiver and forward to H Levy for comment; review RPG deposit position.	
02/10/2014	Banking - Corporate	Samoilov
	Banking.	
02/11/2014	Consulting fees - Corporate	Crawley
	Discuss with H Levy; finalize s246 Statement of Receiver; finalize and send retainer letter to Pinnacle for SR&ED work.	
02/11/2014	Consulting fees - Corporate	Levy
	Review of the notice of receiver and other update discussions with P Crawley.	
02/13/2014	Consulting fees - Corporate	Crawley
	Instruct D Falcione on how to code funds received from RPG.	
02/13/2014	Banking - Corporate	Samoilov
	Banking, posting.	
02/14/2014	Consulting fees - Corporate	Crawley
	Respond to email from S Starr about WEPPA information required.	
02/14/2014	Banking - Corporate	Samoilov
	Banking, posting.	

Expenses:		Total For Services	\$ 35,764.00
Globe & Mail Ad (sales process)	\$ 2,535.18		
Photocopies, faxes, etc.	<u>534.90</u>	Total For Expenses	<u>3,070.08</u>
		Subtotal	38,834.08
		HST	<u>4,649.32</u>
		Current Amount Due	<u>\$ 43,483.40</u>
HST#136800752RT0001			

A. FARBER & PARTNERS INC.

IMBC BLOWMOLDING INC.

SUMMARY OF TIME INCURRED  
JANUARY 1, 2014 TO FEBRUARY 15, 2014

Name	Total Hours	Rate Per Hour	Billing
H. Levy	23.75	\$500.00	\$11,875.00
P. Crawley	54.70	\$405.00	\$22,153.50
L. Samoilov	7.70	\$165.00	\$1,270.50
D. Falcione	3.00	\$155.00	\$465.00
Total	89.15		\$35,764.00

**TAB H**

**ONTARIO**

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

**B E T W E E N:**

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**AFFIDAVIT OF JANE DIETRICH  
(Sworn February 26, 2014)**

I, **Jane Dietrich**, of the City of Toronto, in the Province of Ontario,

**MAKE OATH AND SAY** that:

1. I am a Partner in the law firm Dentons Canada LLP ("**Dentons**") which acts as counsel to A. Farber & Partners Inc. ("**Farber**"), in its capacity as Court-appointed receiver (the "**Receiver**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. For the period from January 2, 2014 until January 31, 2014 (the "**Period**"), Dentons docketed 49.0 hours in respect of this matter, amounting to legal fees of \$26,439.00, disbursements of \$969.02 and Harmonized Sales Tax (HST) of \$3,545.49 for a total of \$30,953.51. Attached hereto and marked as Exhibit "A" to this my affidavit is a true copy of the invoice rendered by Dentons for the

Period, which include a fair and accurate description of the services provided, along with the hours and applicable rates related to such services.

3. A breakdown of the people from Dentons who performed the work, the time spent by each and the fees based on the hourly rate associated with such work is summarized below:

Personnel	Hours	Rate	Total
Alexandra North	18.0	480.00	8,640.00
Jane Dietrich	18.6	660.00	12,276.00
Lorie Neilson	2.5	260.00	650.00
Mark Cavdar	1.0	240.00	240.00
Neil Bass	0.2	875.00	175.00
Neil Rabinovitch	5.5	700.00	3,850.00
Stephanie Waugh	3.2	190.00	608.00
<b>Total</b>	<b>49.0</b>		<b>\$26,439.00</b>

4. Also summarized below is a breakdown of the Bills rendered including the fees, disbursements and total (including HST):

Bill Number and Date		Fees	Disbursements	HST	Total (including HST as applicable)
3034576	January 31, 2014	\$26,439.00	\$969.02	\$3,545.49	\$30,953.51
Total		\$26,439.00	\$969.02	\$3,545.49	\$30,953.51

5. I estimate the fees and expenses to complete this matter, assuming the relief requested by the Receiver as set out in the motion record returnable March 6, 2014 is granted, will be no more than \$10,000.00.

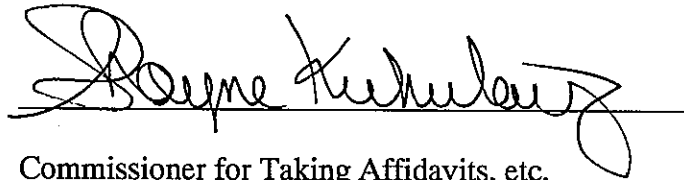
6. Given the nature of this insolvency proceeding, I believe the hours and rates of Dentons are reasonable and comparable to other legal counsel in the City of Toronto for insolvency advice of this nature.
7. This Affidavit is sworn in support of a motion for the approval of the fees and disbursements of Dentons and for no improper purpose.

**SWORN BEFORE ME** at the City )  
 of Toronto, in the Province of )  
 Ontario, this 26<sup>th</sup> day of February, )  
 2019. )  
 Commissioner for Taking Affidavits, )  
 etc. )

Shayne Kukulowicz

  
 Jane Dietrich

Exhibit "A" to the Affidavit of Jane Dietrich sworn  
before me this 26<sup>th</sup> day of February, 2014

A handwritten signature in black ink, appearing to read "Shayne Kukulowicz", is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

Shayne Kukulowicz

Farber Financial Group  
150 York Street  
Suite 1600  
Toronto ON M5H 3S5**INVOICE # 3034576**GST/HST # R121996078  
QST # 1086862448 TQ 0001

Attention: Hylton Levy

<u>Date</u>	<u>Matter Number</u>	<u>Lawyer</u>
January 31, 2014	546103-000038	Neil Rabinovitch

**Farber Financial Group**  
**Re: Receivership of IMBC Blowmoulding Inc.**

Professional Fees	\$ 26,439.00
Disbursements	969.02
HST (13.0%) on \$27,273.02	3,545.49
<b>Total Amount Due</b>	<b><u>\$ 30,953.51</u></b>

**Payment Options:****Cheques:**Cheques payable to Dentons Canada LLP  
and mailed to the above noted address.**Wire Transfer:**Bank of Montreal  
1st Canadian Place, Toronto, ON  
Swift Code: BOFMCAM2  
Bank ID: 001 Transit: 00022  
CAD Funds Bank Account : 0004-324**Internet Banking:**Accepted at most financial institutions. Your payee is Dentons Canada LLP and  
your account number is 546103. Please email us at  
[Edm.Accounting@dentons.com](mailto:Edm.Accounting@dentons.com) referencing invoice number and payment  
amount.**Credit Card:**Payments are accepted via telephone, email or fax. We accept  
American Express, MasterCard or Visa (please circle one).

Card No. \_\_\_\_\_

Expiry Date: \_\_\_\_\_ Amount: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Please email us at [Tor.Accounting@dentons.com](mailto:Tor.Accounting@dentons.com) referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

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**Invoice Detail**

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TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

Date	ID	Description of Work	Hours
02-Jan-14	ARN	Emails to Jane Dietrich. Drafting of security review letter.	1.0
06-Jan-14	JOD	Review of draft security review.	0.4
06-Jan-14	ARN	Drafting of security review letter. Email to Jane Dietrich. Discussion with Jane Dietrich.	1.5
07-Jan-14	LLN	Ordering and obtaining petition searches. Conducting Official Receiver searches. Ordering and obtaining bank act act and execution certificates. Ordering PPSA certificates.	2.0
07-Jan-14	JOD	Discussion of security review with Alex North. Email to Peter Crawly. Discussion with Peter Crawley.	0.6
07-Jan-14	SW	Prepare Notice of Motion. Draft Fee Affidavit.	0.4
07-Jan-14	ARN	Discussion with Jane Dietrich. Revisions to IMBC security review letter. Ordering of further corporate and security searches. Email from Jane Dietrich.	1.5
08-Jan-14	JOD	Review of draft report and mark up same. Email regarding draft report.	0.7
08-Jan-14	SW	Work on Fee Affidavit.	0.2
08-Jan-14	ARN	Drafting of security review letter. Review of search results. Email to and from Jane Dietrich.	0.7
09-Jan-14	LLN	Ordering and obtaining certificate of status.	0.5
09-Jan-14	JOD	Discussion with Peter Crawley. Voicemail to Alex North. Discussion with Alex North. Work on draft notice of motion. Amend draft order. Review of revised report and provide comments. Discussion with Ken Kraft regarding closing issues.	4.6
09-Jan-14	SW	Revise Fee Affidavit.	0.1
09-Jan-14	NSR	Review and comment on approval motion materials.	1.5
09-Jan-14	ARN	Review of receiver's report. Revision to security opinion. Pulling of searches. Review of closing agenda. Call with Jane Dietrich. Voicemail from Jane Dietrich regarding IMBC closing agenda. Drafting of assignment of assumed contracts and bringdown certificate.	3.1
10-Jan-14	JOD	Further review of draft report and provide comments. Discussion with Peter Crawley and revisions to motion material. Review of revised report and discussion with Peter Crawley. Amend notice of motion and draft order. Review finalized report and discussion with Peter Crawley. Oversee service of motion record. Discussion with Betty Langford.	2.7
10-Jan-14	SW	Work on Motion Record. Gather appendices for the Second Report of the Receiver. Prepare Affidavit of Service. Prepare service materials. Serve Motion Record via email and courier.	1.8
10-Jan-14	NSR	Meeting with Jane Dietrich, final review of approval materials	0.6

Date	ID	Description of Work	Hours
13-Jan-14	JOD	Discussion with Ken Kraft. Review of closing documents and provide comments. Discussion with Peter Crawley regarding closing logistics. Amend draft order to address RPG concern and email to Peter Crawley.	0.9
13-Jan-14	ARN	Revisions to closing agenda. Email from Samuel Lajoie. Email to Ken Kraft regarding draft documents. Call with Jane Dietrich. Revisions to documents.	1.0
13-Jan-14	MC	Attending at Commercial List to file motion record.	1.0
14-Jan-14	JOD	Revise draft order and email regarding same. Address requested changes to court order. Discussion with Peter Crawley. Discussion with Alyssa Mitchell. Discussion with Ken Kraft. Preparation for court. Review of emails from Justice Brown. Email exchange with Hylton Levy. Discussion with Hylton Levy and Neil Rabinovitch.	1.6
14-Jan-14	NSR	E-mails, call with Jane Dietrich, meet with Hylton Levy	0.4
14-Jan-14	NSR	E-mails with Justice Brown, Jane Dietrich, review of motion materials, call with Hylton Levy	0.8
14-Jan-14	ARN	Review of closing certificate. Revisions to certificate. Email to Jane Dietrich.	0.4
15-Jan-14	JOD	Preparation of legal argument. Discussion with Neil Rabinovitch. Discussion with Hylton Levy. Attend at court regarding approval and vesting order. Have order entered by the Court. Discussion with Hylton Levy regarding order. Review of emails regarding closing issues and reply to same.	3.3
15-Jan-14	NSR	Review additional submissions and call with Jane Dietrich	0.4
15-Jan-14	NSR	E-mails with Jane Dietrich and Peter Crawley, call with Jane Dietrich	0.4
15-Jan-14	ARN	Email from IMBC 2014 counsel to the Purchaser. Review of draft closing agenda and bringdown certificate. Email to Samuel Lajoie. Emails to and from Jane Dietrich.	1.0
16-Jan-14	JOD	Exchange of email regarding closing issues. Deal with closing issues. Discussion regarding closing issues with Alexandra North. Exchange of email regarding closing issues.	1.2
16-Jan-14	SW	Prepare Receiver's Certificate. Update Service List.	0.1
16-Jan-14	NEB	Discussion with Jane Dietrich regarding s.167 election.	0.2
16-Jan-14	ARN	Numerous emails to and from Jane Dietrich, Peter Crawley, Diane Falcione and Samuel Lajoie. Call with Jane Dietrich. Call with Samuel Lajoie and Guy LaPlante. Meeting with Diane Falcione.	1.6
17-Jan-14	JOD	Review of emails from Peter Crawley. Email to Heenan Blaikie regarding purchase price confirmation. Emails regarding closing issues. Exchange of emails regarding closing.	0.7
17-Jan-14	NSR	Call with Hylton Levy	0.3
17-Jan-14	ARN	Call with Jane Dietrich. Review of Georgian documents. Email from Hylton Levy. Email from and to Jane Dietrich. Attend at Heenan Blaikie. Delivery of cheque to Hylton Levy at Farbers.	2.5
20-Jan-14	JOD	Exchange of emails regarding distribution timing.	0.1

Date	ID	Description of Work	Hours
20-Jan-14	NSR	E-mails with Hylton Levy	0.1
20-Jan-14	ARN	Review of documentation. Voicemail to Jane Dietrich. Voicemail from Jane Dietrich. Drafting of security review letter.	2.4
21-Jan-14	JOD	Discussion with Peter Crawley. Discussion with Hylton Levy. Discussion with Neil Rabinovitch.	0.6
21-Jan-14	NSR	Call with Jane Dietrich	0.2
21-Jan-14	ARN	Discussion with Jane Dietrich. Voicemail to Betty Langford. Email to and from Peter Crawley. Email to Stephanie Waugh. Drafting of security review letter.	1.3
22-Jan-14	JOD	Review email from Viet Nguyen and discussion with same. Email Viet Nguyen security from CBED.	0.2
22-Jan-14	NSR	Call with Hylton Levy	0.1
22-Jan-14	NSR	Review of Steenhof report, call with Sheldon Disenhouse re: lease, e-mails with Vivek Bakshi and Hylton Levy	0.6
23-Jan-14	JOD	Discussion with Betty Langford. Discussion with CBED's counsel.	0.4
23-Jan-14	NSR	Numerous e-mails re: CRA and distribution	0.1
24-Jan-14	JOD	Exchange of email regarding payment to GE.	0.2
27-Jan-14	JOD	Discussion with Hylton Levy.	0.1
28-Jan-14	SW	Send email to the Toronto Commercial List Court regarding availability. Update E-Service List and E-Service Address List and send same to Peter Crawley to be posted on the web site.	0.3
29-Jan-14	JOD	Email regarding court time.	0.1
29-Jan-14	SW	Receive instructions from Jane Dietrich. Prepare hearing request form for March 2014 and submit same to the Toronto Commercial List Court.	0.3
31-Jan-14	JOD	Discussion with Peter Crawley.	0.2
<b>Total</b>			<b>49.0</b>

Timekeeper	Hours	Rate	Fees
Alexandra North	18.0	480.00	8,640.00
Jane Dietrich	18.6	660.00	12,276.00
Lorie Neilson	2.5	260.00	650.00
Mark Cavdar	1.0	240.00	240.00
Neil Bass	0.2	875.00	175.00
Neil Rabinovitch	5.5	700.00	3,850.00
Stephanie Waugh	3.2	190.00	608.00
<b>Total</b>	<b>49.0</b>		<b>\$26,439.00</b>

**TOTAL PROFESSIONAL FEES**

**\$ 26,439.00**

**TAXABLE DISBURSEMENTS**

Bank of Canada Certificate	\$	14.00
Binding Books / Documents		33.60

Computerized Execution Search	78.00	
Courier & Delivery	48.70	
Long Distance Telephone Calls	9.22	
PPSA Searches/Registrations	28.00	
Photocopy & Printing Charges	428.50	
Searches	194.00	
<b>TOTAL TAXABLE DISBURSEMENTS</b>	<b>\$ 834.02</b>	
<b>NON-TAXABLE DISBURSEMENTS</b>		
Filing Fee*	\$ 127.00	
Searches*	8.00	
<b>TOTAL NON-TAXABLE DISBURSEMENTS</b>	<b>\$ 135.00</b>	
<b>TOTAL DISBURSEMENTS</b>		<b><u>969.02</u></b>
<b>TOTAL FEES AND DISBURSEMENTS</b>		<b>\$ 27,408.02</b>
<b>TAXES</b>		
HST (13.0%) on Professional Fees of \$26,439.00	\$ 3,437.07	
HST (13.0%) on Taxable Disbursements of \$834.02	108.42	
<b>TOTAL TAXES</b>		<b><u>3,545.49</u></b>
<b>TOTAL AMOUNT DUE</b>		<b><u>\$ 30,953.51</u></b>

**GE CANADA EQUIPMENT FINANCING G.P.**  
Applicant

- and -

**I M B C BLOWMOLDING INC.**  
Defendant

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
PROCEEDING COMMENCED AT TORONTO**

**AFFIDAVIT OF JANE DIETRICH  
(Sworn February 26, 2014)**

**DENTONS CANADA LLP**  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

**LAWYERS FOR the Receiver**

Lawyer: Neil S. Rabinovitch  
LSUC: 33442F  
E-mail: neil.rabinovitch@dentons.com  
Telephone: 416 863-4656  
Facsimile: 416 863-4592

**TAB 3**

Court File No. ~~\_\_\_\_\_~~ CV-13-10355-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) ~~WEEKDAY~~ THURSDAY, THE # 6<sup>TH</sup>  
JUSTICE )  
 ) DAY OF ~~MONTH~~ MARCH, ~~20YR~~ 2014

B E T W E E N:

**~~PLAINTIFF~~**

~~Plaintiff~~

GE CANADA EQUIPMENT FINANCING G.P.

Applicant

- and -

**~~DEFENDANT~~**

~~Defendant~~

I M B C BLOWMOLDING INC.

Respondent

**DISCHARGE ORDER**

THIS MOTION, made by ~~[RECEIVER'S NAME] in its capacity as the~~  
~~Court-appointed receiver (the "Receiver") of the undertaking, property and assets of~~  
~~[DEBTOR] (the "Debtor"), for an order: A. Farber & Partners Inc. ("Farber") in its~~

capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of I M B C Blowmolding Inc. (the “**Debtor**”), for an order (i) declaring the time for and method of service of this Notice of Motion and the Motion Record is abridged and validated such that this motion is properly returnable; (ii) approving the payment of certain employee related expenditures of IMBC incurred during the Receivership proceeding; (iii) approving the fees and disbursements of the Receiver and its legal counsel as set out in the Affidavit of Peter Crawley sworn on February 26, 2014 (the “Crawley Affidavit”) and the Affidavit of Jane Dietrich sworn on February 26, 2014 (the “Dietrich Affidavit”) including the estimated costs to complete the Receivership administration set out therein; (iv) authorizing the Receiver to file an assignment into bankruptcy on behalf of the Debtor naming Farber as the trustee in bankruptcy (the “Trustee”); (v) authorizing the Receiver to transfer to Farber the amount of \$40,000 (the “Trustee’s Fee Reserve”), solely to be used to fund the fees and expenses of the Trustee with any excess amount being transferred to the bankruptcy estate of the Debtor; (vi) following the making of the assignment into bankruptcy, authorizing the Receiver to transfer any Property in the possession and control of the Receiver, other than the Trustee’s Fee Reserve, to the bankruptcy estate of the Debtor; (vii) approving the third report to Court of the Receiver dated February 26, 2014 (the “Third Report”) and the activities set out herein; and (viii) following the assignment into bankruptcy by the Debtor, discharging Farber as Receiver and releasing Farber from any and all liability as set out in the draft order requested was heard this day at 330 University Avenue, Toronto, Ontario.

1. ~~approving the activities of the Receiver as set out in the report of the Receiver dated [DATE] (the “Report”);~~
2. ~~approving the fees and disbursements of the Receiver and its counsel;~~
3. ~~approving the distribution of the remaining proceeds available in the estate of the Debtor; [and]~~
4. ~~discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor; and~~

~~5. releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order~~<sup>1</sup>;

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

ON READING the Third Report, the ~~affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits")~~Crawley Affidavit and the Dietrich Affidavit, and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed<sup>2</sup>;

1. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver; as set out ~~in the Report, therein~~ are hereby approved.

2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the ~~Report and the Fee Affidavits~~Crawley Affidavit and the Dietrich Affidavit including the estimates to complete the Receivership administration set out therein, are hereby approved.

3. **THIS COURT ORDERS** that, ~~after payment of the fees and disbursements herein approved~~, the Receiver ~~shall be~~ and is hereby authorized to pay the monies remaining in its hands to [NAME OF PARTY]<sup>3</sup>Employee Benefit Amount as defined in the Third Report.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized on behalf of the Debtor to file an assignment into bankruptcy pursuant to the Bankruptcy and Insolvency Act naming Farber as Trustee of the Debtor's bankruptcy estate.

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to transfer to Farber the Trustee's Fee Reserve free and clear of all claims or encumbrances to be used solely to satisfy the fees and expenses of the Trustee with any excess being paid to the Debtor's bankruptcy estate.

<sup>1</sup> ~~If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.~~

<sup>2</sup> ~~This model order assumes that the time for service does not need to be abridged.~~

<sup>3</sup> ~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

6. THIS COURT ORDERS that the Receiver be and is hereby authorized, following the assignment in to bankruptcy of the Debtor, to transfer the remaining Property (other than the Trustee's Fee Reserve) to the Debtor's bankruptcy estate.

7. 4. **THIS COURT ORDERS** that upon payment of the amounts and completion of actions set out in ~~paragraph 3~~ paragraphs 3 to 6 hereof [and upon the Receiver filing a certificate in the form attached as Schedule "A" hereto certifying that it has completed the other activities described ~~in the Report~~ herein, the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of ~~[RECEIVER'S NAME]~~ Farber in its capacity as Receiver.

8. 5. **THIS COURT ORDERS AND DECLARES** that ~~[RECEIVER'S NAME]~~ Farber is hereby released and discharged from any and all liability that ~~[RECEIVER'S NAME]~~ Farber now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~[RECEIVER'S NAME]~~ Farber while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, ~~[RECEIVER'S NAME]~~ Farber is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the

within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.<sup>4</sup>

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<sup>4</sup> ~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

Schedule “A”

Court File No. CV-13-10355-00CL

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

B E T W E E N:

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of this Court made on December 10, 2013, A. Farber & Partners Inc. (“**Farber**”) was appointed as receiver (the “**Receiver**”) of all of the assets, undertakings and properties of I M B C Blowmolding Inc. (the “**Debtor**”).

B. Pursuant to an Order of this Court made on March 6, 2014, Farber was discharged as Receiver of the Debtor upon the filing of this Receiver’s Certificate with the Court (the “**Discharge Order**”) certifying that the Receiver has completed the activities set out in therein.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES that it has completed all of the actions set out in the Discharge Order.

This certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_, 2014.

A. Farber & Partners Inc. in its capacity as court-appointed receiver of all of the assets, undertakings and properties of I M B C Blowmolding Inc.

Per:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GE CANADA EQUIPMENT FINANCING G.P.

- and -

IM B C BLOWMOLDING INC.

Applicant

Defendant

APPLICATION UNDER Section 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

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**DISCHARGE ORDER**

DENTONS CANADA LLP  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

LAWYERS FOR the Receiver

Lawyer: Neil S. Rabinovitch  
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Document comparison by Workshare Compare on 26-Feb-14 2:54:51 PM

Input:	
Document 1 ID	interwovenSite://NDCDMS01.LAW.FIRM/NATDOCS/6771650/1
Description	#6771650v1<NATDOCS> - Model Receiver Discharge Order
Document 2 ID	interwovenSite://NDCDMS01.LAW.FIRM/NATDOCS/6771650/3
Description	#6771650v3<NATDOCS> - Receiver Discharge Order
Rendering set	FMC Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	76
Deletions	70
Moved from	3
Moved to	3
Style change	0
Format changed	0
Total changes	152

**GE CANADA EQUIPMENT FINANCING G.P.**

Applicant

- and -

**I M B C BLOWMOLDING INC.**

Defendant

APPLICATION UNDER Section 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

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**  
(returnable March 6, 2014)

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