

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

THE HONOURABLE *Mr.*)
JUSTICE *Hainey*)

Thursday
TUESDAY, THE *17th* DAY
January
OF DECEMBER, 2018



BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

**BUTCHER INDUSTRIAL FINISHINGS INC., BUTCHER SPECIALTY COATINGS
INC., BUTCHER SOLUTIONS GROUP INC., BUTCH INDUSTRIES INC. and SB
ASSETCO INC.**

Respondents

**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**

ORDER

THIS MOTION made by Zeifman Partners Inc. ("ZPI"), in its capacity as Court-appointed receiver of the property, assets and undertakings of the Respondents (the "**Receiver**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Second Report of the Receiver dated February 14, 2018, the Supplement to the Second Report of the Receiver dated September 28, 2018 (the “**Supplemental Report**”), the Second Supplement to the Second Report of the Receiver dated November 28, 2018 (collectively, the “**Reports**”), the Affidavit of Richard Sabourin sworn October 9, 2018, and the fee affidavits of the Receiver and its counsel, and on hearing the submissions of counsel for the Receiver, The Bank of Nova Scotia, RPG Receivables Purchase Group Inc. and such other counsel listed on the Counsel Slip, no one else from the service list appearing although duly served as appears from the affidavits of service filed,

APPROVAL OF REPORTS AND ACTIVITIES

1. **THIS COURT ORDERS** that the Reports, and the conduct and activities of the Receiver as set out therein, be and are hereby approved.

APPROVAL OF R&D STATEMENT

2. **THIS COURT ORDERS** that the Receiver’s statement of receipts and disbursements from March 13, 2017 to August 31, 2018, which is attached as Appendix “B” to the Supplemental Report, be and is hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, Chaitons LLP, as set out in the Reports, the Affidavit of Allan Rutman affirmed November 23, 2018, and the Affidavit of Sam Rappos sworn November 22, 2018, together with the estimated legal fees and disbursements of \$6,000 plus HST to complete the receivership proceeding, be and are hereby approved.

DISTRIBUTION

4. **THIS COURT ORDERS** that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands as follows:

(a) approximately \$36,500 to Canada Revenue Agency on accounts of its employee source deduction deemed trust claim;

(b) approximately \$69,196 to Service Canada on account of its subrogated claim regarding payments made to former employees of the Respondents under the *Wage Earners Protection Program Act* (Canada); and

(c) all remaining funds to The Bank of Nova Scotia,

less \$25,000 to be
paid to RPB Receivables
Purchase
Group Inc.



DISCHARGE AND RELEASE

5. **THIS COURT ORDERS** that upon the Receiver filing a certificate certifying that it has completed all outstanding activities necessary to complete the administration of the receivership estate, ZPI shall be discharged as Receiver of the undertaking, property and assets of the Respondents, provided however that notwithstanding its discharge herein (a) ZPI shall remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) ZPI 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 ZPI in its capacity as the Receiver.

6. **THIS COURT ORDERS AND DECLARES** that ZPI is hereby released and discharged from any and all liability that ZPI now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ZPI 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, ZPI 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 proceeding, save and except for any gross negligence or wilful misconduct on the Receiver's part.



Hainey J

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JAN 18 2019

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THE BANK OF NOVA SCOTIA
Applicant

-and-

BUTCHER INDUSTRIAL FINISHINGS INC. *et al.*
Respondents
Court File No. CV-17-11722-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

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**Lawyers for Zeitman Partners Inc.,
Court-appointed Receiver**