

Court File No. 31-2253654
Estate File No. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

**FOURTH REPORT
OF THE PROPOSAL TRUSTEE
(For a motion returnable October 30, 2017)**

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TAB 1

Estate No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario

FOURTH REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE

(Dated October 25, 2017)

I. INTRODUCTION

1. On May 19, 2017, Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") filed a notice of intention to file a proposal (the "**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and Albert Gelman Inc. was appointed as trustee under the proposal (the "**Trustee**"). Attached hereto as **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. On June 14, 2017, the Company was granted an Order (the "**June 14 Order**") approving, among other things, an administrative charge in the maximum amount of \$100,000 (the "**Administration Charge**") and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**First Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 14 Order.

3. The Trustee prepared a report in respect of the June 14, 2017, motion dated June 9, 2017 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.

4. On July 31, 2017, the Company was granted an Order (the "**July 31 Order**") approving, among other things, a debtor-in-possession lender's charge (the "**DIP Charge**") in favour of 16567 Highway 12 Holdings Limited ("**16567**" or, in this capacity, the "**DIP Lender**"), an amendment to the Administration Charge and an extension of the

stay of proceedings afforded under the NOI to September 18, 2017 (the “**Second Stay Extension**”). The Company was also seeking an Order approving a sale and investment solicitation process (“**SISP**”), however, that portion of the motion was adjourned to a chambers appointment on August 17, 2017, so the Company could entertain an unsolicited offer to purchase received from an arm’s length third party (the “**Unsolicited Offer**”). Attached hereto as **Appendix “D”** is a copy of the July 31 Order.

5. The Trustee prepared a report in respect of the July 31, 2017, motion dated July 28, 2017 (the “**Second Report**”). Attached hereto as **Appendix “E”** is a copy of the Second Report, without appendices.

6. The Unsolicited Offer did not result in a binding agreement and on August 17, 2017, the Trustee served its first supplement to its Second Report (the “**First Supplement**”) which provided information on, amongst other things, the DIP Facility as well as the proposed SISP, which was being proposed at that time. Attached hereto as **Appendix “F”** is a copy of the First Supplement, without appendices

7. On August 17, 2017, the Honourable Justice Morawetz scheduled a return of the motion to approve the SISP for August 24, 2017. Attached hereto as **Appendix “G”** is a copy of the endorsement issued by Justice Morawetz on August 17, 2017.

8. On August 22, 2017, the Trustee served a second supplement to its Second Report which updated the court on developments since the First Supplement and provided additional comments on the SISP (the “**Second Supplement**”). Attached hereto as **Appendix “H”** is a copy of the Second Supplement, without appendices

9. On August 24, 2017, the Company was granted an order (the “**August 24 Order**”) approving, among other things, the SISP. Attached hereto as **Appendix “I”** is a copy of the August 24 Order.

10. The First Supplement and the Second Supplement advises the Court of certain operational issues which it had discovered and was continuing to investigate. Specifically, the Trustee had concerns about how the Company was funding raw material purchases and related expenses.

11. Subsequent to the August 24 Order, the Trustee discovered that part of the Company's operational issues were the DIP Lender's inability to fund the loan it provided to the Company. On September 1, 2017, the Trustee issued a Material Adverse Change report in accordance with section 50.4(7)(b) of the BIA (the "**MAC Report**") which advised of this discovery. The matters addressed in the MAC Report were subsequently remedied by the Company as further described in the Supplement to the Third Report (defined below). Specifically, the DIP Lender funded the amounts required by the Company to maintain operations. The MAC Report is attached hereto as **Appendix "J"**.

12. On September 18, 2017, the Company was granted an order (the "**September 18 Order**") approving, among other things, an extension of the stay of proceedings afforded under the NOI to November 2, 2017 (the "**Third Stay Extension**"). Attached hereto as **Appendix "K"** is a copy of the September 18 Order.

13. The Trustee prepared a report in respect of the September 18, 2017, motion dated September 14, 2017 (the "**Third Report**"). Attached hereto as **Appendix "L"** is a copy of the Third Report, without appendices. The Trustee also prepared a supplement to the Third Report dated September 17, 2017 (the "**Supplement to the Third Report**"). Attached hereto as **Appendix "M"** is a copy of the Supplement to the Third Report, without appendices.

14. The Company has advised the Trustee that it has selected a successful bidder from the SISF and wishes to bring a motion for, amongst other things, approval of a sale of substantially all of its assets to Amvic Inc. (the "**Proposed Purchaser**") pursuant to purchase agreement dated October 17, 2017 (the "**Sale Agreement**").

II. PURPOSE OF THIS REPORT

15. The purpose of this report is to:

- a) provide information to the Court regarding the actions and activities of both the Trustee and the Company subsequent to date of the Third Report (including the Supplement to the Third Report);

- b) provide the court with information on the SISP undertaken by the Company and the Trustee and provide the basis for the Trustee's recommendation that the Court approve the Sale Agreement and vest title in the assets in Amvic Inc.;
- c) provide the Court with information regarding Business Development Bank of Canada's ("BDC") demand that its loan be repaid by way of a distribution directly from the Purchaser;
- d) advise the court on additional distributions from the proceeds of the Sale Agreement, including DIP Lender's request to be repaid from the proceeds of the Sale Agreement and the request for an increase in the Administration Charge;
- e) request an Order of this Honourable Court sealing the Confidential Report until the earlier of: (a) the Sale Agreement closes; or (b) further Order of the Court;
- f) advise on the Company's request for an extension of the existing stay of proceedings through to November 17, 2017; and,
- g) provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

16. In preparing this Fourth Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

17. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to

GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

18. This Fourth Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this Fourth Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Fourth Report contrary to the provisions of this paragraph.

19. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

20. The Company is a manufacturer which produces expanded polystyrene (EPS) rigid foam building materials primarily for use in the construction industry. The Company's manufacturing plant is located at 16567 Highway 12, Midland, Ontario (the "Premises"). The Premises is owned by 16567 (in this capacity referred to as the "Landlord") which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. There is a lease agreement between the Landlord and the Company which expires on March 31, 2018 (the "Existing Lease"). 16567 is not a debtor in these proceedings.

21. Further background information on the Company, its Directors and the events leading the filing of the NOI can be found in the First Report previously attached to this Fourth Report as Appendix "C".

V. ASSETS

22. The significant tangible assets of the Company consist of manufacturing equipment which the Company uses to manufacture its products as well as inventory in the form of raw materials, work-in-process and finished goods (the "Inventory").

Leased Equipment and Owned Assets

23. A portion of the manufacturing equipment is leased (the “**Leased Equipment**”) from Travelers Leasing Ltd. (“**Travelers**”). The Leased Equipment is integral to the Company’s continuing operations.

24. The balance of the Company’s assets are owned by the Company (the “**Owned Assets**”).

Inventory

25. The company’s raw materials, at any given time, consist of raw foam beads, which are then placed through the manufacturing process in order to extrude raw foam block for cutting to customer specifications. Due to cash flow constraints, the Company has been purchasing raw beads on a “just in time” basis to meet its ongoing orders. Accordingly, it is anticipated that at the time of closing the proposed Sale Agreement, that minimal raw beads will be on hand.

26. The company cuts and converts the foam blocks to finished goods, in accordance with the customer specification, within in a period of 3-5 days (which is partially dependent on whether the specification for the finished goods also requires the foam blocks to also be cured and dried in the Company’s heating rooms). The Company generally delivers the finished product forthwith after cutting. Accordingly, at any given time, the Company has very limited amounts of finished goods inventory on hand.

VI. SECURED CREDITORS

27. On October 24, 2017, the Trustee updated its search of the Company's name on the personal property security registration database for Ontario (the "**PPSR Database**"), which is current to October 22, 2017. The updated PPSR Database search disclosed four secured creditors (the "**Secured Creditors**") with the following registrations:

Creditor	Registration Date	Collateral Classification
North Simcoe Community Futures Development Corporation	May 10, 2012	Equipment
Business Development Bank of Canada	January 29, 2013	Inventory Equipment, Accounts, other, Motor Vehicle
Western Ontario Community Futures Development Corporation	February 1, 2013	Inventory, Equipment Accounts, Other, Motor Vehicle
Travelers Leasing Ltd.	July 29, 2014	Equipment
16567 Highway 12 Holdings Limited	October 5, 2017	Inventory, Equipment, Accounts, Other

Attached hereto as **Appendix "N"** is a copy of the PPSR Database.

28. Counsel to the Trustee has provided the Trustee with an opinion (the "**First Security Review**") that, subject to certain standard qualifications and assumptions contemplated therein, the security of both BDC and Travelers is valid and enforceable in accordance with their respective terms. Attached hereto as **Appendix "O"** is a copy of the First Security Review.

29. The remaining secured creditors, namely SOFFI (defined below) North Simcoe (defined below) recently provided their security documentation to the Proposal Trustee. Counsel to the Trustee has provided the Trustee with an opinion (the "**Second Security Review**" and together with the First Security Review are collectively the "**Security Reviews**") that, subject to certain standard qualifications and assumptions contemplated therein, the security of both SOFFI and North Simcoe is valid and enforceable in accordance with their respective terms. Attached hereto as **Appendix "P"** is a copy of the Second Security Review

30. The Security Reviews do not opine on the priority of each Secured Creditor as this will be discussed further below.

a. **North Simcoe Community Futures Development Corporation**

31. North Simcoe Community Futures Development Corporation (“**North Simcoe**”) first registered its security on the PPSR Database on May 10, 2012 (the “**North Simcoe Registration**”) and expires on April 28, 2020. The North Simcoe Registration lists its collateral as “Equipment” and contains the following general collateral description:

Manufacturing machinery and equipment related to the production of expanded polystyrene products.

32. North Simcoe provided the Trustee with a document entitled “General Security Agreement” as evidence of their secured interest in the Company’s assets. However, as indicated in the Second Security Review, it appears that North Simcoe only has a perfected security interest in the Company’s equipment and an unperfected security interest in the balance of the Company’s assets.

33. Further, the Trustee was provided with a postponement agreement which purports to subordinate and postpone North Simcoe’s security in favour of BDC’s security (the “**North Simcoe Postponement**”). Attached hereto at **Appendix “Q”** is a copy of the North Simcoe Postponement.

34. North Simcoe provided the Company with a payout statement indicating a balance owing of \$226,399 as at October 31, 2017.

b. **Business Development Bank of Canada**

35. BDC first registered its security on the PPSR Database on January 29, 2013 (the “**BDC Registration**”) and said registration expires on January 29, 2022.

36. BDC previously provided the Trustee with a copy of its security documents and, as mentioned above, the BDC security was reviewed as part of the First Security Review.

37. BDC issued its Notice of Intention to Enforce Security dated November 3, 2016 (the "**BDC Notice**") pursuant to section 244 of the BIA. Attached hereto as **Appendix "R"** is a copy of the BDC Notice.

38. The BDC Notice expired and as a result the stay afforded to the Company in these proceedings does not apply to BDC by virtue of section 69.1(2)(b) of the BIA.

39. Following expiry of the BDC Notice it entered into a forbearance agreement with the Company which was to August 30, 2017 (the "**Forbearance Agreement**"). As part of the Forbearance Agreement the Company has consented to the appointment of a receiver over its property, assets and undertaking in the event of a default. The Company is currently in default of the Forbearance Agreement, however, BDC has not appointed a receiver or enforced on its security to date.

40. BDC has requested immediate repayment of its indebtedness upon closing of the Sale Transaction (the "**BDC Indebtedness**"). As of the date of this Fourth Report, the BDC has not provided the Company with a payout statement indicating the amount owing by the Company to the BDC in respect of the BDC Indebtedness.

c. **Western Ontario Community Futures Development Corporation**

41. Western Ontario Community Futures Development Corporation ("**SOFFI**") first registered its security on the PPSR Database on February 1, 2013 (the "**SOFFI Registration**") and said registration expires on February 1, 2019.

42. On June 19, 2017, counsel for SOFFI contacted counsel for the Trustee and provided copies of their client's Notice of Intention to Enforce Security dated August 26, 2015, (the "**SOFFI Notice**") which were issued pursuant to section 244 of the BIA. Attached hereto as **Appendix "S"** is a copy of the SOFFI Notice.

43. While SOFFI originally took the position that they were not stayed by this proceeding, SOFFI has not taken any steps to enforce their security. The Trustee's counsel did advise SOFFI's counsel that if its client was relying on the SOFFI Notice it would have to consider whether SOFFI could rely on the SOFFI Notice at this time. The

enforceability of the SOFFI Notice has not become an issue in this proceeding and accordingly, the Trustee does not express an opinion on its enforceability at this time.

44. The Company has advised the Trustee that it did not enter into a forbearance agreement or any other tolling agreement with SOFFI, nor is the Company aware of SOFFI taking any other enforcement steps with respect to the Company's assets.

d. **Travelers Leasing Ltd.**

45. Travelers Leasing Ltd. ("**Travelers**") leased certain equipment (the "**Leased Equipment**") to the Company pursuant to a lease agreement dated August 1, 2014 (the "**Travelers Lease**"). Travelers first registered its security on the PPSR Database on July 29, 2014 (the "**Travelers Registration**") and said registration expires on July 29, 2021.

46. Travelers previously provided the Trustee with a copy of the Travelers Lease and, as mentioned above, the Travelers Lease was reviewed as part of the First Security Review

47. The First Security Review noted, amongst other things, that the Travelers Lease appeared to be completed by way of sale of the Leased Equipment to Travelers and lease back of the Leased Equipment by the Company (the "**Sale/Leaseback Transaction**"). Specifically, the First Security Review noted that while Travelers had valid and enforceable security over the Leased Equipment, it did not appear to have a valid and enforceable purchase money security interest ("**PMSI**") by virtue of the Sale/Leaseback Transaction. Of note, section 2 of the *Personal Property Security Act* (Ontario) defines a "purchase money security interest" as:

- a. a security interest taken or reserved in collateral, other than investment property, to secure payment of all or part of its price,
- b. a security interest taken in collateral, other than investment property, by a person who gives value for the purpose of enabling the debtor to acquire rights in or to the collateral, to the extent that the value is applied to acquire the rights, or

c. the interest of a lessor of goods under a lease for a term of more than one year,

but does not include a transaction of sale by and lease back to the seller.

[emphasis added]

48. Attached hereto as **Appendix "T"** is a copy of the security documents received from Travelers.

49. In addition to the Travelers Lease, the Trustee was provided with a postponement agreement which purports to subordinate and postpone BDC's security in the Leased Equipment to the interests of Travelers (the "**BDC Postponement**"). The Trustee is not aware of any priorities agreement between Travelers and either North Simcoe or SOFFI.

50. The Trustee appended the First Security Review to the First Report which was served on all secured creditors, including Travelers. The First Report was provided in support of the June 14 Order.

51. Pursuant to the June 14 Order the Court granted an administration charge in the amount of \$100,000 (the "**Administration Charge**"). However, the Court accepted the Trustee's recommendation contained at paragraph 37 of the First Report and endorsed the record such that Travelers (and others) were afforded 30 days to seek an Order subordinating the Administration Charge to Travelers interest in the Lease Equipment. Attached hereto as **Appendix "U"** is a copy of the endorsement of the Honourable Justice Hainey with respect to the June 14 Order.

52. Travelers did not seek to amend the June 14 Order and as a result the Court confirmed the priority of the Administration Charge as against the Leased Equipment in the July 31, 2017 Order.

e. **Administration Charge**

53. As noted above, the Administration Charge was granted in the June 14 Order and the priority of the Administration Charge over the Leased Equipment was confirmed

in the July 31 Order. Accordingly, the Administration Charge has a first ranking charge over the Leased Equipment and is subordinate only to the BDC in respect of the Owned Assets.

f. Debtor-in-Possession Charge

54. Pursuant to the July 31 Order the Court granted a debtor-in-possession charge (the “**DIP Charge**”) in favour of the DIP Lender up to a maximum amount of \$200,000 (the “**DIP Loan**”). As of the date of this Fourth Report, the Company has drawn the full balance of the DIP Loan.

55. Pursuant to paragraph 8 of the July 31 Order the DIP Charge is subordinate to both the Administration Charge and BDC with respect to both the Leased Equipment and the Owned Assets.

VII. SALE AND INVESTMENT SOLICITATION PROCESS (the “SISP”)

56. In accordance with the August 24 Order, on August 29, 2017 the Trustee sent the “teaser” document to all of the prospective purchasers contained in a list prepared by management of the Company. The “teaser” document is attached hereto as **Appendix “V”**. The Trustee was contacted by numerous prospective purchasers who received the “teaser” document and conducted several tours of the Premises with prospective purchasers.

57. The Trustee retained Firmex, a third party cloud-based document storage provider, to host the data room (the “**Data Room**”). Each prospective purchaser who executed a non-disclosure agreement was given access to the Data Room which contained details of the Company’s business and affairs, including a listing of the Leased Equipment and Owned Equipment, the lease agreement for the Premises as well as several other contracts of which the Company is a party.

58. In accordance with the SISP, all offers were to be submitted to the Trustee on or before September 28, 2017 at 5 p.m. eastern standard time (defined as the Offer

Deadline in the SISP). Prior to the Offer Deadline the Trustee received three offers which it considered Qualified Bids (as defined in the SISP).

59. Two of the Qualified Bids were superior to the third, however, both of those offers contained a condition relating to satisfactory negotiations with the Landlord on amendments to the Existing Lease and/or a new lease for the Premises.

60. In accordance with the SISP, on October 6, 2017 the Trustee, through its counsel, advised the Company and its counsel that it had determined that the Proposed Purchaser's offer was the Best Offer (defined in the SISP).

61. Between October 7 and October 17, 2017, the Proposed Purchaser negotiated with the Landlord with respect to occupancy of the Premises. On October 17, 2017, the Proposed Purchaser confirmed it had made satisfactory arrangements with the Landlord and entered into the Sale Agreement. The Sale Agreement is conditional on the Court granting an Order approving the Sale Agreement and vesting the Company's interest in and to the Purchased Assets free and clear and any and all encumbrances (the "**Approval and Vesting Order**").

62. On October 19, 2017 the unsuccessful bidders were advised that their bids were not accepted and their respective deposits will be returned.

63. Further details regarding the administration of the SISP including the offers received, communications between the Trustee and various stakeholders during the SISP and negotiations between the Company and the Purchaser are included in the Confidential Report.

64. The Trustee is of the opinion that the SISP was administered in accordance with the August 24 Order.

VIII. SALE OF ASSETS OUTSIDE OF THE NORMAL COURSE

65. The contemplated Transaction represents a disposition of assets outside the ordinary course of business and, therefore, in accordance with section 65.13(1) of the BIA the Transaction requires approval of the Court.

66. Section 65.13(4) of the BIA sets out the factors to be considered by the Court in granting authorization for the Company to sell or otherwise dispose of assets outside the ordinary course of business. That section provides:

65.13(4) Factors to be Considered - In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the trustee approved the process leading to the proposed sale or disposition;

(c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and,

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

67. The Trustee has taken into consideration the factors set out in section 65.13(4) of the BIA. The Trustee's comments with respect to each of the factors are set out below.

65.13(4)(a) – In the Trustee's opinion, the SISP was administered in accordance with the August 24 Order and, therefore, the process leading to the proposed sale of the Purchased Assets was fair and reasonable in the circumstances.

65.13(4)(b) – The Trustee both approved of and recommended to the Court that it approve the SISP.

65.13(4)(c) – In the Trustee's opinion the sale of the Purchased Assets as contemplated by the Transaction is more beneficial to creditors than what is likely to be available to creditors in a bankruptcy. The reasons for its opinion are described in further detail in the Confidential Report.

65.13(4)(d) – As part of the August 24 Order BDC was provided with full access to the Data Room, copies of all offers received by the Trustee, and consulted before accepting the Proposed Purchaser's offer. The Trustee did not receive any requests for information from any other creditors, including the other secured creditors.

65.13(4)(e) – The effect of the Sale Agreement on the Company's creditors and other stakeholders is described in detail in the Confidential Report, however, the Purchaser has advised that it intends to continuing operating the business as a going concern.

65.13(4)(f) – In the Trustee's opinion the consideration to be received for Purchased Assets as contemplated in the Transaction is fair and reasonable. Further analysis in respect of this factor is provided in the Confidential Report.

68. The secured creditors who are to be affected by the Sale of the Purchased Assets have been served with the Company's motion record and will be served this Fourth Report in accordance with section 65.13(3) of the BIA.

69. The Purchaser of the Purchased Assets is not Related Person as set out in section 65.13(6) of the BIA.

IX. RECOMMENDATION IN RELATION TO PURCHASE AGREEMENT

70. The Trustee recommends that this Honourable Court authorize and approve the Sale Agreement and grant an Order vesting title of the Purchased Assets in and to the Purchaser for the following reasons:

- a) the process undertaken by the Company and the Trustee to market and sell the Purchased Assets was in accordance with the SISP approved by the Court in the August 24 Order;

- b) as expanded upon in the Confidential Report, in the Trustee's opinion the Transaction represents the highest and best realization for the Purchased Assets under the circumstances; and,
- c) it is the Trustee's opinion that approval of the Transaction is fair and reasonable.

X. CONFIDENTIAL REPORT OF THE TRUSTEE

71. The Trustee has prepared a confidential report to its Fourth Report dated October 25, 2017 (the "**Confidential Report**") which includes, among other things, the Purchase Agreement, summary of the offers received under the SISP, details of the Trustee's communication with various stakeholders throughout the SISP as well as the appraisal of the Leased Equipment and the Owned Equipment.

72. The Confidential Report contains sensitive commercial information about the value of the Purchased Assets and the Sale Agreement, the release of which could negatively affect future marketing efforts to market the Purchased Assets should the Transaction not close

73. The Company is seeking, and the Trustee is recommending, an Order sealing the Confidential Report from the general public until the closing of the Transaction or further Order of the Court.

XI. PROPOSED DISTRIBUTION TO BDC

74. BDC has requested that its indebtedness be repaid either directly by the Proposed Purchaser (by way of distribution of a portion of the sale proceeds) or by the Company immediately upon closing. The Trustee understands that the Company wishes to make the requested payment to BDC upon closing.

75. Pursuant to the Sale Agreement, the purchase price is to be paid to the Proposal Trustee and held in trust. Accordingly, the Proposal Trustee needs direction from the Court to release funds to BDC.

76. As indicated above, the Trustee has received an opinion on the validity and enforceability of the BDC security. Further, based on the information provided to the Trustee to date, it appears that BDC has first ranking security over all assets that are not the Leased Equipment.

77. With respect to the Leased Equipment, the BDC security is subordinate to both the Administration Charge and the DIP Charge. Further (and as further described in the Trustee's factum), it is possible that Travelers may have a legal argument to claim some or all of BDC's entitlement to proceeds from the Leased Equipment. With that said, if the Court accepts the allocation of the purchase price proposed in the Confidential Report, it is unlikely that there will be sufficient proceeds from the Leased Equipment to satisfy the Administration Charge and the DIP Charge. Accordingly, the circular priorities issue as between BDC, North Simcoe and Travelers would be irrelevant.

78. Finally, while the Trustee has been advised that CRA has commenced an audit of the Company's deemed trust obligations, the audit is not complete. Accordingly, the Trustee cannot comment on whether the Company has outstanding deemed trust claims (the "**Possible Deemed Trust Claims**").

79. Accordingly, the Trustee is prepared to recommend a distribution to BDC of up to the lesser amount of: (i) the BDC Indebtedness; and (ii) the amount of the purchase price allocated to the Owned Assets, providing that BDC provides the Company with a written undertaking to reimburse the Company in the event there are insufficient proceeds to satisfy the Possible Deemed Trust Claims.

80. If the Court accepts the allocation of proceeds from the Sale Agreement as outlined in the Confidential Brief, there are sufficient funds from the sale of the Owned Assets to satisfy the BDC Indebtedness (but subject to the written undertaking above).

XII. DIP CHARGE AND ADMINISTRATION CHARGE

a. The Administration Charge

81. As described above, the June 14 Order (as amended by the July 31 Order) created an Administration Charge over all of the property, assets and undertaking of the Company. Paragraph 7 of the July 31 Order clarified that with respect to the Leased Property the Administration Charge “*shall form a first charge in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person*”.

82. While the Company was originally keeping current on its obligation to the Trustee in respect of its fees and disbursements (and those of its counsel), it is now significantly in arrears. The unpaid fees of the Trustee and those of its counsel have increased to \$82,036. A copy of the Trustee’s unpaid accounts from September 5 to October 16, 2017 and those unpaid accounts of its counsel from September 8 to October 12, 2017 (collectively, the “**Unpaid Accounts**”) are attached hereto as **Appendix “W”** and **Appendix “X”** respectively.

83. Of note, the Company’s counsel is also entitled to the protection of the Administration Charge, however, the Trustee is not aware of the amounts owing by the Company to its counsel.

84. Since issuing the Unpaid Accounts, the Trustee and its counsel have continued to spend time and money moving the SISP towards what will hopefully be a successful conclusion. However, its work in process and accounts receivable continue to accrue and are in danger exceeding the maximum amount of the Administration Charge.

85. When the Administration Charge was sought and obtained, the Company was paying the Trustee in the ordinary course and the Company was continuing to operate as a going concern. As a result, the \$100,000 maximum was appropriate at the time. However, given the Company’s inability to pay the Unpaid Accounts together with the inevitable conclusion that the Company will cease operations after closing of the Sale Agreement, the Company is requesting, and the Trustee is recommending:

- a) an increase in the Administration Charge from \$100,000 to \$200,000; and,
- b) authorizing the Trustee to holdback \$200,000 from proceeds of the Sale Agreement as added security for payment of the Trustee's account and the accounts of its counsel (including, but not limited to the Unpaid Accounts).

86. If the Court accepts the allocation of proceeds from the Sale Agreement as outlined in the Confidential Report, there are sufficient funds from the sale of the Leased Equipment (to which the Administration Charge enjoys first priority) to satisfy the increase in the Administration Charge.

87. It is important to note that the Administration Charge specifically states it is in priority to all claims, including trust claims. Accordingly, the Administration Charge can be repaid in priority to any Deemed Trust.

88. The parties deriving benefit from the Administration Charge have been, and continue to be, integral to the successful sale of the Company's assets as a going concern. The proposed amendments to the Administration Charge ensures that those professionals can see the Sale Agreement through to its conclusion.

b. DIP Loan and Payout

89. The Company also seeks an Order permitting it to repay the DIP Loan to the Company of \$200,000.

90. As described above, the DIP Lender is related to the Company and is also the owner of the Premises. In addition, the DIP Lender has guaranteed the Company's debts to both BDC and SOFFI.

91. Pursuant to paragraph 8 of the July 31 Order (and as described above), the DIP Charge is subordinate to both BDC and the Administration Charge with respect to both the Leased Equipment and the Owned Assets. Accordingly, the Trustee cannot recommend repayment of the DIP Loan until it receives comfort that there are sufficient funds to satisfy the Possible Deemed Trust Claims.

XIII. REQUEST FOR STAY EXTENSION

92. The Company is seeking a fourth extension of time to file a proposal to November 17, 2017 pursuant to subsection 50.4(9) of the BIA (the “**Fourth Stay Extension**”). The purpose of the Fourth Stay Extension would be to provide the Company with sufficient time to close the Transaction and file a proposal to its creditors.

93. The Trustee notes that the Company filed its NOI on May 18, 2017 and, therefore, the Fourth Stay Extension cannot extend beyond November 18, 2017, the period that is six months from the filing on the NOI.

94. The Trustee supports the Fourth Stay Extension as it is of the opinion that:

- a) the Company has acted, and is acting, in good faith and with due diligence;
- b) the Company would likely be able to make a viable Proposal, however, any such proposal would require additional negotiations between the Landlord (in its capacity as guarantor of the BDC Indebtedness and the SOFFI indebtedness), the Company and the secured creditors; and,
- c) no creditor would be materially prejudiced if the extension being applied for were granted.

95. The Trustee's recommendation is subject to the approval of this Honourable Court of the Transaction.

XIV. TRUSTEE'S RECOMMENDATION

96. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court:

- a) approve the activities of the Trustee as described in this Fourth Report;
- b) approve the Sale Agreement and vest title in the assets as identified in the Sale Agreement in and to Amvic Inc.


- c) approve an increase in the Administration Charge to a maximum amount of \$200,000;
- d) authorize the Trustee to hold \$200,000 of the proceeds from the Sale Agreement as additional security for the Administration Charge;
- e) approve a distribution to BDC in an amount up to the BDC Indebtedness, providing that BDC undertake to refund any amounts required to satisfy the Possible Deemed Trust Claims; and,
- f) grant the Fourth Stay Extension.

97. For the reasons outlined above, the Trustee cannot recommend repayment of the DIP Loan at this juncture, but is hopeful that it can be repaid upon completion of a CRA audit of the Company's deemed trust obligations.

All of which is respectfully submitted this 25th day of October, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal
of Forte EPS Solutions Inc. and not
in its Personal or any other Capacity**

Per:



Joe Albert, CPA, CA, DIFA, CIRP, LIT

4772481.1

APPENDIX A

District of:
Division No. -
Court No.
Estate No.

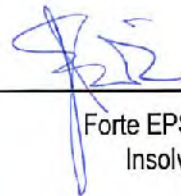
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

Take notice that:

1. I, Forte EPS Solutions Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Toronto in the Province of Ontario, this 19th day of May 2017.



Forte EPS Solutions Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
 Division No. 03 - Barrie
 Court No. 31-2253654
 Estate No. 31-2253654

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
2306732 Ontario Inc.	c/o Millenium Disposal Service 2440 Beryl Road Oakville ON L6J 7X4		550,000.00
407 ETR Express Toll Route Marion Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1		776.33
Advance Specialties USD	P.O. BOX 349 3735 HIGHWAY 22 GLEASON TN 38232		2,017.40
BASF Canada Inc.	P.O. BOX 15248 STATION A TORONTO ON M5W 1C4		762.60
Bernard Baum, LLB	SUITE 10 & 11 1540 LODESTAR ROAD TORONTO ON M3J 3C5		41,000.00
Business Development Bank of Canada ATT: Maya Poliak	c/o Chaltons LLP 500 Yonge Street, 10th Floor Toronto ON M2N 7E9		554,785.16
Carlson Construction	725 RUNNINGBROOK DRIVE MISSISSAUGA ON L4Y 2R9		2,475.00
CCH Excavating Inc.	P.O. BOX 159 Port McNicoll ON L0K 1R3		3,835.95
Cdn Business Health Management Inc.	75 MISSISSAUGA STREET WEST ORILLIA ON L3V 3A7		1,440.75
Cheval	P.O. Box 1262 STN B Mississauga ON L4Y 3W4		230,000.00
Domenic Frasca	220 Whitturch Mississauga ON L5A 4B3		439,944.49
Dominic Zita	5063 Summersky Court Mississauga ON L5M 0R3		1,500,000.00
Eisses Enterprises	901 ESSA ROAD BARRIE ON L9J 0B1		4,106.42
Enbridge Gas	P.O. BOX 680 SCARBOROUGH ON M1K 0A9		9,071.87

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Essex Energy	2199 BLACKACRE DRIVE SUITE 2 OLD CASTLE ON N0R 1L0		4,409.66
Fastenal Canada, LTD	860 TRILLIUM DRIVE SUITE 117 KITCHENER ON N2R 1K7		3,597.96
First Source Mortgage Corporation	1 VALLEYBROOK DRIVE SOUTH UNIT 100 TORONTO ON M3B 2S10		18,300.00
Fred Hook LTD	BOX 248 MIDLAND Midland ON L4R 4K11		156,041.82
Greywall Coatings INC	165 DRIVE INN ROAD, UNIT 4 SAULT ST MARIE ON P6B 5X8		2,460.33
Ideal Supply Company Limited	869 KING STREET MIDLAND ON L4R 0B10		2,954.11
Jason Pasqualino	417 Lanor Ave Mississauga ON M8W 2R7		25,300.00
JD Hubbert	200 EVANS AVE., UNIT 11 TORONTO ON M8Z 1J10		508.50
John Cipressi	72 Bourgeois Beach Road Victoria Harbour ON L0K 2A0		1,500,000.00
Klenzoid	P.O. BOX 3857 COMMERCE COURT POSTAL STN TORONTO ON M5L 1K4		6,277.24
Kreston GTA LLP	8953 WOODBINE AVE., MARKHAM ON L3R 0J12		7,673.98
Linde Canada Limited	P.O. BOX 4070 STN A TORONTO ON M5W 1M6		653.81
Lino Tonic	2020 Winston Park Drive, Suite 101 Oakville ON L6H 6X7		49,424.22
Maria Pierucci	23 Highview Ave Toronto ON M3M 1C5		205,000.00
MRT Automation Ltd	P.O. BOX 517 MIDLAND ON L4R 4L6		3,765.30

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NATS	2525 HAINES ROAD MISSISSAUGA ON L4Y 1Y10		270,990.00
NAXXAR Consulting	539 KINGSTON ROAD WEST AJAX ON L1S 6M4		3,359.14
New Electric Enterprises Inc.	3185 DUNDAS STREET WEST OAKVILLE ON L6M 4J7		15,217.56
North Simcoe Community Futures Development Corporation	105 Fourth St., P.O. Box 8 Midland ON L4R 4K9		225,500.00
Nova Chemicals US	P.O BOX 8011 POSTAL STN A TORONTO ON M5W 3W8		158,000.00
Pacific High Tech	4789 Yonge Street Unit 716 Toronto ON M2N 0G6		518,250.89
PBS Freight Systems Inc	8760 JANE ST., UNIT #16 VAUGHAN ON L4K 2M12		10,750.00
Phillip & Fill	33 Hiawatha Pkwy Mississauga ON L5G 3S1		60,000.00
POWER FACTOR SERVICES LTD.	1235 FAIRVIEW STREET SUITE 299 BURLINGTON ON L7S 2K12		937.90
Prestige Property Tax Specialists	1025 KING STREET EAST CAMBRIDGE ON N3H 3P8		6,274.55
Pro Windows and Doors Ltd.	1 GOODMARK PLACE SUITE 3 ETOBICOKE ON M9W 6M4		34,891.00
PUC Midland Power Utility Corporation	P.O. BOX 820 MIDLAND ON L4R 4P7		13,886.21
Regency Plastics Company Ltd	50 BRISBANE ROAD DOWNSVIEW ON M3J 2K5		7,063.78
SCC Electrical	P.O. BOX 444 MIDLAND ON L4R 4L6		1,268.59
SCE Construction	29 MEDVLIA AVE TORONTO ON M8Z 5L9		1,000.00

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Sievert Financial Services Inc.	43 COLBORNE STREET TORONTO ON M5E 1E6		15,425.00
SKID - Freight Brokers, Inc.	P.O. BOX 85 SAINTE MARTHE SUR LE LAC QC J0N 1P0		2,186.55
Steam Specialties	40 CORSTATE AVE. VAUGHAN ON L4K 4X5		1,966.88
Sunnyside Machine & Hydraulics	1178 EVERTON ROAD MIDLAND ON L4R 5J5		811.95
Telus	P.O. BOX 5300 BURLINGTON ON L4R 4S11		1,277.38
Thermaloc Italy SRL	VIA BONANOMI 3, COMO, IT 22100 IT		904.76
Total Quality Logistics	P.O. BOX 634558 CINCINNATI OH 45263 4561		3,953.92
Travelers Leasing	800-9900 KING GEORGE BLVD. SURREY BC V3T 0K10		399,800.16
Travelers Transportation Services	195 HEART LAKE ROAD S. BRAMPTON ON L6W 3N9		2,926.17
Triple Tech ESJ	1050 KING STREET MIDLAND ON L4R 0B11		1,310.50
Underwriters Laboratories of Canada Inc.	P.O. BOX 15146 STN A TORONTO ON M5W 1C4		15,124.92
United Testing Systems Canada Limited	21-225 BRADWICK DRIVE CONCORD ON L4K 1K10		29,410.73
Western Ontario Community Futures Development Corporation Inc. ATT: David Penton	530 West Street, Unit 10 Branford ON N3R 7V5		440,827.21
WILSON HIGH VOLTAGE	1271 GORHAM STREET UNIT 9 NEWMARKET ON L3Y 8Y10		4,531.66

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Forte EPS Solutions Inc.
 of the city of Midland, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1		15,581.87
Total			7,590,012.18



Forte EPS Solutions Inc.
 Insolvent Person



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 03 - Barrie
Court No. 31-2253654
Estate No. 31-2253654

In the Matter of the Notice of Intention to make a
proposal of:

Forte EPS Solutions Inc.
Insolvent Person

ALBERT GELMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: May 19, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: May 19, 2017, 14:30

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902



APPENDIX B

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

Wednesday, THE 14th

JUSTICE

HAINES

DAY OF JUNE, 2017



**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

ORDER

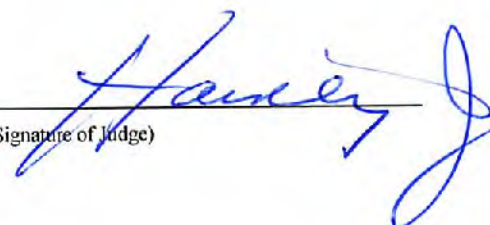
THIS MOTION, made by Forte EPS Solutions Inc. (the “Debtor”) was heard on this 14th day of June 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn June 5, 2017 and filed, the first report of Albert Gelman Inc., in its capacity as a proposal trustee (the “Proposal Trustee”) dated June 9, 2017, (the “First Report”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn June 6, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.
3. **THIS COURT AUTHORIZES AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the “Property”), in the maximum amount of \$100,000

which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after the making of this Order in respect of these proceedings (the "Proposal Trustee's Charge"), and the Proposal Trustee's Charge shall form a first charge over the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person, with the exception of the security interest granted by the Debtor in favour of Business Development Bank of Canada ("BDC") in and over the Property as security for the loan facilities made available by BDC to the Debtor (the "BDC Security"). For greater clarity, the Proposal Trustee's Charge shall be subordinate to the BDC Security.

4. **THIS COURT ORDERS** that nothing in this Order shall affect the rights of BDC or obligations owing to BDC under the BDC Security including, without limitation, the enforcement rights thereunder.
5. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to August 2, 2017.


(Signature of Judge)

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

JUN 14 2017

PER / PAR:



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

APPENDIX C

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated June 9, 2017)

I. INTRODUCTION

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. The Company advises that it had attempted to informally restructure its affairs for several months prior to filing the NOI, however, a series of events made the NOI filing a necessity so that it could negotiate with its creditors on a fair and equitable basis. The events that gave rise to the NOI filing included:

- a. on May 8, 2017, the Company's operating lender, the Business Development Bank of Canada ("**BDC**"), commenced a motion to appoint a receiver over the assets, undertakings and properties of the Company (the "**Receivership Motion**"). The Receivership Motion was adjourned with the Company and BDC entering into a forbearance agreement shortly after the NOI filing (the "**Forbearance Agreement**"). It is the Trustee's understanding that while the Receivership Motion was adjourned, BDC wanted the Company to present a structured process that would see its debt repaid;

- b. the Company had judgment creditors that were seeking to execute on their judgments;
- c. Travelers Leasing Ltd. ("**Travelers**"), a lessor of certain machinery and equipment that are integral to the Company's operations (the "**Leased Equipment**"), "tagged" the Leased Equipment and expressed its intention to repossess the Leased Equipment; and
- d. some of the Company's utility providers, which it depended on to operate its business, were threatening to stop supplying to the Company.

3. The Company has brought a motion seeking, amongst other things, an Order extending the initial stay of proceedings afforded to it under the NOI until August 2, 2017 (the "**Stay Extension**"), and an Order granting an administrative charge in the maximum aggregate amount of \$100,000 (the "**Administrative Charge**"). Of note, the Administrative Charge will be subordinate only to BDC's security in the Company's assets, but in priority to all other claims against the Company's assets.

4. The Company has served the affidavit of John Cipressi sworn June 5, 2017 (the "**Cipressi Affidavit**"), in support of its motion.

5. For the reasons explained herein the Trustee supports the relief sought by the Company in its motion and further detailed in the Cipressi Affidavit.

II. PURPOSE OF THIS REPORT

6. The purpose of this report is to:
- a. provide the Court with information pertaining to the Company, including the objectives of the Company's restructuring proceedings, which is not otherwise described in the Cipressi Affidavit;
 - b. provide information to the Court regarding the actions and activities of both the Trustee and the Company subsequent to the filing of the NOI;

- c. provide information to the Court regarding the Company's Cash Flow Projections (defined below);
- d. discuss the Company's request for the Stay Extension and the Administrative Charge; and
- e. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this First Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

8. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

9. This First Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

10. Any capitalized terms not defined in this First Report shall have the meaning ascribed to them in the Cipressi Affidavit.

11. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

12. The Company is owned by the Principals and is in the business of manufacturing and distributing expanded polystyrene products primarily used in the construction industry.

13. The Company employs 15 people, all located in its manufacturing plant located at 16567 Highway 12, Midland, Ontario (the "**Premises**"). The Premises is owned by 16567 Highway 12 Holdings Limited (the "**Landlord**") which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. The Trustee understands that there is a lease agreement between the Landlord and the Company.

14. The Landlord has entered into an agreement of purchase and sale to sell its premises to 2306732 Ontario Inc. which is anticipated to close in late July, 2017 (the "**APS**"). The APS contemplates the Company remaining as a Tenant of the Premises and, as a result, the Company believes it will be able to maintain operations after the APS closes.

15. As described above, prior to the NOI filing the Company's ability to operate was negatively affected by various factors which included:

- a. demand and receivership proceedings commenced by its operating lender;
- b. an equipment lessor threatening to repossess the Leased Equipment;
- c. judgment creditors seeking to enforce on their judgments; and
- d. utility companies threatening to cease supplying to the Company .

16. The Company advises that it could not continue to negotiate with its creditors while under constant threat of enforcement proceedings that effectively closed the business, much less continue to satisfy existing clients and attract new business.

17. The significant tangible assets of the Company consist of manufacturing equipment which the Company uses to manufacture its products. A portion of the manufacturing equipment is leased from Travelers (defined as Leased Equipment above). The balance of the equipment is owned by the Company. It is the Trustee's understanding that the Company is in the process of obtaining an appraisal of its machinery and equipment.

18. The Company's secured creditors are as listed at paragraph 7 of the Cipressi Affidavit.

19. North Simcoe has provided the Trustee with a postponement agreement which purports to subordinate and postpone North Simcoe's security in favour of BDC's security. Attached hereto at **Appendix "B"** is a copy of the Postponement.

20. Of note, the Landlord has guaranteed the Company's debts to two of its secured creditors (namely BDC and Western Ontario Community Futures Development Corporation Association ("**SOFFI**")) with said guarantees being secured by mortgages on the Premises. Accordingly, the Company's indebtedness to BDC and SOFFI will likely be satisfied from the sale proceeds when the APS closes, or alternatively, assumed by a third party who is prepared to release the Landlord's guarantees.

21. The Company has listed approximately \$6 Million of unsecured claims in its NOI which includes \$3 Million owing to the Principals. Therefore, there are approximately \$3 Million of arm's length unsecured claims listed by the Company.

22. The Principals have advised the Trustee that the Company has never had proper financial statements prepared by an external accounting firm. Therefore, the Trustee has not been able to review any recent externally generated financial information prepared for the Company. It is the Trustee's understating that the Company will be engaging an external accounting firm to bring its financial reporting up to date.

V. ACTIVITIES OF THE COMPANY

23. Since the date of the filing of the NOI the Company has undertaken, among other things, the following activities:

- a. entered into the Forbearance Agreement;
- b. advised various stakeholders, including management, relevant employees and important suppliers of the restructuring proceedings;
- c. enhanced their marketing efforts to prospective customers;
- d. held preliminary discussions with one party who had approached the Company and was interested in purchasing the Company's assets;
- e. had informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- f. attended meetings with the Trustee and its legal counsel to discuss its objectives and options in respect of these restructuring proceedings;
- g. prepared its Cash Flow Forecast (defined below) with the assistance of the Trustee;
- h. provided the Trustee, on an ongoing basis, with financial and other information in order to allow the Trustee to monitor its cash receipts and disbursements; and
- i. started to consider options for recapitalizing and/or marketing the Company and its business.

24. As of the date of this report it is the Trustee's understanding that the Company has not made a determination as to how it will proceed with respect to its restructuring plan and, therefore, the Company is respectfully requesting an extension of time to file its proposal.

VI. ACTIVITIES OF THE TRUSTEE

25. Since the date of the filing of the NOI the Trustee has undertaken, among other things, the following activities:

- a. on May 26, 2017, the Trustee mailed to every known creditor a copy of the NOI as required under subsection 50.4(6) of the BIA. A copy of the affidavit of mailing is attached as **Appendix “C”**;
- b. subsequent to the filing of the NOI the Trustee provided a copy of the Notice of Stay of Proceedings (the **“Stay Notice”**) to all known litigation claimants. Attached hereto at **Appendix “D”** is a copy of the Stay Notice;
- c. assisted the Company with the preparation of the Cash Flow Forecast (defined below);
- d. implemented procedures with the company’s management and employees in order to allow the Trustee to consistently monitor the receipts and disbursements of the Company and compare same to the Cash Flow Forecast for variances;
- e. met with management and its counsel, Mr. William Harvey Jones, on several occasions to discuss, among other things, the following:
 - i. The status of the current business operations and prospects for the future;
 - ii. The potential for a sale of all or part of the business assets as part of the restructuring proceedings; and,
 - iii. How the company would finance a proposal to its creditors.
- f. communicated extensively with the Principals and the Company’s legal counsel; and,
- g. communicated with several creditors and other stakeholders who contacted the Trustee directly regarding the status of the restructuring proceedings.

VII. CASH FLOW

26. On May 29, 2017 the Company filed with the Trustee its statement of forecasted cash flows prepared on a weekly basis for the period of May 22 to September 3, 2017 ("**Cash Flow Forecast**"), along with management's report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix "E"** is a copy of the Cash Flow Forecast along with managements report thereon, which are prepared on the assumption that the Company continues as a going concern.

27. The Cash Flow Forecast does not include payments to any secured creditors during the forecast period. However, the Company has advised the Trustee that it will continue to make payments to Travelers in accordance with its lease agreement as the Company requires the leased equipment in order to maintain its business operations. The Company has further advised that it will be preparing a revised cash flow forecast in due course to reflect this omission.

Shareholder Advances

28. The Cash Flow Forecast indicates that the Company will require additional working capital funds in the aggregated sum of approximately \$300,000 during the period from June 12 to July 16, 2017 to fund continuing operations during the NOI period. The Principals have advised the Trustee that they will be advancing funds into the Company personally in order the fund working capital requirements during this period.

VIII. ADMINISTRATIVE CHARGE

29. The Company is seeking an Order of the Court charging the property, assets and undertakings of Forte in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, or statutory or otherwise, pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to secure the fees and disbursements of the Trustee, the Trustee's legal counsel and legal counsel for the Company (defined as the Administrative Charge above).

30. Administration Charges are common in proceedings such as this and are necessary to secure the fees and disbursements of the professionals involved to enable the company to successfully complete its restructuring proceedings.

31. The Administration Charge being sought will be subordinated to the secured interests of BDC and without prejudice to Travelers' ability to argue that its security interest in the Leased Equipment is in fact a Purchase Money Security Interest.

32. Pursuant to the Forbearance Agreement, Forte and BDC agreed that any Administration Charge requested by the Company would be subordinated to BDC. Further, by virtue of the Postponement, BDC appears to be the Company's senior lender and is not subject to the stay of proceedings granted by the NOI.

33. Counsel to the Trustee has provided the Trustee with an opinion (the "**Security Review**") that, subject to certain standard qualifications and assumptions contemplated therein, the security of both BDC and Travelers is valid and enforceable in accordance with its terms. Attached hereto as **Appendix "F"** is a copy of the security opinion.

34. However, the Security Review questions whether Travelers interest in the Leased Equipment is, in fact, a valid Purchase Money Security Interest (a "**PMSI**"). Specifically, the Security Review notes that Travelers' lease in the Leased Equipment appears to be the result of a sale/leaseback transaction. Of note, section 2 of the Personal Property Security Act defines a "purchase money security interest" as:

- a. a security interest taken or reserved in collateral, other than investment property, to secure payment of all or part of its price,
- b. a security interest taken in collateral, other than investment property, by a person who gives value for the purpose of enabling the debtor to acquire rights in or to the collateral, to the extent that the value is applied to acquire the rights, or

- c. the interest of a lessor of goods under a lease for a term of more than one year,

but does not include a transaction of sale by and lease back to the seller
[emphasis added]

35. Attached hereto as **Appendix "G"** is a copy of the security documents received from Travelers.

36. If Travellers does not have a PMSI, it would still have a valid and enforceable security interest in the Leased Equipment, however, priority would then be determined by date of perfection. The Trustee notes that according to the search conducted of the personal property security registration database (the "**PPSR Database Search**"), Travelers registration was completed after the registrations completed by BDC, North Simcoe and SOFFI. The Trustee is not aware of a priorities agreement between Travelers and any of BDC, North Simcoe or SOFFI. Attached hereto as **Appendix "H"** is a copy of the PPSR Database Search of the Debtor.

37. Given the foregoing, the Trustee recommends that the Administration Charge only be subordinate to BDC's security. However, the Administration Charge given should be without prejudice to Travelers' ability to bring a motion within 30 days for an Order declaring that they have a valid PMSI and an Order further subordinating the Administration Charge to their PMSI in the Leased Equipment (if Travelers in fact has a valid PMSI over the Leased Equipment).

38. The Trustee has been made aware that a related third party may acquire or take an assignment of BDC's debt and security position. If that occurs, the Proposal Trustee may seek an amendment to the Administrative Charge Order such that the Administration Charge ranks in priority to BDC's security.

IX. REQUEST FOR EXTENSION

39. The Company is seeking the Stay Extension pursuant to subsection 50.4(9) of the BIA. The Company has advised that it will likely return to Court during the

Stay Extension to seek court approval for a sale and investment solicitation process (the “SISP”) designed to attract funding so that the Company can make a proposal to its creditors. The Principals further advise that they are considering investing additional funds into the Company through a proposal. Notwithstanding the potential SISP, the Trustee understands that the Principals may still have opportunity to make a proposal to their creditors without selling the Company or seeking an external investment in the Company.

40. The Trustee supports the Stay Extension as it is of the opinion that:
- a. the Company has acted, and is acting, in good faith and with due diligence;
 - b. the Company would likely be able to make a viable Proposal if the extension being applied for were granted; and,
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.

41. The Trustee is also of the opinion that a Proposal developed by the Company would likely result in a higher distribution to creditors than if the extension is denied thereby resulting in a deemed bankruptcy and forced liquidation of the Company’s assets.

X. TRUSTEE’S RECOMMENDATION

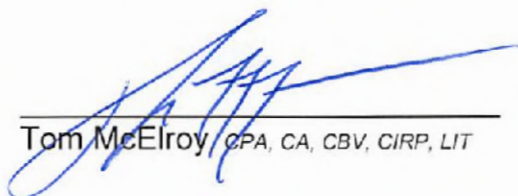
42. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court make an Order approving:
- a. the Administration Charge; and
 - b. the Stay Extension.

* * *

All of which is respectfully submitted this 9th day of June, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of re the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy *CPA, CA, CBV, CIRP, LIT*

4554813.1

APPENDIX D

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE

Mr. Perry

MONDAY, THE 31ST
DAY OF JULY, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**



ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “**Debtor**”) was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn July 23, 2017 and filed, (the “**Cipressi Affidavit**”) the supplementary affidavit of John Cipressi sworn July 28, 2017 and filed (the “**Supplementary Cipressi Affidavit**”), the second report of Albert Gelman Inc., in its capacity as a proposal trustee (the “**Proposal Trustee**”) dated July 28, 2017, (the “**Second Report**”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavits of William Harvey Jones, sworn July 24, 2017 and July 28, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the motion of the Debtor for an order authorizing the Debtor to undertake sales and investment solicitation process as further described in the Cipressi Affidavit and the Second Report (the “SISP”) is hereby adjourned to a 9:30am chambers appointment on August 17, 2017.

DIP FINANCING

4. **THIS COURT ORDERS** that the execution and delivery by the Debtor of the DIP Loan Agreement as defined in the Cipressi Affidavit and substantially in the form attached as Exhibit “G” to the Cipressi Affidavit is hereby approved and the Debtor is hereby authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step contemplated therein) and to obtain and borrow under the DIP Loan Agreement to finance the Debtor’s working capital requirements (including occupation rent payable), provided that borrowings under the DIP Loan Agreement shall not exceed \$200,000.
5. **THIS COURT ORDERS** that the Debtor and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges general security agreements (collectively the “**Definitive Documents**”) as contemplated by the DIP Loan Agreement together with such modification thereto as may be reasonably required and as may be agreed to by the Debtor and the DIP Lender after consultation with the Proposal Trustee. The Debtor is hereby authorized and directed to pay all its indebtedness, interest, fees, liabilities and obligations due and owing to the DIP Lender under and pursuant to the Definitive Documents and the DIP Loan Agreement as and when the same become due, notwithstanding the provisions of any other order.
6. **THIS COURT ORDERS** the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) upon all the property, assets and undertaking of the Debtor (hereinafter the “**Property**”). The DIP Lenders Charge and any contractual interests granted by the Debtor pursuant to the Definitive Documents shall attach to the Property and

secure the obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraph 7 and 8 below.

7. **THIS COURT ORDERS** that paragraph 3 and 4 of the Order of the Honourable Justice Hainey dated June 14, 2017 (the "**June 14 Order**"), be and are hereby amended and restated, as follows:

3. **THIS COURT ORDERS AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the "**Property**"), in the maximum amount of \$100,000 which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after making of this Order in respect of these proceedings (the "**Proposal Trustee's Charge**")

4. **THIS COURT ORDERS** that the Proposal Trustee's Charge shall enjoy the following priority over the Property:

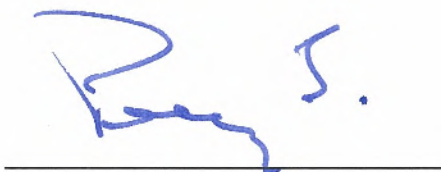
a. With respect to the Property listed at Schedule "A" to this Order the Proposal Trustee's Charge shall form a first charge in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person; and

b. With respect to the balance of the Property, the Proposal Trustee's Charge shall form a second charge in priority to all security interest, trusts, liens, charges, and encumbrances of any person, save and except for the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan and facilities made available by BDC to the Debtor

MAP
 ("the BDC Security")

8. **THIS COURT ORDERS** that for greater certainty, the DIP Lender's Charge shall be subordinate in all respects to the BDC Security and the Proposal Trustee's Charge.

9. **THIS COURT ORDERS** that the Confidential Exhibits "A" and "B" to the Supplementary Cipressi Affidavit be and are hereby sealed until further Order of the Court.
10. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to September 18, 2017.



A handwritten signature in blue ink, appearing to be "R. S.", is written above a horizontal line.

SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.

Equipment Description:

- (1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
 - (1) Technodinamica Contour TD400/1 Cutter S/N 20133500
 - (1) Micro Recycling "In-A-Box" S/N 14012467
 - (1) EPS Machine Greenmax A-C100 S/N 131108
 - (1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
 - (1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
- and all parts, attachments and accessories

TRAVELERS LEASING LTD.



Forte EPS Solutions Inc.


Dominic Zita, Director

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

APPENDIX E

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated July 28, 2017)

I. INTRODUCTION

1. This second report ("**Second Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. On June 15, 2017, on motion of the Company, the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**June 15 Order**") approving, among other things, an administrative charge and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 15 Order.

3. The Trustee prepared a report in respect of the June 15, 2017 motion dated June 9, 2017 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.

4. The Company has served the affidavit of John Cipressi, sworn July 23, 2017 (the "**Cipressi Affidavit**"), and the supplementary affidavit of John Cipressi, sworn July 28, 2017 (the "**Supplementary Affidavit**"), in support of its motion.

5. For the reasons explained herein the Trustee supports the relief sought by the Company in its motion and further detailed in the Cipressi Affidavit and Supplementary Affidavit.

II. PURPOSE OF THIS REPORT

6. The purpose of this report is to:

- a. provide information to the Court regarding the actions and activities of both the Trustee and the Company subsequent to date of the First Report;
- b. discuss the proposed SISP (defined below) and the subsequent request to adjourn this relief;
- c. provide information to the Court regarding the Company's Revised Cash Flow Projection (defined below);
- d. discuss the Company's request for the Second Stay Extension (defined below);
- e. provide information to the Court regarding the DIP Facility and DIP Charge (both terms defined below);
- f. discuss the Company's request for an amendment and restatement of the June 15 Order, specifically with respect to the priority ranking of the Administrative Charge as granted on June 15, 2017; and,
- g. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this Second Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

8. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“GAAP”) or International Financial Reporting Standards (“IFRS”). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

9. This Second Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

10. Any capitalized terms not defined in this Second Report shall have the meaning ascribed to them in the First Report.

11. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

12. The Company's manufacturing plant is located at 16567 Highway 12, Midland, Ontario (the “Premises”). The Premises is owned by 16567 Highway 12 Holdings Limited (“16567” or the “Landlord”) which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. The Trustee understands that there is a lease agreement between the Landlord and the Company. 16567 is not a debtor in these proceedings.

13. Of note, the Landlord has guaranteed the Company's debts to two of its secured creditors, namely Business Development Bank of Canada (“BDC”) and Western Ontario Community Futures Development Corporation Association (“SOFFI”), with said guarantees being secured by mortgages on the Premises.

14. The Trustee understands that in May 2017, the Landlord entered into an agreement of purchase and sale to sell its premises to 2306732 Ontario Inc. (the "**Premises Purchaser**") (collectively, the "**APS**") with a closing date of July 25, 2017 (the "**Closing Date**"). The APS was conditional on the Premises Purchaser waiving certain conditions thus the transaction did not close on the Closing Date.

15. The Company received an unsolicited non-binding term sheet on July 2017 (the "**Term Sheet**") from a prospective purchaser (the "**Interested Party**") which outlined the terms of a potential purchase of the assets of Forte as well as the Premises. As of the date of this Second Report, the Trustee understands that the company has not entered into an agreement of purchase and sale with the Interested Party. However, the Interested Party has provided the Debtor with a summary of key "milestones" (or tasks), one of which includes the execution of an asset purchase agreement, as well as the anticipated date that each milestone will be completed. It appears to the Trustee that the Interested Party proposes to undertake good faith efforts to perform its due diligence with the ultimate goal of entering into a binding agreement to purchase the Debtor's assets.

16. Further background information on the Company, its Directors and the events leading the filing of the NOI can be found in the First Report which is attached as Appendix C.

V. **ACTIVITIES OF THE COMPANY**

17. Since the date of the First Report the Company has undertaken, among other things, the following activities:

- a. attended a meeting, along with the Trustee and its counsel, with the Interested Party;
- b. received and began negotiations on a term sheet received from the Interested Party;
- c. continued to market its products to existing and new consumers in an effort to increase revenues;

- d. attended meetings with the Trustee and its legal counsel to discuss its objectives and options in respect of these restructuring proceedings;
- e. obtained an Appraisal of its machinery and equipment;
- f. prepared the Revised Cash Flow Projection with the assistance of the Trustee; and,
- g. provided the Trustee, on an ongoing basis, with financial and other information in order to allow the Trustee to monitor its cash receipts and disbursements.

18. Since the date of the First Report the Principals decided to proceed with a SISP (defined below). However, with the receipt of the Term Sheet, Forte wishes to first negotiate with the Interested Party with a view to maximizing recovery and minimizing expense to its creditors

VI. ACTIVITIES OF THE TRUSTEE

19. Since the date of the First Report the Trustee has undertaken, among other things, the following activities:

- a. assisted the Company with the preparation of the Revised Cash Flow Projection;
- b. continued to monitor the receipts and disbursements of the Company and compare same to the Cash Flow Forecast for variances;
- c. met with management and its counsel, Mr. William Harvey Jones, as well as representatives of the Interested Party to discuss the potential sale of the Company's assets to the Interested Party;
- d. communicated extensively with the Principals and the Company's legal counsel; and,

- e. communicated with several creditors and other stakeholders who contacted the Trustee directly regarding the status of the restructuring proceedings.

VII. SALE AND INVESTMENT SOLICITATION PROCESS

20. The Company wishes to carry out a sale and investment solicitation process (the “SISP”) in order to fully assess the restructuring options of the Company, ultimately, for the benefit of its secured and unsecured creditors. The administrative functions of the SISP shall be carried out by the Trustee, however, it will not be responsible for making any decisions with respect to which LOIs to pursue and/or, ultimately, which offer to accept, if any. The role of the Trustee shall be limited to that of an administrator of the SISP in so far as it shall contact interested parties, provide those interested parties with information and present any LOIs received to the Company.

21. The Company has requested that the Trustee carry out the administrative function of the SISP because Mr. Dominic Zita and/or Mr. John Cipressi, the shareholders and directors of the Company, are contemplating either directly or indirectly making an offer in accordance with the SISP. Therefore, the Trustee shall undertake the administrative duties of the SISP in order to ensure the integrity of the SISP is maintained throughout the process.

22. The terms of the proposed SISP are set out below:

- a. the Trustee, with the assistance of the Company and its legal counsel, will use commercially reasonable efforts to identify prospective purchasers and send a teaser letter to each party identified;
- b. each prospective purchaser identified will be required to execute a non-disclosure agreement (“NDA”). Upon execution of the NDA the prospective purchaser will be given access to confidential corporate information for the purposes of performing any necessary due diligence;
- c. each prospective purchaser who wishes to make an offer to either purchase the assets or make an investment in the Company must provide the Trustee

with a non-binding letter of intent (“LOI”) on or before August 25, 2017. The LOI shall include basic information about the contemplated transaction as well as the Interested Party’s ability to fund the transaction;

- d. the Debtor and the Trustee will review each LOI received and the Company will determine which LOIs it would like to pursue;
- e. the deadline for a binding agreement is August 30, 2017 at 5:00 p.m. eastern standard time;
- f. all offers received must include standard insolvency terms and conditions as well as various other conditions outlined in the SISP;
- g. all offers received must include a deposit of fifteen (15%) per cent of the purchase price;
- h. the Company will have the right to reject any and all offers, including the best offer; and,
- i. any transaction is subject to approval of the Court.

23. The SISP provides that the Debtor may accept offers received outside of the SISP. The Trustee wishes to clarify that any attempts by the Company to accept offers outside the SISP will be of concern to the Trustee and will, at a minimum, require both creditor and court approval.

VIII. CASH FLOW

24. On July 28, 2017 the Company filed with the Trustee its revised statement of forecasted cash flows prepared on a weekly basis for the period of July 24 to November 5, 2017 (“**Revised Cash Flow Projection**”), along with management’s report on the reasonableness of the Cash Flow Projection, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix “D”** is a copy of the Revised Cash Flow Projection along with managements report thereon, which are prepared on the assumption that the Company continues as a going concern.

25. The Revised Cash Flow Forecast includes an injection of \$200,000 during the week ended August 6, 2017 from 16567. The Debtor is requesting that this Honourable Court grant an Order approving the DIP Facility and DIP Charge (both terms defined below) and, if the Order is granted, the advance from 16567 will form part of the DIP Charge.

IX. ASSETS

26. As was noted in the First Report, the significant tangible assets of the Company consist of manufacturing equipment which the Company uses to manufacture its products. A portion of the manufacturing equipment is leased from Travelers Leasing Ltd. ("**Travelers**") (the "**Leased Equipment**"). The Leased Equipment is integral to the Company's continuing operations. Prior to the filing of the NOI by the Company Travelers "tagged" the Leased Equipment and expressed its intention to repossess the Leased Equipment.

27. The balance of the manufacturing equipment is owned by the Company.

28. The Company obtained an appraisal of its machinery and equipment prepare on a gross forced liquidation value basis by Asset Services with an effective date of June 19, 2017 (the "**Appraisal**"). The Appraisal has not been included with this Second Report as it contains sensitive commercial information regarding the value of the Company's machinery and equipment which may, if made public, negatively affect the quantum of any offer(s) made pursuant to the SISP.

X. SECURED CREDITORS

29. Pursuant to a Ontario Personal Property Lien search conducted by the Trustee (file currency date July 24, 2017) (the "**PPL Search**") the following registration were identified:

Creditor	Registration Date	Collateral Classification
North Simcoe Community Futures Development Corporation	May 10, 2012	Equipment
Business Development Bank of Canada	January 29, 2013	Inventory, Equipment, Accounts, Other, Motor Vehicle
Western Ontario Community Futures Development Corporation	February 1, 2013	Inventory, Equipment, Accounts, Other, Motor Vehicle
Travelers Leasing Ltd.	July 29, 2014	Equipment

30. Attached hereto as **Appendix “E”** is a copy of the PPL Search.

31. Counsel to the Trustee has provided the Trustee with an opinion (the “**Security Review**”) that, subject to certain standard qualifications and assumptions contemplated therein, the security of both BDC and Travelers is valid and enforceable in accordance with its terms. Attached hereto as **Appendix “F”** is a copy of the security opinion.

32. The Security Opinion did not consider the validity and enforceability of the security of SOFFI, North Simcoe (defined below) or First Source Mortgage Corporation. The Trustee will likely obtain an expanded security opinion at the time the Company makes its proposal to its creditors.

North Simcoe Community Futures Development Corporation (“North Simcoe”)

33. North Simcoe has provided the Trustee with a postponement agreement which purports to subordinate and postpone North Simcoe’s security in favour of BDC’s security (the “**North Simcoe Postponement**”). Attached hereto at **Appendix “G”** is a copy of the North Simcoe Postponement.

34. As a result of the North Simcoe Postponement it appears that the BDC has first ranking secured charge over the Company’s assets, including the Leased Equipment as explained in further detail below.

BDC

35. The Company entered into a forbearance agreement with BDC which extends to August 30, 2017 (the “**Forbearance Agreement**”). The Forbearance Agreement was

conditional on the APS closing on July 25, 2017. The Trustee understands that there are continuing negotiations with BDC about extending the forbearance.

SOFFI

36. On June 19, 2017 counsel for SOFFI, Advocates LLP, contacted counsel for the Trustee, Lerner LLP, and provided copies of their clients Notice of Intention to Enforce Security dated August 26, 2015 (the "**SOFFI NITES**") which were issued pursuant to section 244 of the BIA. Attached hereto as **Appendix "H"** is a copy of the SOFFI NITES.

37. The Trustee notes that the SOFFI NITES were issued almost two years ago. The Trustee expresses no opinion at this time as to whether SOFFI would be subject to the stay of proceedings in this matter. The Trustee has been advised that the Company did not enter into a forbearance agreement or any other tolling agreement subsequent to the issuance of the SOFFI NITES and that the Principals are not aware of any enforcement actions taken by SOFFI subsequent to the issuance of the SOFFI NITES.

38. Subsequent to June 19, 2017, neither the Trustee nor its counsel has been contacted by SOFFI's counsel.

Travelers Leasing Ltd. ("Travelers")

39. The Security Review noted above questions whether Travelers interest in the Leased Equipment is, in fact, a valid Purchase Money Security Interest (a "**PMSI**"). Specifically, the Security Review notes that Travelers' lease in the Leased Equipment appears to be the result of a sale/leaseback transaction. Of note, section 2 of the *Personal Property Security Act* defines a "purchase money security interest" as:

- a. a security interest taken or reserved in collateral, other than investment property, to secure payment of all or part of its price,
- b. a security interest taken in collateral, other than investment property, by a person who gives value for the purpose of enabling the debtor to acquire rights in or to the collateral, to the extent that the value is applied to acquire the rights, or

- c. the interest of a lessor of goods under a lease for a term of more than one year,

but does not include a transaction of sale by and lease back to the seller. [emphasis added]

40. Attached hereto as **Appendix "I"** is a copy of the security documents received from Travelers.

41. If Travellers does not have a PMSI, it would still have a valid and enforceable security interest in the Leased Equipment, however, priority would then be determined by date of perfection. The Trustee notes that according to the PPL Search, Travelers registration was completed after the registrations completed by each of BDC, North Simcoe and SOFFI. The PPL Search is attached as Appendix E.

42. The BDC and Travelers entered into a priority agreement dated July 28, 2017 in respect of the Leased Equipment (the "**BDC Priority Agreement**"). The Trustee is not aware of any priorities agreement between Travelers and either North Simcoe or SOFFI.

43. As a result of the BDC Priority Agreement the relative priority positions with respect to the Leased Equipment are uncertain and will likely require further legal interpretation. This legal matter is not relevant with respect to the relief being sought at this time and, therefore, has not been further investigated by either the Company or the Trustee as of the date of this Second Report.

44. Pursuant to the June 15 Order the Administration Charge was granted without prejudice to Travelers' ability to bring a motion within 30 days for an Order declaring that they have a valid PMSI and an Order further subordinating the Administration Charge to their PMSI in the Leased Equipment (if Travelers in fact has a valid PMSI over the Leased Equipment). As of the date of this report the Trustee is not aware of any motion having been brought by Travelers in respect of these restructuring proceedings.

Canada Revenue Agency (the "CRA")

45. The Trustee has been advised by the Company's internal bookkeeper that there is an outstanding balance owing the CRA in respect of unpaid employee source deductions (the "**Deemed Trust Claim**"), however, this balance could not be quantified. It is the Trustee's understanding that the Deemed Trust Claim will rank in priority to the claims of each of the secured creditors noted above.

46. The Trustee has been advised by the Principals that the Company is in the process of engaging an external accountant for the purposes of preparing financial statements, preparing unfiled corporate income tax returns and reconciling the Company's tax account balances.

XI. DEBTOR IN POSSESSION FINANCING

47. In order to fund the immediate working capital requirements of the Company during its restructuring efforts the company requires additional funding. Pursuant to the Cipressi Affidavit 16567 has proposed to provide the Company with a debtor-in-possession facility (the "**DIP Facility**"). The proposed DIP Facility is conditional on this Honourable Court granting a charge in favour of 16567 over the Company's assets (the "**DIP Charge**").

48. The terms of the proposed DIP Facility are set out in a Debtor in Possession Loan Agreement which is included with Forte's motion material and is attached hereto as **Appendix "J"**. The Trustee notes that this agreement is not signed. The Trustee has been advised by the Debtor's counsel that the agreement will be executed if the Court grants the DIP Charge. The material terms of the proposed DIP Facility are outlined below:

- a. permits the Debtor to borrow the aggregate sum of up to a maximum of \$450,000;
- b. shall be repayable upon the sale of the assets of the Debtor; and,
- c. shall bear interest at a rate of fifteen (15%) percent per annum compounded semi-annually.

49. The Company is requesting that this Court make an Order that the DIP Charge shall be in priority to the secured claims of all secured creditors of Forte but subordinated only to the Administration Charge and the security of the BDC.

50. As previously noted, the Landlord is providing the DIP Facility. The Trustee notes that the Landlord appears to be a single purpose entity who owns the Premises. The Premises has mortgages registered on title and, to date, the Trustee has not been provided with evidence that the Landlord can fund the DIP facility.

XII. ADMINISTRATIVE CHARGE

51. The Company is seeking an Order to amend and restate paragraphs 3 and 4 of the June 15 Order. The June 15 Order granted an Administrative Charge over the property of the Debtor. The property of the debtor includes certain Leased Equipment. The Administration Charge granted on June 15, 2017, was subordinated to the BDC in respect of the Leased Equipment.

52. Subsequent to the issuance of the June 15 Order the BDC agreed to allow an administration charge pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to be obtained by the Company in priority to its secured interest in and to the Leased Equipment and that said administration charge would not represent a default and/or violation of the Forbearance Agreement.

53. Therefore, given the BDC's consent as well as the expiry of the 30 day period granted to Travelers, the Company is seeking an Order of the Court charging the Leased Equipment in priority to *all* [emphasis added] other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to secure the fees and disbursements of the Trustee, the Trustee's legal counsel and legal counsel for the Company.

54. For clarification, if Ordered by this Honourable Court, the Administration Charge will continue to be subordinated to the BDC in respect to all of the assets owned by the company not otherwise considered to be part of the Leased Equipment.

55. The Company is further requesting that the Administration Charge, if granted, be in priority to any debtor-in-possession facility or loan secured by the DIP Charge, if also granted.

XIII. REQUEST FOR EXTENSION

56. The Company is seeking a second extension pursuant to subsection 50.4(9) of the BIA (the "**Second Stay Extension**"). The purpose of the Second Stay Extension would be to, among other things, provide the Debtor with sufficient time to negotiate with the Interested Party a binding agreement of purchase and sale in respect of the Company's assets and, if unsuccessful in this regard, allow the Company to undertake the SISP.

57. The Trustee supports the Second Stay Extension as it is of the opinion that:

- a. the Company has acted, and is acting, in good faith and with due diligence;
- b. the Company would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

58. The Trustee is also of the opinion that a Proposal developed by the Company would likely result in a higher distribution to creditors than if the extension is denied thereby resulting in a deemed bankruptcy and forced liquidation of the Company's assets.

59. The Trustee's recommendation is subject to confirmation from the Landlord of its ability to fund the DIP Facility. The Trustee will advise the creditors if the Landlord fails to fund the DIP Facility.

XIV. TRUSTEE'S RECOMMENDATION

60. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court make an Order approving:

- a. an adjournment of the SISP to a 9:30 a.m. chambers appointment on the week of August 14, 2017;
- b. the DIP Charge;
- c. the amendments to the June 15 Order; and
- d. the Second Stay Extension.

All of which is respectfully submitted this 28th day of July, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX F

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**SUPPLEMENT TO THE SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated August 16, 2017)

I. INTRODUCTION

1. This supplemental report ("**Supplemental Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") under a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.
2. On June 15, 2017, on motion of the Company, the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**June 15 Order**") approving, among other things, an administrative charge and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 15 Order.
3. The Trustee prepared a report in respect of the June 15, 2017 motion dated June 9, 2017 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.
4. On July 31, 2017, the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**July 31 Order**") approving, among other things, a debtor-in-possession lender's charge, an amendment to the administrative charge granted pursuant to the June 15 Order and an extension of the stay of proceedings

afforded under the NOI to September 18, 2017. Attached hereto as **Appendix "D"** is a copy of the **July 31 Order**.

5. The Trustee prepared a report in respect of the July 31, 2017 motion dated July 28, 2017 (the **"Second Report"**). Attached hereto as **Appendix "E"** is a copy of the Second Report, without appendices.

6. In addition to the relief obtained, the July 31 Order originally contemplated approval of its sale and investment solicitation process (the **"SISP"**), however, the Company received an unsolicited term sheet from a third party (the **"Interested Party"**) which contemplated purchase of both the Company's assets and the Premises (as defined below). The Company (with the Trustee's approval) adjourned approval of the SISP to a 9:30am chambers appointment on August 17, 2017 so that it may further advance negotiations with the Interested Party in order to determine if there was a viable transaction available to the Company.

7. The Company has advised the Trustee that while there have been further discussions with the Interested Party, talks have not resulted in a draft purchase (or investment) agreement, much less an agreement capable of being presented to the Court and/or the Company's creditors for approval.

8. Accordingly, the Company (with the Trustee's consent) is seeking approval of a SISP that is modified from what was presented to the Court as part of the material served in support of the July 31 Order.

II. PURPOSE OF THIS REPORT

9. The purpose of this report is to:

- a. provide the Court with an update regarding the status of the Company's negotiations to sell its assets to the Interested Party;
- b. provide the Court with details regarding the Company's ongoing operations;

- c. provide the Court with an update regarding the Company's use of the DIP Facility;
- d. comment on the proposed SISP; and
- e. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

10. In preparing this Supplemental Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

11. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

12. This Supplemental Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this Supplemental Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Supplemental Report contrary to the provisions of this paragraph.

13. Any capitalized terms not defined in this Supplemental Report shall have the meaning ascribed to them in the First Report and the Second Report.

14. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

15. The Company's manufacturing plant is located at 16567 Highway 12, Midland, Ontario (the "**Premises**"). The Premises is owned by 16567 Highway 12 Holdings Limited ("**16567**" or the "**Landlord**") which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. The Trustee understands that there is a lease agreement between the Landlord and the Company. 16567 is not a debtor in these proceedings.

16. Further background information on the Company, its Directors and the events leading to the filing of the NOI can be found in the First Report and the Second Report which are attached hereto as Appendices C and E, respectively.

V. STATUS OF NEGOTIATIONS WITH INTERESTED PARTY

17. As discussed in the Second Report, the Company received an unsolicited non-binding term sheet in July 2017 (the "**Term Sheet**") from the Interested Party which outlined the terms of a potential purchase of the assets of Forte as well as the Premises. The Trustee is advised that the Interested Party provided the Company with a summary of key "milestones" (or tasks), one of which includes the execution of an asset purchase agreement, as well as the anticipated date that each milestone will be completed.

18. The Trustee has been advised by the Company's management that in or around the first week of August 2017 management of the Interested Party attended at the Premises to conduct further due diligence.

19. Following this initial due diligence counsel for the Debtor asked counsel for the Interested Party when they could advance negotiations. The Interested Party's counsel advised that it did not have any further instructions to continue to complete the tasks outlined in the summary of key "milestones".

20. Given the response received from counsel to the Interested Party, the Company has elected to proceed with the SISP and communicated same to the Interested Party.

VI. SALE AND INVESTMENT SOLICITATION PROCESS

21. The Company wishes to carry out a SISP in order to fully assess the restructuring options of the Company, ultimately, for the benefit of its secured and unsecured creditors.

22. The Terms of the original SISP were outlined in the Cipressi Affidavit included with the July 31, 2017 motion materials. The Trustee understands that the Company wishes to amend the terms of the SISP to, among other things, empower the Trustee with further decision making authority. This decision has been made because the Principals have articulated an interest in participating in the SISP, either directly by way of investment in the Company, or indirectly, through a related party offer to purchase the Company's assets.

23. The amended SISP terms are being discussed by the Company and the Trustee and in the coming days the Company hopes to provide a supplementary motion record proposing certain amendments to the SISP (the "**Amended SISP**").

24. The Company has been involved in this NOI process for three months and has already received two stay extensions. Even if the Company proceeds immediately with the Amended SISP it will likely require a third stay extension from the Court. It is imperative that the Company be fully immersed in the Amended SISP process before the current stay expires on September 18, 2017 or risk insufficient time to complete the process within the legislative confines of an NOI process. Accordingly, the Trustee recommends that the Company's motion to approve the Amended SISP be scheduled at the Court's earliest convenience.

VII. DEBTOR IN POSSESSION FINANCING AND RAW MATERIAL PURCHASES

25. As part of the motion material served in support of the July 31 Order the Company advised of an impending cash flow requirement and that said requirement could be met by the Landlord through the DIP Facility. The July 31 Order approved the DIP Facility, however, limited the priority charge for the DIP Facility to no more than \$200,000, (the "**DIP Charge**"). The DIP Charge is subordinate to the security of the BDC as well as the Administration Charge. The DIP Facility was not executed at the time that the July 31 Order was made.

26. The material terms of the DIP Facility are outlined in the Second Report.

27. Yesterday, the Company advised the Trustee that it has not needed to draw down on the DIP Facility. This is in part because Flint Hills Resources, one of the Company's suppliers (the "**Supplier**"), has provided credit for raw materials and the Landlord has provided security to the Supplier in exchange for extending said credit (the "**Supplier Credit Facility**").

28. The Trustee is still investigating the particulars surrounding the Supplier Credit Facility, including: (i) was it the Landlord or the Company that received the Supplier Credit Facility; (ii) if the Supplier Credit Facility was provided to the Landlord, on what contractual basis are the raw materials supplied being transferred from the Landlord to the Company; and (iii) if the Supplier Credit Facility was provided to the Landlord, was the Supplier advised of the NOI and did the Landlord guarantee the obligations under the Supplier Credit Facility.

29. The Trustee was not advised of any negotiations with the Supplier, much less invited to attend any such negotiations. At first instance, the Trustee has concerns about the Supplier Credit Facility and whether the Supplier was fully informed of the NOI. The Trustee expects the Company to provide full disclosure of both the negotiations and terms of the Supplier Credit Facility in its motion material describing the Amended SISF.

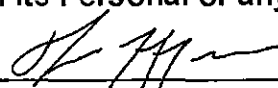
VIII. TRUSTEE'S RECOMMENDATION

30. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court schedule a hearing on the Company's request to commence a SISF on an expedited basis.

All of which is respectfully submitted this 16th day of August 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX G

Court File Number: 31-2253654

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Forte EPS Solutions

Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:
W.A. JONES (debtor)		
D. Magisano (proposed trustee)		

- Order Direction for Registrar (No formal order need be taken out)
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: _____
 Time Table approved (as follows):

<p>Motion to approve SISP returnable</p> <p>Thursday August 24, 2017 at 10⁰⁰ a.m.</p> <p>(15 minutes booked)</p>

August 17, 2017
Date

[Signature]
Judge's Signature

Additional Pages _____

APPENDIX H

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**SECOND SUPPLEMENT TO THE SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated August 22, 2017)

I. INTRODUCTION

1. This report (the “**Second Supplemental Report**”) supplements both the Second Report of the Trustee dated July 28, 2017 and the Supplemental Report of the Trustee dated August 16, 2017.
2. Unless otherwise defined in the Second Supplemental Report, defined terms have the meanings ascribed to them in the Second Report and the Supplemental Report. The Second Report and Supplemental Report (both without appendices) are attached hereto as **Appendices “A” and “B”**, respectively.
3. This Second Supplemental Report is subject to the restrictions in the Second Report.

II. PURPOSE OF THIS REPORT

4. The purpose of this report is to:
 - a. provide the Court with details regarding the Company’s ongoing operations;
 - b. provide the Court with an update regarding the Company’s use of the DIP Facility;
 - c. comment on the proposed Amended SISP; and

- d. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

5. In preparing this Second Supplemental Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

6. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. SALE AND INVESTMENT SOLICITATION PROCESS

7. The Company wishes to carry out a SISP in order to fully assess the restructuring options of the Company, ultimately, for the benefit of its secured and unsecured creditors.

8. The terms of the original SISP were outlined in the Cipressi Affidavit included with the July 31, 2017 motion materials. On July 31, 2017, the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**July 31 Order**") adjourning approval of the SISP to a 9:30am chambers appointment on August 17, 2017. At the August 17, 2017 chambers appointment a hearing date was set for August 24, 2017. The Trustee understands that the Company will be serving motion materials in respect of the August 24, 2017 Court hearing wherein it will be requesting approval of an Amended SISP (defined below). The original SISP, which is further described in the Second Report, was never commenced as it did not receive Court approval.

9. The Company wishes to amend the terms of the SISP to, among other things, empower the Trustee with further decision making authority (the "**Amended SISP**"). This decision has been made because the Principals have articulated an interest in participating in the SISP, either directly by way of investment in the Company, or

indirectly, through a related party offer to purchase the Company's assets. The terms of the proposed Amended SISP are attached hereto as **Appendix "C"**.

10. The terms of the proposed Amended SISP are summarized below:

- a. the Trustee, with the assistance of the Company and its legal counsel, will use commercially reasonable efforts to identify prospective purchasers and send a "teaser" letter to each party identified;
- b. each prospective purchaser identified who is interested in obtaining further information about the SISP will be required to execute a non-disclosure agreement ("**NDA**"). For the purposes of performing any necessary due diligence the prospective purchaser, after executing the NDA, will be given access to: (i) a confidential information memorandum prepared by the Company, with the assistance of the Trustee; and, (ii) access to a data room, to be maintained by the Trustee.
- c. the deadline for submitting offers is September 28, 2017 at 5:00 p.m. eastern standard time (the "**Offer Deadline**");
- d. in order for any offer to be considered a Qualified Offer (as defined in the Amended SISP) the offer must include standard insolvency terms and conditions as well as various other conditions outlined in the Amended SISP. In the event that a Related Person (as defined in the Amended SISP) submits an offer the Trustee alone shall determine which offers constitute Qualified Offers. If no offer(s) are received from Related Persons, the Company will participate in determining which offers represent Qualified Offers;
- e. all offers received must include a deposit of fifteen (15%) per cent of the purchase price;
- f. the Trustee may enter into discussions with the offerors in respect of one or more of the Qualified Offers in an effort to clarify the terms of the offer. The

Company shall participate in these discussions providing that a Related Person has not submitted a Qualified Offer;

- g. the Trustee may select an offer and, if an offer is selected by the Trustee, make a recommendation to the Company to accept said offer which offer shall be considered the "best offer";
- h. the Company, at its sole discretion, may either (i) select the "best offer" and proceed to enter into a definitive agreement of purchase and sale in connection therewith; or, (ii) make a proposal to its creditors; and,
- i. any transaction is subject to approval of the Court.

11. The Trustee is recommending that this Honourable Court approve the Company to commence the Amended SISP.

V. DEBTOR IN POSSESSION FINANCING AND RAW MATERIAL PURCHASES

12. As part of the motion material served in support of the July 31 Order the Company advised of an impending cash flow requirement and that said requirement could be met by the Landlord through the DIP Facility. The July 31 Order approved the DIP Facility, however, limited the priority charge for the DIP Facility to no more than \$200,000, (the "**DIP Charge**"). The DIP Charge is subordinate to the security of the BDC as well as the Administration Charge. The DIP Facility was not executed at the time that the July 31 Order was made. While the Trustee understands that the DIP Facility documents have been executed by the parties, to date it has not received a copy of same.

13. As of the date of this Second Supplementary Report the Trustee has been advised by the Company's counsel that the Company has been advanced \$40,000 under the DIP Facility.

14. In its Supplementary Report the Trustee reported that, at that time, the Company had not needed to draw down on the DIP Facility. This is in part because: (i) Flint Hills Resources, a supplier of the raw materials used by the Company in its manufacturing

process located in the United States (the “**Supplier**”) has provided credit for raw materials to the Landlord (the “**Supplier Credit Facility**”); and (ii) on April 4, 2017 Forte and 845807 Ontario Limited (“**845807**”) entered into an agreement wherein 845807 would provide Forte with raw materials which it was to use to manufacture product for 845807 (the “**Contract Manufacturing Agreement**”). Subsequently, 845807 provided Forte with raw materials.

Supplier Credit Facility

15. The Trustee has investigated the particulars surrounding the Supplier Credit Facility and has determined the following:

- a. the Landlord received the Supplier Credit Facility;
- b. on its credit application the Landlord wrote under the heading “Brief Description of your Business” that it operates as a as “foam manufacturer”;
- c. the Trustee has requested but not received copies of invoices issued by the Landlord to Forte and purchase orders issued to the Landlord from Forte;
- d. the Trustee is unsure of the contractual terms by which the raw materials supplied are transferred from the Landlord to the Company;
- e. the Trustee has been advised that the Landlord provided security to the Supplier in exchange for the Supplier Credit Facility but has not been provided with documentation confirming same; and
- f. the Company has advised that the Supplier was not made aware of Forte’s NOI proceedings.

Attached hereto as **Appendix “D”** is a copy of the credit application prepared by the Landlord.

16. The Trustee was not advised, or included in any negotiations with the Supplier regarding this arrangement. The Trustee has some concerns, namely:

- a. the Trustee has not been provided with evidence of the contractual terms between the Landlord and Forte in respect of the raw material supplied; and
- b. the Trustee is unsure as to the Company's obligation to pay for the raw material and whether payment, if any, is to be made to the Landlord or the Supplier directly.

17. The Trustee continues to investigate this arrangement and has requested additional documentation from the Company and the Landlord regarding same.

Contract Manufacturing Agreement

18. While the Contract Manufacturing Agreement is unclear, it appears that the parties operated as follows:

- a. 845807 purchased raw material from certain suppliers that previously supplied to the Company;
- b. 845807 delivered the raw material to the Company on the understanding that the raw material belonged to 845807 and that the Company would convert the raw material into finished EPS product;
- c. 845807 would pay the Company for its efforts and take possession of the finished EPS product; and
- d. 845807 would then either use or sell the finished EPS product as they required.

19. For context, previously the Company was paying cash on delivery for raw materials and then subsequently selling the finished EPS product to its customers on terms. This created a significant cash flow burden as the Company was paying cash on delivery for raw material but having to wait several weeks (or months) for payment on finished EPS product. To alleviate the cash flow burden the Company asked 845807 to purchase raw materials and pay the Company to convert those raw materials into

finished EPS product which 845807 could then sell to the end customer and achieve a profit margin.

20. While the Contract Manufacturing Agreement is somewhat unorthodox, it did limit the Company's financial burden while ensuring a continuous supply of raw materials. Attached hereto as **Appendix "E"** is a copy of the Contract Manufacturing Agreement.

VI. PAYMENTS TO DOMINIC ZITA

21. The Trustee has been advised that, historically, the Company's principals, John Cipressi ("**John**") and Dominic Zita ("**Dom**") were to receive monthly employment income from the Company. While the Principals have advised that they did not execute employment agreements with Forte, it was understood that John was to receive \$3,500 per month and Dom was to receive \$10,000 per month.

22. From the Company's inception in 2013 until April 2015, John did not receive any of his employment income (and in fact has not received any employment income to date) while Dom received approximately \$10,000 per month.

23. Between May 2015 and November 2016 Dom's employment income was significantly reduced to amounts which fluctuated based on the Company's ability to pay. During this period, Dom received an average monthly salary of approximately \$810 for a total salary of \$15,390.

24. From December 2016 to the date that the Company filed the NOI, Dom continued to receive employment income based on the Company's ability to pay, however, the amounts increased during this time, as compared to the previous 19 months. During this period, Dom received an average monthly salary of \$5,400 for a total salary of \$32,400.

25. Since the NOI Dom has received his full salary of approximately \$10,000 per month.

26. The Trustee has asked Dom why he is now receiving \$10,000 per month when, during the six month period preceding the NOI filing, he was receiving an average

monthly salary of \$5,400. Dom's response was that he was always entitled to \$10,000 per month and previously deferred the salary to assist the Company. Dom now wishes to receive his full monthly salary and believes the added responsibilities he has undertaken since the NOI warrant this salary.

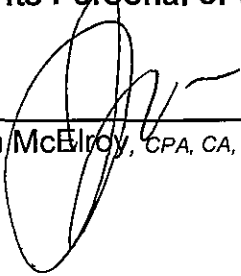
VII. TRUSTEE'S RECOMMENDATION

27. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court approve the Amended SISP.

All of which is respectfully submitted this 22nd day of August 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

4665932.2

APPENDIX I

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

MONDAY, THE 24TH

JUSTICE

MYERS

DAY OF AUGUST 2017



**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “**Debtor**”) was heard on this 24th day of August 2017 at 330 University Avenue, Toronto, Ontario.

ON READING, the affidavit of John Cipressi sworn August 22, 2017 and filed, (the **Cipressi Affidavit**), the Supplement to the Second Report of Albert Gelman Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”), dated August 16, 2017 (the “**Supplemental Report**”), the Second Supplement to the Second Report of the Proposal Trustee, dated August 22, 2017, (the “**Second Supplemental Report**”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn August 22, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Supplemental Report, and the activities of the Proposal Trustee and its counsel, be and are hereby approved.

3. **THIS COURT ORDERS** that the Second Supplemental Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

SALE AND INVESTMENT SOLICITATION PROCESS

4. **THIS COURT ORDERS** that the Debtor is authorized to carry out the Sale and Investment Solicitation Process in the manner described generally in Schedule "A".
5. **THIS COURT ORDERS** that the Proposal Trustee and the Debtor shall provide Business Development Bank of Canada ("BDC") with (collectively, the "SISP Information"):
- a. a copy of the teaser sheets and the confidential information memorandum prepared with respect of the SISP;
 - b. full access to any data room relating to the SISP (whether said data room be a physical data room or electronic data room); and
 - c. copies of all offers or expressions of interest received as part of the SISP.
6. **THIS COURT ORDERS** that BDC shall be permitted to disclose the SISP Information to their counsel, Chaitons LLP, and any financial advisor they may have retained, or may subsequently retain in this matter (collectively, the "Advisors"), however, neither BDC nor the Advisors shall disclose or otherwise disseminate the SISP Information without further court order.
7. **THIS COURT ORDERS** that the Debtor shall not accept any offer presented during the SISP without first providing a copy of the proposed agreement to BDC and soliciting its comments on same.



(Signature of Judge)

SCHEDULE "A"

SALE AND INVESTMENT SOLCITATION PROCESS

Forte EPS Solutions Inc.

Defined Terms

1. All capitalized terms contained herein but not otherwise defined herein shall have the meanings given to them in the order granted by the Ontario Superior Court of Justice [Commercial List] (the "Court") on August 24, 2017 (the "Approving Order") in respect of the Forte EPS Solutions Inc.'s ("Forte" or the "Company") proceedings commenced under the *Bankruptcy and Insolvency Act* (the "BIA").
2. The terms of the SISP described herein shall, collectively, be referred to as the SISP Procedures throughout this document.

Role of the Proposal Trustee

3. The SISP will be administered by the Proposal Trustee on behalf of the Company. The roles and responsibilities of the Proposal Trustee are described in further detail throughout the SISP Procedures, however, the Proposal Trustee's role in the SISP does not include managing, operating, or taking possession or control of any of the Company's property, assets and undertaking.
4. The Company and its principals, employees and professional advisors shall cooperate with the Proposal Trustee throughout the SISP and provide documents and information requested as part of the SISP to the Proposal Trustee in a prompt fashion.

Commencement of SISP

5. Within three (3) business days of the date of the Approving Order (the "Commencement Date"), the Proposal Trustee shall contact parties previously identified by the Company who may either be interested in purchasing the assets of the Company or making and investment in the Company together with any other parties who have advised the Proposal Trustee of their interest (the "Prospective SISP Participants") and provide those parties with a copy of the "teaser" document. The teaser document shall contain general details about the opportunity to either purchase the assets of Forte or make an investment in Forte (the "Opportunity") as well as some general background information about the Company.

Due Diligence

6. Any Prospective SISP Participants who advise the Proposal Trustee of their interest in participating in the SISP shall execute a non-disclosure agreement (the "NDA") in a form satisfactory to the Proposal Trustee.

7. Commencing on the Commencement Date (and after each respective Prospective SISP Participant has executed the NDA), the Proposal Trustee shall make available to the Prospective SISP Participant the following:
 - a) Confidential information memorandum (“CIM”) prepared by the Company with the assistance of the Proposal Trustee describing the SISP Procedures and the Opportunity as well as providing additional background information about the Company; and,
 - b) Access to an electronic data room, to be maintained by the Proposal Trustee, which shall contain information pertaining to the Opportunity along with other corporate financial and other documents as provided by the Company.

Offer Deadline

8. All offers must be submitted in writing to and received by the Proposal Trustee at 100 Simcoe Street, Suite 125, Toronto, Ontario, M5H 1L2, attention: Tom McElroy, by no later than 5:00 p.m. (Toronto time) on September 28, 2017 (the “**Offer Deadline**”) each offer must remain open for acceptance until 5:00 pm on October 13, 2017 (the “**Acceptance Date**”).

Qualifying Offers

9. An offer will only be considered a “Qualified Offer” if it is submitted before the Offer Deadline and if it meets the following minimum criteria:
 - a) It is irrevocable until after the Acceptance Date;
 - b) It must be accompanied by a deposit in the form of a certified cheque or bank draft payable to the Proposal Trustee “in trust” which is equal to at least fifteen (15%) percent of the total purchase price payable under the offer;
 - c) It includes evidence that the offeror has the financial means to complete the proposed acquisition or investment;
 - d) Includes an acknowledgement that the purchaser or investor has relied solely on an independent review and investigation and that its has not relied on any representation by the Company, the Proposal Trustee or their respective agents, employees or advisers;
 - e) The offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the transaction;
 - f) It does not entitle any proposed purchaser to claim any break up, termination or similar fees or expense claim; and,
 - g) It must be on such terms and conditions as are typical in the context of sales conducted through a restructuring and insolvency proceeding, which terms shall include, without limitation: (i) acknowledgement that any purchase or investment is on an “as is where is basis” without any representation, warranties or conditions made or granted in connection therewith; (ii) that the completion of the transaction is conditional on the granting of an approval and vesting Order by the Court (the “**Approval and Vesting Order**”); and, (iii) a closing of the transaction to occur within three (3) business days of the Approval and Vesting Order being issued by the Court.

10. The Proposal Trustee shall review all offers submitted under the SISP and first determine whether any of the bidders are Related Persons (as that term is defined under section 4(2) of the BIA) and:
 - a. If none of the offers are made by parties that are Related Persons, then the determination of whether an offer is a Qualified Offer shall be made jointly by the Company and the Proposal Trustee;
 - b. If offers are made by one or more Related Persons, then the Proposal Trustee shall, in its sole discretion, determine what offers, if any, represent a Qualified Offer.
11. Each Qualified Offer shall be considered and, if necessary, there may be further discussions with some or all of the parties who have submitted a Qualified Offer with a view to clarifying terms. The Company shall participate in these discussions providing that a Related Person has not submitted a Qualified Offer.

Winning Offer

12. Providing that there are one or more Qualified Offers, the Proposal Trustee shall determine the highest and best offer within five (5) business days of the Offer Deadline and shall convey its decision to the Company at that time (the “Best Offer”).
13. The Company will have seven (7) business days from the date that they are advised of the Best Offer to either: (a) accept the Best Offer and enter into a definitive agreement of purchase and sale in connection therewith (the “Sale Agreement”); or (b) make a proposal to its creditors.

Court Approval

14. Within three (3) business days following the execution of the Sale Agreement, the Company will apply for the approval of the Court of the Winning Offer and the Sale Agreement (the “Approval Motion”) and an approval and vesting order in respect of same
15. The Proposal Trustee shall serve and file a report with respect to the SISP and Sale Agreement in advance of the Approval Motion.

Other Terms

16. All deposits received (except such deposit forming part of the Winning Offer, if there is a Winning Offer) shall be held by the Proposal Trustee “in trust” until the execution of the Sale Agreement. All deposits submitted by Prospective SISP Participants who did not submit the Winning Offer shall have same returned following execution of the Sale Agreement. The deposit forming part of the Winning Offer shall be dealt with in accordance with the Sale Agreement.

17. In the event that the Company chooses to make a proposal to its creditors pursuant to Part III, Division I of the BIA, all deposits received from Prospective SISP Participants shall be returned after the Company lodges its proposal with the Office of the Superintendent in Bankruptcy.
18. In the event that the deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.
19. All Qualified Offers (other than the Winning Offer) shall be deemed rejected on the date of the approval of the Sale Agreement by the Court or on the day that the Company lodges its proposal with the Office of the Superintendent in Bankruptcy, whichever is applicable.
20. Subject to the Approving Order or other order of the Court, the Company, in consultation with the Proposal Trustee, shall have the right to adopt such other rules for the SISP that, at its sole discretion, will better promote the goals of the SISP.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

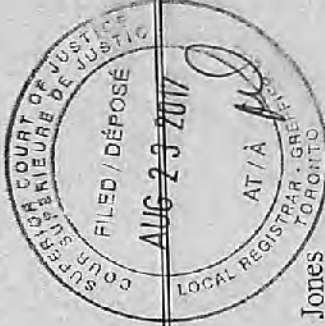
THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RTE EPS SOLUTIONS INC.

(short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Motion Record



William Harvey Jones
Barrister and Solicitor
2702-401 Bay Street,
Toronto, Ontario
M4V 3A1
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT

Aug 24/17
I am satisfied that the proposed SISP
IS A COMMERCIALY REASONABLE STEP. THE
DEBTOR'S OWN EVIDENCE IS THAT IT IS
LIQUIDATING ONE WAY OR THE OTHER. I
AM CONCERNED WITH THE PRIORITY AND
EXPEDIENCY OF A MANAGEMENT-LED
LIQUIDATION ESPECIALLY WITH MANAGEMENT
ALSO PROPAGATING A BID.
THE ~~TRUSTEE~~ TRUSTEE MUST BE FULLY ENGAGED
AS THE ENDS AND MEANS OF THE FIDUCIARY OR
SURPRISES ARE AS MUCH THE FAULT OF
LAX OVERSIGHT AS MANAGEMENT ZEAR.
THIS PROCEEDS PROTECTS ALL STAKEHOLDERS
AND MUST BE TRANSPARENT AND THE TRUSTEE IS TO
REMAIN VIGILANT TO THE RISK OF MATERIAL
ADVERSE CHANGES.

APPENDIX J

Estate No.: 31-2253654

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC.**

**REPORT OF THE TRUSTEE ON MATERIAL ADVERSE CHANGE
IN PROJECTED CASH FLOW OR FINANCIAL CIRCUMSTANCES**
Section 50.4(7)(b) of the *Bankruptcy and Insolvency Act* (Canada)

I. INTRODUCTION AND BACKGROUND

1. Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Albert Gelman Inc. (the "**Trustee**") consented to act as Trustee in respect of these restructuring proceedings.
2. On July 31, 2017 the company obtained approval from the Court for an extension of time to file its proposal to September 18, 2017 (the "**Extension**"). Attached hereto at **Appendix "A"** is a copy of the Court Order approving the Extension.
3. In support of the Company's request for the Extension it prepared and filed with the Trustee a statement of forecasted cash flows for the fifteen (15) week period ended November 5, 2017 (the "**Cash Flow Forecast**"). The Cash Flow Forecast indicated that the Company would obtain external financing during the week ended August 6, 2017 in an amount of \$200,000 in order to continue to meet its ongoing financial obligations (the "**DIP Financing**").
4. In its Order dated July 31, 2017 the Court approved a debtor-in-possession loan agreement for an amount not to exceed \$200,000 (the "**DIP Loan**") between Forte and 16567 Highway 12 Holdings Limited (the "**DIP Lender**"). The DIP Lender is a company which is related to Forte.

5. As of the date of this report the Company has drawn \$40,000 in respect of the DIP Loan. This amount is not sufficient to meet the ongoing obligations of the Company, as set out in further detail below.

6. The principals of the Company have advised the Trustee that the DIP Lender has not yet been able to provide further advances, as required by the Company.

7. As a result of its inability to utilize the DIP Loan, the company has not been able to meet several of its post NOI filing obligations and, specifically, the Company:

- a. has not been remitting its post NOI filing payroll source deduction withholdings;
- b. was not able to meet its employee payroll obligations for the payroll period ending in or around August 25, 2017;
- c. does not have sufficient working capital to fund the purchase of raw materials on cash-on-delivery terms; and,
- d. is in arrears in respect of its utility accounts.

8. The DIP Lender has advised the Trustee that the remainder of the DIP Financing will be available to the Company during the week ended September 10, 2017. As of the date of this report, neither the Company, nor the DIP Lender has provided sufficient documentation to the Trustee to satisfy it that further funds under the DIP facility will be made available to the Company.

II. MATERIAL ADVERSE CHANGE

9. This report has been filed pursuant to section 50.4(7)(b) of the BIA as a result of the Trustee ascertaining that a material adverse change in the insolvent person's projected cash-flow and financial circumstances has occurred.

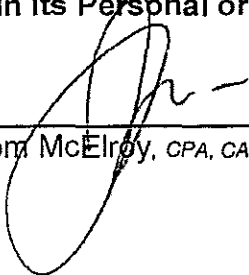
10. As a result of the Company not being able to utilize the full amount of the DIP Financing the Trustee is of the opinion that this represents a material adverse change in the Company's cash flow and financial circumstances which:

- a. significantly impairs the Company's financial circumstances;
- b. significantly impairs the Company's ability to carry on operations;
- c. significantly impairs the likelihood of success of a proposal; and,
- d. may prejudice the rights and interest of one or more classes of creditors.

Dated this 1st day of September 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

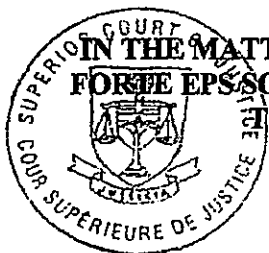
Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE

Mr. Remy

MONDAY, THE 31ST
DAY OF JULY, 2017



**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “Debtor”) was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn July 23, 2017 and filed, (the “Cipressi Affidavit”) the supplementary affidavit of John Cipressi sworn July 28, 2017 and filed (the “Supplementary Cipressi Affidavit”), the second report of Albert Gelman Inc., in its capacity as a proposal trustee (the “Proposal Trustee”) dated July 28, 2017, (the “Second Report”) and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavits of William Harvey Jones, sworn July 24, 2017 and July 28, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the motion of the Debtor for an order authorizing the Debtor to undertake sales and investment solicitation process as further described in the Cipressi Affidavit and the Second Report (the “SISP”) is hereby adjourned to a 9:30am chambers appointment on August 17, 2017.

DIP FINANCING

4. **THIS COURT ORDERS** that the execution and delivery by the Debtor of the DIP Loan Agreement as defined in the Cipressi Affidavit and substantially in the form attached as Exhibit “G” to the Cipressi Affidavit is hereby approved and the Debtor is hereby authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step contemplated therein) and to obtain and borrow under the DIP Loan Agreement to finance the Debtor’s working capital requirements (including occupation rent payable), provided that borrowings under the DIP Loan Agreement shall not exceed \$200,000.
5. **THIS COURT ORDERS** that the Debtor and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges general security agreements (collectively the “Definitive Documents”) as contemplated by the DIP Loan Agreement together with such modification thereto as may be reasonably required and as may be agreed to by the Debtor and the DIP Lender after consultation with the Proposal Trustee. The Debtor is hereby authorized and directed to pay all its indebtedness, interest, fees, liabilities and obligations due and owing to the DIP Lender under and pursuant to the Definitive Documents and the DIP Loan Agreement as and when the same become due, notwithstanding the provisions of any other order.
6. **THIS COURT ORDERS** the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “DIP Lender’s Charge”) upon all the property, assets and undertaking of the Debtor (hereinafter the “Property”). The DIP Lenders Charge and any contractual interests granted by the Debtor pursuant to the Definitive Documents shall attach to the Property and

secure the obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraph 7 and 8 below.

7. **THIS COURT ORDERS** that paragraph 3 and 4 of the Order of the Honourable Justice Hainey dated June 14, 2017 (the "**June 14 Order**"), be and are hereby amended and restated, as follows:

3. **THIS COURT ORDERS AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the "**Property**"), in the maximum amount of \$100,000 which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after making of this Order in respect of these proceedings (the "**Proposal Trustee's Charge**")

4. **THIS COURT ORDERS** that the Proposal Trustee's Charge shall enjoy the following priority over the Property:

a. With respect to the Property listed at Schedule "A" to this Order the Proposal Trustee's Charge shall form a first charge in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person; and

b. With respect to the balance of the Property, the Proposal Trustee's Charge shall form a second charge in priority to all security interest, trusts, liens, charges, and encumbrances of any person, save and except for the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan and facilities made available by BDC to the Debtor

WAP
 ("the BDC Security")

8. **THIS COURT ORDERS** that for greater certainty, the DIP Lender's Charge shall be subordinate in all respects to the BDC Security and the Proposal Trustee's Charge.

9. **THIS COURT ORDERS** that the Confidential Exhibits "A" and "B" to the Supplementary Cipressi Affidavit be and are hereby sealed until further Order of the Court.
10. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to September 18, 2017.



A handwritten signature, appearing to be "R. S.", is written above a horizontal line.

SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.


Equipment Description:

- (1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
 - (1) Technodinamica Contour TD400/1 Cutter S/N 20133500
 - (1) Micro Recycling "In-A-Box" S/N 14012467
 - (1) EPS Machine Greenmax A-C100 S/N 131108
 - (1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
 - (1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
- and all parts, attachments and accessories

TRAVELERS LEASING LTD.



Forte EPS Solutions Inc.



Dominic Zita, Director

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

(Short title of proceeding)

July 31, 2017

an affidavit with the
 PT's report and that in connection
 require an affidavit of the status.
 The consent filtration is not being
 back that a return on August
 17, 2017 for a 9:30 appointment would
 is recommended (cleared). At that
 time, more information on the
 status of a possible sale of
 a 51% will be available.

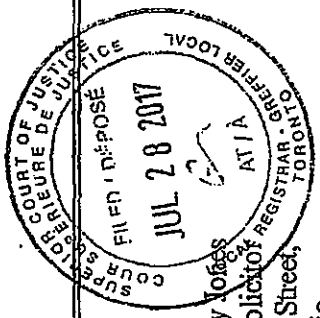
The order sought to be
 not opposed. Subject to being in
 from signed by me prior to that.

July 31, 2017

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Motion Record



William Harvey Tofts
 Barrister and Solicitor, REGISTRAR
 2702-401 Bay Street,
 Toronto, Ontario
 M4V 3A1
 LSUC # 38733J

(416) 596-8876
 Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT

Raymond J.

APPENDIX K

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

MONDAY, THE 18th.

JUSTICE *CONWAY*

DAY OF SEPTEMBER, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**



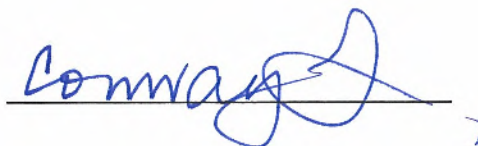
ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the “**Debtor**”) was heard on this 18th, day of September, 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of John Cipressi, sworn September 11, 2017 (the “**Cipressi Affidavit**”), the Supplementary Affidavit of John Cipressi, sworn September 15, 2017 (the “**Supplementary Cipressi Affidavit**”), the Third Report of Albert Gelman Inc., in its capacity as a proposal trustee (the “**Proposal Trustee**”) dated September 14, 2017, (the “**Third Report**”), the Supplement to the Third Report of the Proposal Trustee, dated September 17, 2017 (the “**Supplementary Report**”), and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn September 11, 2017, filed,

1. **THIS COURT ORDERS** that, the time for service of the Notice of Motion, the Cipressi Affidavit, the Supplementary Cipressi Affidavit, the Third Report, and the Supplementary Report, are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee and its counsel as described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to November 2, 2017.

A handwritten signature in blue ink is written over a horizontal line. The signature is cursive and appears to read "Conway".

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC.

Court file no. 31-2253654
Estate File no. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

APPENDIX L

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated September 14, 2017)

I. INTRODUCTION

1. This third report ("**Third Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. On June 15, 2017, on motion of the Company, the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**June 15 Order**") approving, among other things, an administrative charge and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 15 Order.

3. The Trustee prepared a report in respect of the June 15, 2017 motion dated June 9, 2017 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.

4. On July 31, 2017, the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**July 31 Order**") approving, among other things, a debtor-in-possession lender's charge, an amendment to the administrative charge granted pursuant to the June 15 Order and an extension of the

stay of proceedings afforded under the NOI to September 18, 2017. Attached hereto as **Appendix "D"** is a copy of the **July 31 Order**.

5. The Trustee prepared a report in respect of the July 31, 2017 motion dated July 28, 2017 (the "**Second Report**"). Attached hereto as **Appendix "E"** is a copy of the Second Report, without appendices.

6. In addition to the relief obtained, the July 31 Order originally contemplated approval of its sale and investment solicitation process (the "**SISP**"), however, the Company received an unsolicited term sheet from a third party (the "**Interested Party**") which contemplated purchase of both the Company's assets and the Premises (as defined below). The Company (with the Trustee's approval) adjourned approval of the SISP to a 9:30am chambers appointment on August 17, 2017 so that it may further advance negotiations with the Interested Party in order to determine if there was a viable transaction available to the Company.

7. On August 17, 2017 the Trustee served its first supplement to its Second Report (the "**First Supplement**") which provided information on, amongst other things, the DIP Facility as well as the proposed SISP, which was being proposed at that time. Attached hereto as **Appendix "F"** is a copy of the First Supplement, without appendices

8. On August 17, 2017, the Honourable Justice Morawetz scheduled a return of the motion to approve the SISP for August 24, 2017. Attached hereto as **Appendix "G"** is a copy of the Endorsement issued by Justice Morawetz on August 17, 2017.

9. On August 22, 2017 the Trustee served a second supplement to its Second Report which updated the court on developments since the First Supplement and provided additional comments on the SISP (the "**Second Supplement**"). Attached hereto as **Appendix "H"** is a copy of the Second Supplement, without appendices

10. On August 24, 2017, on motion of the Company, the Honourable Justice Myers of the Ontario Superior Court of Justice [Commercial List] granted an order (the "**August 24 Order**") approving, among other things, the SISP. Attached hereto as **Appendix "I"** is a copy of the August 24 Order.

11. As described further below, the Trustee had requested that the Debtor deliver certain information and documentation. When it did not receive the information as expected, the Trustee issued a Report of the Trustee on Material Adverse Change in Projected Cash Flow or Financial Circumstance (the "**MAC Report**"). The MAC Report dated September 1, 2017 is attached hereto as **Appendix "J"**.

12. The Company has served the affidavit of John Cipressi, sworn September 11, 2017 (the "**Cipressi Affidavit**") in support of its motion schedule to be heard on September 18, 2017.

II. PURPOSE OF THIS REPORT

13. The purpose of this report is to:

- a. discuss the progress of the SISP;
- b. update the Court with respect to the advance and usage of the DIP Facility;
- c. update the Court with respect to the issues raised by the Trustee in the MAC Report;
- d. provide an update to the Court regarding matters raised by the Trustee in its Second Report, including the information contained in the First Supplement and the Second Supplement;
- e. update the Court on the Company's efforts to respond to the issues raised in the MAC Report; and
- f. provide a report to the Court in accordance with Section 50.4(7)(b) of the BIA on the state of the insolvent person's business and financial affairs in relation to the Company's application for a third extension of time to file its proposal pursuant to Section 50.4(9) of the BIA ("**Third Stay Extension**").

III. SCOPE AND TERMS OF REFERENCE

14. In preparing this Third Report, the Trustee has relied upon certain unaudited financial information, Forte's books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the "**Principals**"), the Company's legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

15. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

16. This Third Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.

17. Any capitalized terms not defined in this Third Report shall have the meaning ascribed to them in the Second Supplement.

18. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

19. The Company is a manufacturer which produces expanded polystyrene (EPS) rigid foam building materials primarily for use in the construction industry. The Company's manufacturing plant is located at 16567 Highway 12, Midland, Ontario (the "**Premises**"). The Premises is owned by 16567 Highway 12 Holdings Limited ("**16567**" or the "**Landlord**") which is related to the Company in that John Cipressi and Andrea

Zita (Dominic Zita's wife) are the owners of the Landlord. There is a lease agreement between the Landlord and the Company which expires on March 31, 2018. 16567 is not a debtor in these proceedings.

20. Further background information on the Company, its Directors and the events leading the filing of the NOI can be found in the First Report which is attached as Appendix "C".

V. SALE AND INVESTMENT SOLICITATION PROCESS

21. In accordance with the August 24 Order, on August 29, 2017 the Trustee sent the "teaser" document to all of the prospective purchasers contained in a list prepared by management of the Company. The "teaser" document is attached hereto as **Appendix "J"**. The Trustee has been contacted by several of the prospective purchasers who received the "teaser" document and whom have requested additional information about the Company and the SISP. As at the date of this Third Report, several prospective purchasers have requested a tour of the Company's Premises and facility. These tours have been scheduled for September 15, 2017.

22. The Trustee is proceeding with the SISP in accordance with the August 24 Order.

VI. DEBTOR IN POSSESSION FINANCING

23. The July 31 Order approved the DIP Facility.

24. As of the date of this Third Report the Trustee has been advised by the Company's counsel that the DIP Lender has advanced \$200,000. Of this, \$40,000 was advanced on August 21, 2017 and \$160,000 during the week ended September 10, 2017. Both amounts were advanced in trust to the Company's counsel. The Company's counsel has been disbursing the DIP funds it holds in trust in accordance with direction letters it receives from the Company. The Company's counsel is reporting to the Trustee on the disbursement of funds, in accordance with the Trustee's monitoring duties.

VII. MATERIAL ADVERSE CHANGE REPORT

25. As noted above, on September 1, 2017 the Trustee issued its MAC Report.
26. The issues raised in the MAC Report were as follow:
 - a. the Company had not been remitting its payroll source deduction withholdings subsequent to the filing of the NOI;
 - b. the Company was not able to meet its employee payroll obligations for the payroll period ending in or around August 25, 2017;
 - c. the Company did not have sufficient working capital to fund the purchase of raw materials on cash-on-delivery terms; and,
 - d. the Company was in arrears in respect of its utility accounts.
27. The problems noted above arose because the DIP Lender, at that time, had not provided the DIP Funds.
28. Counsel to the Company has confirmed, and the Trustee has satisfied itself, that, as of the date of this Third Report:
 - a. post NOI payroll source deduction withholdings have been remitted to the CRA;
 - b. the Company has met its ongoing payroll obligations including the payroll that was missed on or about August 25, 2017; and,
 - c. the Company has paid the arrears of its utility accounts.

29. As noted below, as of the date of this Third Report the Company has not yet finalized a revised cash flow projection, as needed to demonstrate, among other things: (a) the Company's ability to purchase raw materials on a cash-on-delivery basis going forward; and, (b) the Company's ability to meet its ongoing obligation as they become due.

30. As further discussed below, the Principals have advised the Trustee that the Company will finalize a revised cash flow projection prior to the Court hearing scheduled for September 18, 2017.

VIII. TRUSTEE'S COMMENTS ON MATTERS RAISED IN ITS SECOND REPORT, FIRST SUPPLEMENT AND SECOND SUPPLEMENT

31. In the Second Report, the First Supplement and the Second Supplement, the Trustee raised, among other matters, the following issues:

- a. There was an outstanding balance owing to the CRA in respect of unpaid employee source deductions which accrued subsequent to the filing of the NOI; and
- b. Flint Hills Resources, a supplier of the raw materials located in the United States (the "**Supplier**") had provided credit for the purchase of its raw materials to the Landlord in the amount of approximately \$90,000. These raw materials were used by Forte in its manufacturing process; and
- c. Forte and 845807 Ontario Limited entered into an agreement wherein 845807 would provide Forte with raw the materials, which it was to use to manufacture product for 845807, and which 845807 would then sell to the end customer.

32. The Company has provided evidence to satisfy the Trustee that the post-NOI source deduction arrears have been paid, in full, and that the Company is no longer manufacturing on a contract basis for 845807.

33. As of the date of this Third Report, the Company has paid approximately one half of the balance owing to the Supplier and has advised the Trustee that the balance will be paid from the DIP Facility funds forthwith.

IX. CASH FLOW

34. As of the date of this Third Report the Company has not finalized nor a revised cash flow forecast in support of its request for the Third Stay Extension. Accordingly, as at the date of this Third Report, the Trustee is not able to provide a report on the Company's future cash flow projections in accordance with subsection 50.4(2) of the BIA.

35. The Principals have advised the Trustee that a revised cash flow projection will be provided to the Trustee and the Court prior to the hearing schedule for September 18, 2017.

X. REQUEST FOR EXTENSION

36. The Company is seeking a third extension of time to file a proposal pursuant to subsection 50.4(9) of the BIA (defined above as the Third Stay Extension). The purpose of the Third Stay Extension would be to, among other things, provide the Debtor with sufficient time to complete the SISP.

37. As at the date of this report, the Trustee:

- a. is of the opinion that the Company is acting in good faith; and,
- b. is of the opinion that the Company is now acting with due diligence, notwithstanding the facts set out in the Trustee's previous reports to Court as well as its MAC Report.

38. As noted above, the Company has not yet finalized a revised cash flow forecast. Therefore, the Trustee has been unable to complete its due diligence in respect of same. Accordingly, as at the date of this Third Report the Trustee:

- a. cannot yet opine on whether the Company is likely to be able to make a viable proposal; and,
- b. cannot yet opine on whether any creditor will be materially prejudiced if a further extension is granted.

I. TRUSTEE'S RECOMMENDATION

39. At this time and until such time as the revised cash flow forecast is completed and the Trustee has completed its due diligence of same, the Trustee does not recommend the Court grant the full 45 day extension being sought by the Company. Instead, it is the Trustee's recommendation that the Court grant a further 7 day extension for the purposes of allowing time for the Trustee to complete its due diligence on the Company's revised cash flow, once finalized.

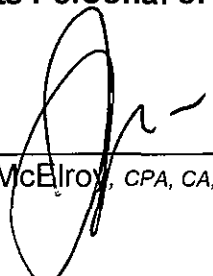
40. Further, the Trustee wishes to advise the Court that the four major secured creditors of the Company have not advised the Trustee of their respective positions with respect to the Company's motion for a third extension.

41. Finally, a major customer of Company has provided written confirmation to counsel of the Company that it support the extension being sought.

All of which is respectfully submitted this 14th day of September, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX M

Estate No.: 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario**

**SUPPLEMENT TO THE THIRD REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated September 17, 2017)

I. INTRODUCTION

1. This report (the “**Supplemental Report**”) supplements the third report of the Trustee dated September 14, 2017 (the “**Third Report**”).
2. Unless otherwise defined in the Supplemental Report, defined terms have the meanings ascribed to them in the Third Report.

II. PURPOSE OF THIS REPORT

3. The purpose of this report is to:
 - a. advise that the Company has completed and executed a Revised Cash Flow Projection (defined below);
 - b. advise that the Trustee has reviewed and conducted its required due diligence on the Revised Cash Flow Projection; and,
 - c. provide the Court with the Trustee’s recommendations in respect of the Third Stay Extension (defined below).

III. SCOPE AND TERMS OF REFERENCE

4. In preparing this Supplemental Report, the Trustee has relied upon certain unaudited financial information, Forte’s books and records, discussions with Mr. John

Cipressi, Mr. Dominic Zita (collectively, the “**Principals**”), the Company’s legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

5. This Supplemental Report is subject to the restrictions set out in paragraphs 15 and 16 of the Third Report.

IV. REVISED CASH FLOW PROJECTION

6. On September 15, 2017 the Company filed with the Trustee its revised statement of forecasted cash flows prepared on a weekly basis for the period of September 11 to November 5, 2017 (the “**Revised Cash Flow Projection**”), including the related notes and assumptions, and along with management’s report on the reasonableness of the Cash Flow Projection, in accordance with subsection 50.4(2) of the BIA.

7. The Trustee has had an opportunity to review the Revised Cash Flow Projection, including the related notes and assumptions and has completed its required due diligence.

8. The Trustee has signed its report on the reasonableness of the Revised Cash Flow Projection, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix “A”** is a copy of the Revised Cash Flow Projection along with management’s report and the Trustee’s report thereon.

9. The Trustee brings to the attention of the Court that the Revised Cash Flow Projection contains certain assumptions, as set out in the related notes, which the Trustee considers to be outside of the ordinary course of business. These assumptions are as follows:

- a. Due to cash flow constraints the Company does not intend to make payments to several of its pre-NOI secured creditors, including Travelers Leasing Limited, North Simcoe Community Futures Development Corporation and Western Ontario Community Futures Development Corporation Inc. (the “**Subordinate Secured Creditors**”); and

- b. John Cipressi has advised the Trustee that he will personally fund any cash flow shortfalls which occur during the period of this cash flow projection and that any advances made by Mr. Cipressi are on a without interest basis and repayment of the advances will be addressed in the Company's proposal.

10. With respect to item "a" above, the Trustee points out that the Company has not made any payments to the referenced secured creditors since the filing of its NOI, and that none of the affected secured creditors have advised the Trustee that they object to the previous withholding of payments to them to date, nor have the Subordinate Secured Creditors attended any of the court hearings in this process.

11. With respect to item "b" above, the Trustee points out that the Revised Cash Flow Projection projects that Mr. Cipressi will advance \$30,000, if needed, during the week ending September 24, 2017 and that the Company intends to repay the amount of any required advance the following week, if funds are then available. However, subsequent to the date of the filing of the Revised Cash Flow Projection counsel for the Company advised the Trustee that the Company does not intend to repay any advances received from Mr. Cipressi, or from any other shareholder or other related party, including the \$30,000 advance projected in the Revised Cash Flow Projection.

12. Any such short term advance, if required, is not intended to be made pursuant to the existing DIP Lending facility.

V. REQUEST FOR EXTENSION

13. The Company is seeking a third extension of time to file a proposal pursuant to subsection 50.4(9) of the BIA (defined in the Third Report as the Third Stay Extension). The purpose of the Third Stay Extension would be to, among other things, provide the Debtor with sufficient time to complete the SISP. Given the timeline set out in the SISP the Trustee believes that the Company will need the full 45 day extension period being sought to complete the SISP.

14. Based upon the Trustee's review of the Revised Cash Flow Projection, and subject to the matters raised in paragraphs 9 through 12 above, the Trustee:

- a. is of the opinion that the Company is likely to be able to make a viable proposal; and,
- b. is of the opinion that no creditors will be materially prejudiced if a further extension is granted.

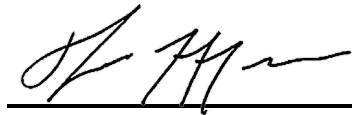
VI. TRUSTEE'S RECOMMENDATION

15. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court approve Third Stay Extension.

All of which is respectfully submitted this 17th day of September 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of the Proposal of Forte EPS Solutions Inc.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

4665932.2

APPENDIX N

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 10/24/2017
File Currency Date: 10/22/2017
Family(ies): 5
Page(s): 21

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 11981339

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA.
A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
IN RESPECT OF THE FOLLOWING:

Note: Viewing of this report is optimized in landscape mode.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 11981339

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37

REPORT : PSSR060
PAGE : 1

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA. A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

ENQUIRY NUMBER 20171023120103.37 CONTAINS 21 PAGE(S), 5 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

TRANSACTIONID=11981339

CONTINUED... 2

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
FILE NUMBER
732672198

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FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
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01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
ON LOK 1R0

04 ADDRESS 16567 HIGHWAY 12 MIDLAND
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
ADDRESS 16567 HIGHWAY 12 MIDLAND ON LOK 1R0

07 ADDRESS 16567 HIGHWAY 12 MIDLAND ON LOK 1R0
08 SECURED PARTY /
LIEN CLAIMANT 16567 HIGHWAY 12 HOLDINGS LIMITED

09 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X 200000
10 YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING
AGENT WILLIAM HARVEY JONES

17 ADDRESS SUITE 2702-401 BAY STREET TORONTO ON M5H 2Y4
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 3

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

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 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
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 02 DEBTOR
 03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 04 ADDRESS 16567 HIGHWAY 12 MIDLAND ON L4R4K3
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY / TRAVELERS LEASING LTD.
 LIEN CLAIMANT

09 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 X V. I. N.

11 YEAR MAKE MODEL
 12 MOTOR VEHICLE
 13 GENERAL (4) REZNOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H,
 14 COLLATERAL BBG66WGN72039X & BBG66MGN72035X
 15 DESCRIPTION (1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &
 16 REGISTERING TRAVELERS LEASING LTD.
 AGENT

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 4

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 02 007 20140729 1012 1462 0374 P PPSA 7

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 DEBTOR BUSINESS NAME
 NAME ADDRESS FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME
 ADDRESS
 ADDRESS
 ADDRESS

SECURED PARTY /
 LIEN CLAIMANT
 COLLATERAL CLASSIFICATION
 CONSUMER

GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE
 GENERAL LAMINATING MACHINE S/N 288
 COLLATERAL (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,
 DESCRIPTION M15684-MVA-3 & M15684-MVA-4
 REGISTERING TRAVELERS LEASING LTD.
 AGENT

ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 5

ONTARIO CORPORATION NO.
 ONTARIO CORPORATION NO.

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 698417343
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 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 03 007 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
 03 NAME BUSINESS NAME
 ADDRESS
 04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 ADDRESS SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME
 ADDRESS
 07 SECURED PARTY /
 LIEN CLAIMANT
 ADDRESS
 09 COLLATERAL CLASSIFICATION
 CONSUMER

ONTARIO CORPORATION NO.
 ONTARIO CORPORATION NO.

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE
 YEAR MAKE MODEL V. I. N.

11 MOTOR
 12 VEHICLE
 13 GENERAL (1) TECHNODINAMICA CONTOUR TD400/1 CUTTER S/N 20133500
 14 COLLATERAL (1) MICRO RECYCLING "IN-A-BOX" S/N 14012467
 15 DESCRIPTION (1) EPS MACHINE GREENMAX A-C100 S/N 131108
 16 REGISTERING TRAVELERS LEASING LTD.
 17 AGENT ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 6

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 04 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 YEAR MAKE MODEL V. I. N.

11 MOTOR
 12 VEHICLE
 13 GENERAL (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE
 14 COLLATERAL S/N 0714548
 15 DESCRIPTION (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N BMA700
 16 REGISTERING TRAVELERS LEASING LTD.
 AGENT

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 7

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 698417343
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 05 007 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
 03 NAME BUSINESS NAME
 ADDRESS
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 04 ADDRESS
 BUSINESS NAME
 BUSINESS NAME
 ADDRESS
 ADDRESS
 ADDRESS

05 DEBTOR
 06 NAME BUSINESS NAME
 ADDRESS
 ADDRESS
 ADDRESS

07 SECURED PARTY /
 08 LIEN CLAIMANT
 09 COLLATERAL CLASSIFICATION
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS,
 14 COLLATERAL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO,
 15 DESCRIPTION AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM
 16 REGISTERING TRAVELERS LEASING LTD.
 17 AGENT ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 8

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 698417343
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 06 007 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
 03 NAME BUSINESS NAME
 ADDRESS
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 04 ADDRESS SURNAME
 ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME
 ADDRESS
 07 SECURED PARTY /
 LIEN CLAIMANT
 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT
 ADDRESS
 09 COLLATERAL CLASSIFICATION
 CONSUMER
 ONTARIO CORPORATION NO.

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 MOTOR VEHICLE AMOUNT NO FIXED
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE
 14 COLLATERAL COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT
 15 DESCRIPTION THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE
 16 REGISTERING TRAVELERS LEASING LTD.

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 9

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 07 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT ONTARIO CORPORATION NO.

09 ADDRESS
 COLLATERAL CLASSIFICATION

10 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 Maturity OR Maturity Date
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL COLLATERAL OR PROCEEDS OF THE COLLATERAL.
 14 COLLATERAL
 15 DESCRIPTION TRAVELERS LEASING LTD.
 16 REGISTERING
 AGENT

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 10

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	005	20140729	1403	1462	0537
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	FORTE EPS SOLUTIONS INC.		
25	OTHER CHANGE				
26	REASON/ DESCRIPTION	AMEND S/N ON EQUIPMENT IN GENERAL DESCRIPTION #12			
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/		ADDRESS			
06					
04/07	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.
29					
08					
09					

10	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
11	MOTOR VEHICLE											
12	GENERAL											
13	COLLATERAL											
14	DESCRIPTION											
15	REGISTERING AGENT OR											
16	SECURED PARTY/LIEN CLAIMANT											
17												

(4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H,
BBG66MGN72039X & BBG66MGN72035X
(1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &
TRAVELERS FINANCE LTD.
ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF PAGES	TOTAL MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	005	20140729 1403 1462 0537	
21	RECORD FILE NUMBER	698417343		
22	REFERENCED	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED YEARS
			A AMENDMENT	RENEWAL CORRECT PERIOD
		FIRST GIVEN NAME	INITIAL	SURNAME

23	REFERENCE			
24	DEBTOR/ TRANSFEROR	BUSINESS NAME		
25	OTHER CHANGE			
26	REASON/ DESCRIPTION			
27				
28				
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR/ TRANSFEREE	BUSINESS NAME		
03/				
06	ADDRESS			
04/07				
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE		ONTARIO CORPORATION NO.

08				
09	COLLATERAL CLASSIFICATION	ADDRESS		
	CONSUMER			
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	DATE OF MATURITY OR MATURITY DATE
10			AMOUNT	
	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			
13	GENERAL	LAMINATING MACHINE S/N 288		
14	COLLATERAL	(4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,		
15	DESCRIPTION	M15684-MVA-3 & M15684-MVA-4		
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.		
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS 500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 12

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	03	005	20140729	1403 1462	0537
21	RECORD REFERENCED	FILE NUMBER			
		698417343			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
	FIRST GIVEN NAME	INITIAL	SURNAME		

23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.

08	COLLATERAL CLASSIFICATION	ADDRESS			
09	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL	(1) TECHNODINAMICA CONTOUR TD400/1	CUTTER S/N	20133500	
14	COLLATERAL	(1) MICRO RECYCLING "IN-A-BOX"	S/N	14012467	
15	DESCRIPTION	(1) EPS MACHINE GREENMAX A-C100	S/N	131108	
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 13

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	04	005	20140729	1403 1462 0537	
21	RECORD REFERENCED	FILE NUMBER			
		698417343			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL SURNAME	
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME		
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.

08	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED
09								
10								
11	MOTOR VEHICLE	YEAR MAKE	MODEL					V.I.N.
12								
13	GENERAL COLLATERAL	(1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE						
14		S/N 0714548						
15	DESCRIPTION	(1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N 1W1360022634						
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.						
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC			V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	05	005	20140729 1403 1462 0537		
21	RECORD REFERENCED	FILE NUMBER			
		698417343			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
		FIRST GIVEN NAME	INITIAL	SURNAME	

23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.

08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10					
	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	ADDRESS			
17	SECURED PARTY/LIEN CLAIMANT	TRAVELERS FINANCE LTD. 500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 15

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	002	002	20140730	1436	1462 0842
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL SURNAME		
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	FORTE EPS SOLUTIONS INC.		
25	OTHER CHANGE				
26	REASON/ DESCRIPTION	DELETE FROM GENERAL COLLATERAL (4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X			
28	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME		
02/					
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.
08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED MATURITY DATE
10	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	002	20140730	1436	1462 0842
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	INITIAL SURNAME	RENEWAL YEARS CORRECT PERIOD
23	REFERENCE	BUSINESS NAME			
24	DEBTOR/ TRANSFEROR				
25	OTHER CHANGE				
26	REASON/ DESCRIPTION	(4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4			
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME		
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.
08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
FILE NUMBER
684459225

00	CAUTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
	FILING	NO. OF	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
	001	1		20130201 0942 1200 1699	P	PPSA	06
01	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			

02	DEBTOR						
03	NAME	BUSINESS NAME	FORTE EPS SOLUTIONS INC.			ONTARIO CORPORATION NO.	
		ADDRESS	16567 HIGHWAY 12	MIDLAND		ONT	L4R 4K8
04	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			

05	DEBTOR						
06	NAME	BUSINESS NAME				ONTARIO CORPORATION NO.	
		ADDRESS					
07	SECURED PARTY / LIEN CLAIMANT	ADDRESS					

08	SECURED PARTY / LIEN CLAIMANT	ADDRESS	330 WEST ST., UNIT 10	BRANTFORD	ONT	N3R	7V5
09	COLLATERAL CLASSIFICATION	CONSUMER					

10	GOODS	INVENTORY EQUIPMENT	ACCOUNTS OTHER	INCLUDED	DATE OF MATURITY	OR	MATURITY DATE
	X	X	X	X			
	YEAR MAKE	MODEL					V. I. N.

11	MOTOR						
12	VEHICLE						
13	GENERAL						
14	COLLATERAL						
15	DESCRIPTION						
16	REGISTERING						
17	AGENT	ADDRESS	518 YONGE ST.	MIDLAND	ONT	L4R	2C5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 18

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 684369324
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 001 001 20130129 1001 1862 7549 P PPSA 9
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 DEBTOR FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 NAME BUSINESS NAME ADDRESS 16567 HWY 12 MIDLAND ON L4R 4K8
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME
 DEBTOR BUSINESS NAME
 NAME BUSINESS NAME
 ADDRESS
 SECURED PARTY / BUSINESS DEVELOPMENT BANK OF CANADA
 LIEN CLAIMANT ADDRESS 151 FERRIS LANE, P. O. BOX 876 BARRIE ONT L4M 4Y6
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 X X X X X X
 YEAR MAKE MODEL V.I.N.
 MOTOR
 VEHICLE
 GENERAL
 COLLATERAL
 DESCRIPTION
 REGISTERING
 AGENT
 ADDRESS STE 107, 190 CUNDLES ROAD EAST BARRIE ONT L4M 4S5
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 19

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 678306825
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20120510 1738 1626 4104 P PPSA 3
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 04 ADDRESS 16567 HIGHWAY 12 MIDLAND ON L4R4P4
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
 ADDRESS
 07
 08 SECURED PARTY / NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 LIEN CLAIMANT P.O. BOX 8, 355 CRANSTON CR. MIDLAND ON L4R4K6
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 150000 01MAY 2015 Maturity DATE
 X
 10 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL MANUFACTURING MACHINERY AND EQUIPMENT RELATED TO THE PRODUCTION OF
 14 COLLATERAL EXPANDED POLYSTYRENE PRODUCTS.
 15 DESCRIPTION
 16 REGISTERING NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 AGENT ADDRESS PO BOX 8, 355 CRANSTON CR. MIDLAND ON L4R4K6
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 20

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 20

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01				REGISTRATION NUMBER	
31	RECORD	FILE NUMBER	678306825	20150428 1718 1626 7025	RENEWAL YEARS 5
	REFERENCED			CHANGE REQUIRED B	RENEWAL
32	INDIVIDUAL DEBTOR				
33	BUSINESS DEBTOR			FORTE EPS SOLUTIONS INC.	ONTARIO CORPORATION NO.

08/16 SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT
 09/17 NAME NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 ADDRESS P.O. BOX 8, 105 FOURTH STREET, UNIT B MIDLAND ON L4R4K6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 21

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
732672198	20171005 1418 1862 6275		
698417343	20140729 1012 1462 0374	20140729 1403 1462 0537	20140730 1436 1462 0842
684459225	20130201 0942 1200 1699		
684369324	20130129 1001 1862 7549		
678306825	20120510 1738 1626 4104	20150428 1718 1626 7025	

8 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

APPENDIX O

Lerners LLP
 130 Adelaide Street West, Suite 2400
 Toronto, Ontario M5H 3P5
 Telephone: 416.867.3076
 Facsimile: 416.867.9192
 www.lerners.ca

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LAWYERS

June 9, 2017

FILE NUMBER 98795-00007

Albert Gelman Inc.
 100 Simcoe Street, Suite 125
 Toronto, ON M5H 1L2

Attention: Tom McElroy

Dear Mr. McElroy:

Re: Forte EPS Solutions Inc. (the "Debtor") and Business Development Bank of Canada ("BDC") and Travelers Leasing Ltd ("Travelers")

You have advised us that you have been appointed as the proposal trustee in connection with a Notice of Intention to File a Proposal filed by the Debtor under the *Bankruptcy and Insolvency Act* (Canada). You have engaged us to give you our opinion concerning certain security affecting the property of the Debtor.

We have examined copies of the following:

1. a General Security Agreement dated January 31, 2013 (the "**GSA**"), granted by the Debtor to BDC;
2. a Lease Agreement bearing no. E0195 (the "**Lease**") and a contract of sale of goods ("**Sale Agreement**"), both of which were made between the Debtor (the Lessee and Seller) and Travelers (the Lessor and Buyer), and a "**Delivery and Acceptance Certificate**" related to the Lease, all of which are dated August 1, 2014; and
3. a Postponement Agreement dated January 30, 2013 (the "**Postponement**"), granted by North Simcoe Community Futures Development Corporation ("**North Simcoe**") to BDC.

BDC and Travelers are collectively referred to as the "**Secured Creditors**". The GSA and Lease are collectively referred to as the "**Security Agreements**".

Searches Obtained

1. *Corporation Profile Report.* We have obtained a Corporation Profile Report dated June 6, 2017, from the Government of Canada (the "**Federal Corporate Profile Report**") with respect to the Debtor. The Corporate Profile Report confirms that the Debtor was incorporated on October 12, 2011 and lists John Cipressi and Dominic Zita as Directors of the Debtor. The Federal Corporate Profile Report notes that a Certificate of Dissolution was filed on August 14, 2016, and a Certificate of Revival was filed on November 1, 2016. The Debtor has an extra-provincial registration in Ontario. We have obtained a

LERNERS

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Corporation Profile Report from the Ministry of Government Services (Ontario) dated June 6, 2017 (the "**Provincial Profile Report**").

2. *Certificates of Status.* We have obtained a Certificate of Status dated June 6, 2017, respecting the Debtor issued pursuant to the *Canada Business Corporations Act*. The Certificate of Status confirms that the Debtor exists under the *Canada Business Corporations Act*, has filed the required annual returns, and has paid all prescribed fees required.

3. *Bank Act.* We have obtained a search of registrations against the Debtor under section 427 of the *Bank Act*. The search obtained is dated June 6, 2017, and discloses no registrations.

4. *Personal Property Security Act (Ontario) ("PPSA").* We have obtained a search against the Debtor in the personal property security registration database which is current to June 5, 2017 (the "**PPSR Search**"). We have also compiled a summary of the registrations (the "**PPSR Summary**").

5. *Writs of Execution.* We have obtained a Writs of Execution search dated June 6, 2017, against the Debtor. The Writs of Execution search disclosed two registrations against the Debtor in the County of Simcoe (Barrie):

(a) Execution no. 16-0000787 against the Debtor in favour of Pacific High Tech Ltd, issued and filed on May 18, 2016, for the judgment amount of \$448,993 USD and postjudgment interest from April 18, 2016;

(b) Execution no. 17-0000743 against the Debtor in favour of Nova Chemicals (Canada) Ltd, issued and filed on May 17, 2017, for the judgment amount of \$158,130 USD, \$3,553.57 CDN and postjudgment interest from April 13, 2017.

Copies of each search obtained against the Debtor, as well as the PPSR Summary are attached as **Schedule "B"**.

We are advised that the date of the initial bankruptcy event within the meaning of the *Bankruptcy and Insolvency Act* is May 19, 2017.

Security Review

(I) The GSA

The GSA purports to create a security interest in all of the Debtor's "present and after acquired personal property", as more particularly described at paragraph 1.1 of the GSA (the "**Collateral**"). The GSA purports to secure all present and future indebtedness, liabilities and obligations of the Debtor to BDC, as more particularly described at paragraph 5 of the GSA (the "**Obligations**"). The GSA also purports to make the Debtor liable for "any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by [BDC]", as more particularly described at paragraphs 11 and 15.3 of the GSA. It purports to be signed on behalf of the Debtor by John Cipressi as CEO.

The GSA also purports to create a purchase money security interest ("**PMSI**") in the Collateral to the extent that moneys advanced by BDC are used to purchase said Collateral, as more particularly described at paragraph 4 of the GSA. We have not been provided with a delivery and acceptance

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certificate and as such are not able to provide an opinion as to whether BDC has a PMSI in any or all of the Collateral.

(II) The Lease

The Lease purports to create a security interest in certain equipment listed at Schedule A to the Lease (the "**Leased Collateral**") to secure the Debtor's obligation to pay monthly rental payments to Travelers (the "**Lease Obligations**"), as defined on the first page and at paragraphs 1 and 5 of the Lease. The Lease also purports to make the Debtor liable for "all loss, cost... and expenses (including actual legal fees and disbursements incurred by Lessor)" and "any and all additional unpaid Rent due", as more particularly described at paragraphs 20 and 23 of the Lease. It purports to be signed on behalf of the Debtor by Domenic Zita as Director.

The Lease also purports to create a PMSI in the Leased Collateral and the proceeds of the Leased Collateral, as more particularly described at paragraph 36 of the Lease. We are of the opinion that the Lease together with the Sale Agreement made between the Debtor and Travelers for the Leased Collateral constitutes a "sale and lease back" transaction. Sale and lease back transactions are precluded from creating a "purchase-money security interest" as that term is defined at subsection 1(1) of the PPSA. Accordingly, (and based on documents provided to date) it does not appear that Travelers has a valid PMSI in the Leased Collateral.

(III) The Postponement

The Postponement refers to a security agreement purportedly granted by the Debtor to North Simcoe and registered under the PPSA as file no. 678306825 (the "**North Simcoe Security**") and a security agreement purportedly granted by the Debtor to BDC and registered under the PPSA as file no. 684369324 (the "**BDC Security**"). The Postponement purports to subordinate and postpone the North Simcoe Security to and in favour of the BDC Security. It purports to be signed on behalf of North Simcoe by Debra Muenz as President and General Manager.

(IV) The PPSR Search

The PPSR Search discloses the registration of a financing statement made May 10, 2012, by North Simcoe against the Debtor, bearing file number 678306825 (the "**North Simcoe Registration**") and is further described in the PPSR Summaries attached. As North Simcoe has purported to subordinate its Security to BDC, we do not express an opinion of the validity and enforceability of the North Simcoe Registration.

The PPSR Search discloses the registration of a financing statement made January 29, 2013, by BDC against the Debtor, bearing file number 684369324 (the "**BDC Registration**") and is further described in the PPSR Summaries attached.

The PPSR Search discloses the registration of a financing statement made February 1, 2013, by Western Ontario Community Futures Development Corporation Inc ("**SOFFI**") against the Debtor, bearing file number 684459225 (the "**SOFFI Registration**") and is further described in the PPSR Summaries attached. We have not been provided with the security documents, or any other evidence in support of the SOFFI Registration, and as such, do not express an opinion on the validity and enforceability of the SOFFI Registration.

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LAWYERS

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The PPSR Search discloses the registration of a financing statement made July 29, 2014, by Travelers against the Debtor, bearing file number 698417343 (the "**Travelers Registration**") and is further described in the PPSR Summaries attached.

Opinion

Based upon and relying solely on the foregoing and subject to the assumptions and qualifications hereinafter mentioned, we are of the opinion that:

1. Registration has been made in all public offices provided for under the laws of the Province of Ontario where such registration is necessary to preserve, protect or perfect the security interest created by the Security Agreements.
2. The Security Agreements create valid security interests in favour of the Secured Creditors in the Debtor's interest in the Collateral and Leased Collateral to secure payment and performance of the Obligations and Lease Obligations. However, we note that in addition to the qualifications and assumptions in Schedule "A", this opinion is subject to confirmation that the Security Agreements are genuinely signed by an authorizing signing officer of the Debtor.
3. As noted above, we express no opinion on whether BDC has a PMSI in any or all of the Collateral.
4. As noted above, it appears Travelers' security was obtained through a sale and lease back which, pursuant to section 1 of the PPSA, cannot create a PMSI.

With reference to the opinion expressed in subparagraph 2 above, it is to be noted that there are a number of other registrations to which the security interests under the Security Agreements are/may be subject, the details of which are set out in the search summary mentioned above. Our comments on these registrations are included in the summary.

The opinions expressed herein are subject to the assumptions and qualifications in **Schedule "A"** hereto.

We confirm that we are not acting for the Secured Creditor in connection with this matter.

This opinion has been delivered to you solely in connection with the matters set out herein and is not to be relied upon for any other purpose. Without our prior written consent, this opinion letter, together with the opinions expressed herein, may not be:

- (a) relied upon by any other party; or
- (b) quoted from, used or circulated in whole or in part or otherwise referred to in any manner.

Yours very truly,



Schedule "A"**1. Assumptions**

For the purpose of the opinions expressed in the attached letter, we have assumed:

- (a) the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, notarial or photostatic copies;
- (b) the accuracy and currency of the public records searched by us as referred to herein, including without limitation the accuracy of the PPSA search mentioned above in setting out the particulars of the Financing Statement;
- (c) the identity and the legal capacity of individuals signing any documents.

We have further assumed that:

- (d) Each of the Security Agreements are a valid and binding obligation of each of the parties thereto other than the Debtor;
- (e) the Financing Statements were properly executed by or on behalf of the Secured Creditors;
- (f) any uncertified corporate documents and proceedings which have examined are true and correct copies of such documents and proceedings which were in full force and effect at all relevant times;
- (g) value for each of the Security Agreements has been given by the Secured Creditor and each of the Security Agreements were delivered by the Debtor free from any subsisting condition;
- (h) the Secured Creditors did not know, and had no reason to suspect, of any deficiency of the nature mentioned in paragraph O below.

2. Qualifications

The opinions expressed in the attached letter are subject to the following qualifications:

- (a) The enforceability of each of the Security Agreements is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangements, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
- (b) We are qualified to practice law only in the Province of Ontario and the opinions expressed in the attached letter are confined to the laws of the Province of Ontario and federal laws of Canada applicable in that province. In particular, to the extent that the laws of Ontario would require the application of the laws of any other jurisdiction, no

opinion is expressed as to the laws of such other jurisdiction. Our opinion does not relate to any property situate outside Ontario (whether now or at the time the Debtor acquired rights therein) or as to the effectiveness of the Security Agreement to the extent it relates to any such property.

We have not received copies of the articles or bylaws of the Debtor or any internal corporate proceedings to confirm that each of the Security Agreements was within the Debtor's corporate power and that it was properly authorized, executed and delivered by proper signing authorities on behalf of the Debtor. However, pursuant to the *Business Corporations Act* (Ontario), the "indoor management" rule provides that any non-compliance with the articles or any lack of or defect in the authority given to the signing officers of the Debtor in respect of any of the Security Agreements may not be asserted against the Secured Creditors, except if the Secured Creditors knew of the deficiency or, by virtue of their relationship to the Debtor, ought to have known of it. No actual deficiency has come to our attention.

- (c) We express no opinion on the amount or the validity of the Obligations and Lease Obligations.
- (d) The security interests under the Security Agreements do not attach to certain types of collateral, for example rights where the granting of a security interest therein would constitute a breach of the agreement granting those rights.
- (e) We have not been given any notices or acknowledgements prescribed in part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts (other than amounts owing to the Debtor under the *Income Tax Act* (Canada)) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
- (f) We express no opinion as to whether a security interest may be created in:
 - (i) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (ii) permits, quotas or licences which are held by or issued to the Debtor.
- (g) We express no opinion as to any security interest created by the Security Agreement with respect to any property of the Debtor that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtor that are not identifiable or traceable.
- (h) We express no opinion as to the creation or perfection of any security interest in any property or assets governed by the *Canada Shipping Act*, the *Canada Transportation Act* or the *Railways Act* (Ontario).

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- (i) We express no opinion as to whether the Debtor has title to or any rights in the Collateral or Leased Collateral.
- (j) We express no opinion as to the ranking of any security interest, mortgage, charge or other interest created by the Security Agreements as against any interests held by other claimants.
- (k) We express no opinion with respect to the creation or perfection of any security interest to which the PPSA does not apply including an interest or claim in or under any policy of insurance or contract of annuity.
- (l) Our opinion does not relate to any consumer goods (within the meaning of the PPSA).
- (m) We have not received the corporate records of the Debtor and as such have not reviewed or relied upon them.
- (n) Except as expressly set forth in our opinion (and notwithstanding the definition of "Collateral" or "Leased Collateral"), our opinion does not relate to any real property or any interest therein.
- (o) We have not considered whether there are circumstances which may give rise to the possibility of the Loan Documents being set aside under provincial fraudulent preference and conveyance laws.

Federal Corporation Information

Federal Corporation Information - 799660-8

Corporation Number

799660-8

Business Number (BN)

849883707RC0001

Corporate Name

FORTE EPS SOLUTIONS INC.

Status

Active

Governing Legislation*Canada Business Corporations Act - 2011-10-12***Registered Office Address**

16567 HIGHWAY 12
MIDLAND ON L4R 4K3
Canada

Directors**Minimum 1****Maximum 10**

- John Cipressi
72 BOURGEOIS BEACH ROAD
VICTORIA HARBOUR ON L0K 2A0
Canada
- DOMINIC ZITA
2385 ERIN CENTRE BLVD.
MISSISSAUGA ON L5M 5B2
Canada

Annual Filings**Anniversary Date (MM-DD)**

10-12

Date of Last Annual Meeting

2016-11-03

Annual Filing Period (MM-DD)

10-12 to 12-11

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

- 2017 - Not due
- 2016 - Filed
- 2015 - Filed

Corporate History**Corporate Name History**

2011-10-12 to Present

FORTE EPS SOLUTIONS INC.

Certificates and Filings**Certificate of Incorporation**

2011-10-12

Certificate of Dissolution

2016-08-14

Certificate of Revival

2016-11-01

Date Modified: 2017-05-04

Date of Search: 2017-06-06

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1885468	FORTE EPS SOLUTIONS INC.	2011/10/12
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
JOHN CIPRESSI 16567 HIGHWAY 12	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
MIDLAND ONTARIO CANADA L4R 4K3	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Principal Place of Business in Ontario		NOT APPLICABLE
JOHN CIPRESSI 16567 HIGHWAY 12	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
MIDLAND ONTARIO CANADA L4R 4K3	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	2011/10/12	NOT APPLICABLE

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1885468

FORTE EPS SOLUTIONS INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

JOHN

72 BOURGEOIS BEACH ROAD

CIPRESSI

VICTORIA HARBOUR
ONTARIO
CANADA L0K 2A0

Date Began

First Director

2011/10/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER/MANAGER IN ONT.

NOT APPLICABLE

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1885468

FORTE EPS SOLUTIONS INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	2	2013/01/31

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.



Certificate of Compliance

Canada Business Corporations Act
s. 263.1

Certificat de conformité

Loi canadienne sur les sociétés par actions
art. 263.1

FORTE EPS SOLUTIONS INC.

Corporate name / Dénomination sociale

799660-8

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

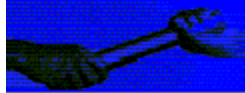
Virginie Ethier

Director / Directeur

2017-06-06

Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)

Confirmation Letter / Lettre de confirmation



D+H Limited Partnership / D+H Société en commandite

Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la *Loi sur les banques*.

Kim Franklin
Thomson Reuters Canada Limited
333 Bay Street, Suite 400
Toronto, Ontario
M5H 2R2

2017/06/06 07:02:33 AM PDT

Ref / Objet: 04069363

Tel/Tél: 1-416-595-9522 / 1-416-687-7616

Fax/Télécopie: 1-416-348-0031

e-Mail/Courriel: info@cyberbahn.ca

Acct# 7285

Dear Sir / Madam

Monsieur / Madame

Re: **Bank Act Security - Section 427**

Objet: **Garanties données en vertu de la *Loi sur les banques* - article 427**

We have processed your request(s) and hereby confirm the following results: (*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous faisons part des résultats suivants: (* voir ci-dessous).

REFERENCE

REFERENCE

(2) A search has been made of the [notices of intention to give security](#) under the Bank Act registered in the [province of Ontario](#). As at the date and time above, our records indicate the following.

(2) Nous avons examiné [les préavis](#) qui se rapportent aux garanties données en vertu de la *Loi sur les banques* et qui sont enregistrés pour la province de: [Ontario](#). À la date et à l'heure indiquées ci-dessus.

Your search for the company

Votre recherche pour la société

[FORTE EPS SOLUTIONS INC.](#)

[FORTE EPS SOLUTIONS INC.](#)

returns the following results:

révèle les résultats suivants:

Type	Registration Name	Address	Date	Expires	Number	Bank
Type	Enregistrement au nom de	Adresse	Date	Expire	Numéro	Banque

(2) No matches were found / Aucune donnée correspondante au registre

For Registrar / Pour le Régistrare

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 6/7/2017
File Currency Date: 06/05/2017
Family(ies): 4
Page(s): 20

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 10794197

The attached report has been created based on the data received by Cyberbahn,
a Thomson Reuters business from the Province of Ontario, Ministry of Government

Services. No liability is assumed by Cyberbahn regarding its correctness,
timeliness, completeness or the interpretation and use of the report. Use of
the Cyberbahn service, including this report is subject to the terms and conditions
of Cyberbahn's subscription agreement.

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA.
A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
IN RESPECT OF THE FOLLOWING:

Note: Viewing of this report is optimized in landscape mode.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 10794197

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67

REPORT : PSSR060
PAGE : 1

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA. A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

ENQUIRY NUMBER 20170606095542.67 CONTAINS 20 PAGE(S), 4 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

TRANSACTIONID=10794197

CONTINUED... 2

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 007 20140729 1012 1462 0374 P PPSA 7
 02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 04 ADDRESS 16567 HIGHWAY 12 MIDLAND ON L4R4K3
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR
 06 BUSINESS NAME
 07 ADDRESS ONTARIO CORPORATION NO.
 08 SECURED PARTY / TRAVELERS LEASING LTD.
 LIEN CLAIMANT
 09 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 COLLATERAL CLASSIFICATION
 CONSUMER
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 X
 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL (4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H,
 14 COLLATERAL BBG66WGN72039X & BBG66MGN72035X
 15 DESCRIPTION (1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &
 16 REGISTERING TRAVELERS LEASING LTD.
 17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 3

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 02 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL LAMINATING MACHINE S/N 288
 14 COLLATERAL (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,
 15 DESCRIPTION M15684-MVA-3 & M15684-MVA-4
 16 REGISTERING TRAVELERS LEASING LTD.
 AGENT

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 4

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 03 007 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME
 04 ADDRESS FIRST GIVEN NAME INITIAL SURNAME
 05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME
 07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT
 09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR MATURITY DATE
 NO FIXED
 YEAR MAKE MODEL V. I. N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL (1) TECHNODINAMICA CONTOUR TD400/1 CUTTER S/N 20133500
 14 COLLATERAL (1) MICRO RECYCLING "IN-A-BOX" S/N 14012467
 15 DESCRIPTION (1) EPS MACHINE GREENMAX A-C100 S/N 131108
 16 REGISTERING TRAVELERS LEASING LTD.
 17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 5

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 04 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT ONTARIO CORPORATION NO.

09 ADDRESS
 COLLATERAL CLASSIFICATION

10 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 YEAR MAKE MODEL V. I. N.

11 MOTOR
 12 VEHICLE
 13 GENERAL (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE
 14 COLLATERAL S/N 0714548
 15 DESCRIPTION (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N BMA700
 16 REGISTERING TRAVELERS LEASING LTD.

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 6

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 05 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR Maturity DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS,
 14 COLLATERAL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO,
 15 DESCRIPTION AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM
 16 REGISTERING TRAVELERS LEASING LTD.

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 7

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 698417343
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 06 007 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
 03 NAME BUSINESS NAME
 ADDRESS
 04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME
 ADDRESS
 07 SECURED PARTY /
 LIEN CLAIMANT
 ADDRESS
 08 ONTARIO CORPORATION NO.

09 COLLATERAL CLASSIFICATION
 CONSUMER
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR MATURITY DATE
 NO FIXED

11 YEAR MAKE MODEL V.I.N.
 12 MOTOR VEHICLE

13 GENERAL ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE
 14 COLLATERAL COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT
 15 DESCRIPTION THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE
 16 REGISTERING TRAVELERS LEASING LTD.

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 8

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 07 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT ONTARIO CORPORATION NO.

09 ADDRESS
 COLLATERAL CLASSIFICATION

10 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 Maturity OR Maturity Date
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL COLLATERAL OR PROCEEDS OF THE COLLATERAL.
 14 COLLATERAL
 15 DESCRIPTION TRAVELERS LEASING LTD.
 16 REGISTERING
 AGENT

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 9

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	005	20140729	1403	1462	0537
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	FORTE EPS SOLUTIONS INC.		
25	OTHER CHANGE				
26	REASON/ DESCRIPTION	AMEND S/N ON EQUIPMENT IN GENERAL DESCRIPTION #12			
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/		ADDRESS			
06					
04/07	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.
29					
08					
09					

10	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
11	MOTOR VEHICLE											
12	GENERAL											
13	COLLATERAL											
14	DESCRIPTION											
15	REGISTERING AGENT OR											
16	SECURED PARTY/LIEN CLAIMANT											
17												

YEAR MAKE MODEL V.I.N.
 (4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H,
 BBG66MGN72039X & BBG66MGN72035X
 (1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &
 TRAVELERS FINANCE LTD.
 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	005	20140729	1403 1462	0537

RECORD REFERENCED	FILE NUMBER	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	INITIAL SURNAME	RENEWAL YEARS	CORRECT PERIOD
21	698417343						

REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
23					
24					
25					
26					
27					
28					
02/					
05					
03/					
06					
04/07					
29					
08					
09					

ONTARIO CORPORATION NO.

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS	ADDRESS	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	NO FIXED MATURITY DATE
10							
11							
12							
13							
14							
15							
16							
17							

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	03	005	20140729	1403 1462	0537
21	RECORD REFERENCED	FILE NUMBER			
		698417343			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10					
	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL	(1) TECHNODINAMICA CONTOUR TD400/1	CUTTER S/N	20133500	
14	COLLATERAL	(1) MICRO RECYCLING "IN-A-BOX"	S/N	14012467	
15	DESCRIPTION	(1) EPS MACHINE GREENMAX A-C100	S/N	131108	
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC V5C6A7

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	04	005	20140729	1403 1462 0537	

RECORD REFERENCED	FILE NUMBER	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
21	698417343					

REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL SURNAME
23			
24			

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
02/05		
03/06		
04/07		

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
29	

COLLATERAL CLASSIFICATION	ADDRESS
08	
09	

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE
10									
11									
12									
13									
14									
15									
16									
17									

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	05	005	20140729	1403 1462	0537
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	INITIAL SURNAME	RENEWAL YEARS CORRECT PERIOD
23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06	ADDRESS				
04/07					
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				ONTARIO CORPORATION NO.
08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE	
10	YEAR MAKE	MODEL			V.I.N.
11	MOTOR VEHICLE				
12	GENERAL				
13	COLLATERAL				
14	DESCRIPTION				
15	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
16	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 002 20140730 1436 1462 0842
 21 RECORD FILE NUMBER 698417343

PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL	CORRECT
PERIOD	A AMENDMENT	YEARS	PERIOD	
REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
22	FORTE EPS SOLUTIONS INC.			
23				
24	DEBTOR/ TRANSFEROR			
25	OTHER CHANGE			
26	REASON/ DELETE FROM GENERAL COLLATERAL			
27	DESCRIPTION (4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X			
28	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/				
05	DEBTOR/			
03/	TRANSFeree	BUSINESS NAME		
06				
04/07	ADDRESS			
29	ASSIGNOR			
	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			ONTARIO CORPORATION NO.
08				
09	ADDRESS			
	COLLATERAL CLASSIFICATION			
	CONSUMER			
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			
13	GENERAL			
14	COLLATERAL			
15	DESCRIPTION			
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.		
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS 500 - 4180 LOUGHEED HIGHWAY	BURNABY BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	002	20140730 1436 1462 0842	
21	RECORD REFERENCED	FILE NUMBER	698417343	
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME		
25	OTHER CHANGE			
26	REASON/ DESCRIPTION	(4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4		
28	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME		
06	ADDRESS			
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE		ONTARIO CORPORATION NO.
08	ADDRESS			
09	COLLATERAL CLASSIFICATION			
10	CONSUMER	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	DATE OF MATURITY OR MATURITY DATE
	YEAR MAKE	MODEL		V.I.N.
11	MOTOR VEHICLE			
12	GENERAL			
13	COLLATERAL			
14	DESCRIPTION	TRAVELERS FINANCE LTD.		
15	REGISTERING AGENT OR	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC
16	SECURED PARTY/ LIEN CLAIMANT			V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 684459225
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 001 1 20130201 0942 1200 1699 P PPSA 06
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 04 ADDRESS 16567 HIGHWAY 12 MIDLAND ONT L4R 4K8
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
 07 ADDRESS
 08 SECURED PARTY / WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION INC.
 LIEN CLAIMANT
 09 ADDRESS 330 WEST ST., UNIT 10 BRANTFORD ONT N3R 7V5
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 X X X X X V.I.N.
 YEAR MAKE MODEL
 11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL HGR GRAHAM PARTNERS LLP
 15 DESCRIPTION
 16 REGISTERING
 17 ADDRESS 518 YONGE ST. MIDLAND ONT L4R 2C5
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 17

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 678306825
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20120510 1738 1626 4104 P PPSA 3
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 04 ADDRESS 16567 HIGHWAY 12 MIDLAND ON L4R4P4
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
 ADDRESS
 07 ADDRESS
 08 SECURED PARTY / NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 LIEN CLAIMANT P.O. BOX 8, 355 CRANSTON CR. MIDLAND ON L4R4K6
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 150000 01MAY 2015 MATUREITY DATE
 X V.I.N.
 YEAR MAKE MODEL
 11 MOTOR
 12 VEHICLE
 13 GENERAL MANUFACTURING MACHINERY AND EQUIPMENT RELATED TO THE PRODUCTION OF
 14 COLLATERAL EXPANDED POLYSTYRENE PRODUCTS.
 15 DESCRIPTION
 16 REGISTERING NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 AGENT ADDRESS PO BOX 8, 355 CRANSTON CR. MIDLAND ON L4R4K6
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 19

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01			REGISTRATION	
			NUMBER	
31	RECORD	FILE NUMBER	20150428 1718 1626 7025	RENEWAL YEARS 5
	REFERENCED		CHANGE REQUIRED B	RENEWAL
32	INDIVIDUAL DEBTOR			
33	BUSINESS DEBTOR		FORTE EPS SOLUTIONS INC.	ONTARIO CORPORATION NO.

08/16 NAME NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
 09/17 ADDRESS P.O. BOX 8, 105 FOURTH STREET, UNIT B MIDLAND ON L4R4K6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 20

MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
698417343	20140729 1012 1462 0374	20140729 1403 1462 0537	20140730 1436 1462 0842
684459225	20130201 0942 1200 1699		
684369324	20130129 1001 1862 7549		
678306825	20120510 1738 1626 4104	20150428 1718 1626 7025	

7 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

PPSA Summary Chart – Forte EPS Solutions Inc.

Current to June 5, 2017

File No.	Registration No.	Reg'n. Period	Debtor	Secured Creditor	Collateral							
					CG	In	Eq	Ac	Oth	Mv		
678306825	20120510 1738 1626 4104	3 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4P4	North Simcoe Community Futures Development Corporation PO Box 8, 224 Cranston Cr. Midland, ON L4R 4K6			X					
	20150428/ 1718 1626 7025		Renewal 5 years		Secured Amount: \$150,000 Date of Maturity: May 1, 2015 Manufacturing machinery and equipment related to the production of expanded polystyrene products.							
684369324	20130129 1001 1862 7549	9 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Business Development Bank of Canada 151 Ferris Lane, PO Box 876 Barrie, ON L4M 4Y6		X	X	X	X	X	X	X
684459225	20130201 0942 1200 1699	6 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Western Ontario Community Futures Development Corporation Inc. 330 West St., Unit 10 Brantford, ON N3R 7V5	No fixed maturity date.							
698417343	20140729 1012 1462 0374	7 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Travelers Leasing Ltd. 500 – 4180 Loughheed Highway Bunaby, BC V5C 6A7	(4) Reznor gas heaters S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X; (1) Used infra model 3000-A universal automatic moulding & laminating machine S/N 288 (4) engineered air make up units S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4; (1) Technodinamica contour TD400/1 cutter S/N 20133500; (1) Micro			X				

File No.	Registration No.	Reg'n. Period	Debtor	Secured Creditor	Collateral						
					CG	In	Eq	Ac	Oth	Mv	
					recycling "in-a-box" S/N 14012467; (1) EPS machine greenmax A-C100 S/N 131108; (1) united "smart 1" table model electromechanical testing machine S/N 0714548; (1) hirsch movicon X monolith E4 platform S/N BMA700; together with all attachments, accessories, , accessions, replacements, substitutions, additions, and improvements thereto, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral or proceeds of the collateral and a right to any insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.						
	20140729 1403 1462 0537		Amend General Collateral Description.		(4) Reznor gas heaters S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X; (1) Used infra model 3000-A universal automatic moulding & laminating machine S/N 288 (4) engineered air make up units S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4; (1) Technodinamica contour TD400/1 cutter S/N 20133500; (1) Micro recycling "in-a-box" S/N 14012467; (1) EPS machine greenmax A-C100 S/N 131108; (1) united "smart 1" table model electromechanical testing machine S/N 0714548; (1) Hirsch movicon X monolith E4 platform						

File No.	Registration No.	Reg'n. Period	Debtor	Secured Creditor	Collateral						
					CG	In	Eq	Ac	Oth	Mv	
					S/N 1W1360022634						
	20140730 1436 1462 0842				Delete: (4) Reznor gas heaters S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X;						

4559707.1

Writs of Execution

OWL - Ontario Writs Locator(TM) Report

Date of Search:

June 06, 2017

Name Searched:

FORTE EPS SOLUTIONS INC.

The following writs of execution were retrieved:

ENFORCEMENT OFFICE: BARRIE

WRIT NUMBER:

16-0000787

17-0000743

333 Bay Street, Suite 400
Toronto, Ontario, M5H 2R2
T 416.306.3070 1.800.267 0183
F 416.348.0031
www.carswelllegalsolutions.com



WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF
SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

**CERTIFICATE # /
N° DE CERTIFICAT :** 31440195-6713636B

**DATE OF CERTIFICATE /
DATE DU CERTIFICAT :** 2017-JUN-06

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 16-0000787
ISSUE DATE / DATE DE DÉLIVRANCE : 2016-MAY-18
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2016-MAY-19
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : CV-16-545247
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : TORONTO

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES
DEFENDANT / DÉFENDEUR

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12 PO BOX 245, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER
 C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	PACIFIC HIGH TECH LTD.
----	--------------------------	------------------------

ADDRESS / ADRESSE :	C/O FOGLER, RUBINOFF LLP 77 KING STREET WEST P.O. BOX 95, SUITE 3000, TORONTO, ONTARIO, M5K 1G8	176
TELEPHONE / TÉLÉPHONE :	4168649700	
FAX / TÉLÉCOPIEUR :	4169418852	

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

NAME / NOM	MACDOUGALL, W. ROSS
FIRM NAME / NOM DE L'ENTREPRISE	FOGLER, RUBINOFF LLP
ADDRESS / ADRESSE	77 KING STREET WEST TD CENTRE NORTH TOWER P.O. BOX 95, SUITE 3000 TORONTO ONTARIO M5K 1G8 TEL: 4168649700 FAX: 4169418852

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2016-MAY-18	CDN 188.84	REMOTE ISSUE/FILE
2.	PAYMENT / PAIEMENT	2016-MAY-24	CDN 74.78	PAYMENT GARN

COMMENTS / REMARQUES

ISSUED & FILED BY SABRINA SANTOIANNI ON MAY 18, 2016 12:08 P.M. EST REMOTELY

FEE OF \$188.84 COLLECTED

JUDG CURR: USD, JUDG AMOUNT: 448993.03

JUDG INTE RATE: 2.0000, JUDG START DATE: 2016-04-18

JUDG DEBTOR: FORTE EPS SOLUTIONS INC.

AMT IN CDN \$ SUFFICIENT TO PURCHASE \$448,993.03 USD AT THE CLOSE OF BUSINESS ON THE 1ST DAY WHICH THE BANK QUOTES A CDN \$ RATE FOR THE PURCHASE OF USD \$ BEFORE THE DAY OF PAYMENT IS RECEIVED BY THE PLAINTIFF

COST CURR: CDN, COST AMOUNT: 750.00

COST INTE RATE: 2.0000, COST START DATE: 2016-04-18

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT 100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

CERTIFICATE # / N° DE CERTIFICAT:

31440195-6713636B

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE TROUVENT DANS VOTRE DEMANDE.

**CHARGE FOR THIS REPORT /
FRAIS POUR CE RAPPORT :** CDN 6.35

WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF
SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

**CERTIFICATE # /
N° DE CERTIFICAT :** 31440196-1634725B

**DATE OF CERTIFICATE /
DATE DU CERTIFICAT :** 2017-JUN-06

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 17-0000743
ISSUE DATE / DATE DE DÉLIVRANCE : 2017-MAY-17
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2017-MAY-18
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : SP7485/14
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : SARNIA

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES
DEFENDANT / DÉFENDEUR

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER
 C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	NOVA CHEMICALS (CANADA) LTD.
	ADDRESS / ADRESSE :	1086 MODELAND ROAD, SARNIA, ONTARIO, N7T 8C7
	TELEPHONE / TÉLÉPHONE :	5193463287

FAX / TÉLÉCOPIEUR :	5194812823	179
----------------------------	------------	-----

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

NAME / NOM	MCELREA, COLIN
ADDRESS / ADRESSE	2 FERRY DOCK HILL, P.O. BOX 2196, SARNIA ONTARIO N7T 7L8 TEL: 5193368770 FAX: 5193361811 CMCELREA@SARNIALAW.COM

JUDGMENT/COST DETAILS (FROM ORIGINAL WRIT) / DÉTAILS DU JUGEMENT/DÉPENS (DU BREF ORIGINAL)

#	JUDGMENT OR COSTS / JUGEMENT OU DÉPENS	AMOUNT / MONTANT	INTEREST RATE / TAUX D'INTÉRÊT	START DATE / DATE DE DÉBUT
1.	JUDGMENT / JUGEMENT	USD 158,130.25	2.0000%	2017-APR-13
	COSTS / DÉPENS	CDN 3,553.57	2.0000%	2017-APR-13
	AGAINST DEBTORS / CONTRE LES DÉBITEURS	FORTE EPS SOLUTIONS INC.		

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2017-MAY-17	CDN 203.84	REMOTE ISSUE/FILE

COMMENTS / REMARQUES

ISSUED & FILED BY MCELREA, COLIN ON MAY 17, 2017 11:42 A.M. EST REMOTELY
FEE OF \$203.84 COLLECTED

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT
100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE
TROUVENT DANS VOTRE DEMANDE.

CHARGE FOR THIS REPORT / FRAIS POUR CE RAPPORT : CDN 6.35

APPENDIX P

Lerners LLP
130 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 3P5
Telephone: 416.667.3076
Facsimile: 416.867.9192
www.lerners.ca

LERNERS

LAWYERS

October 25, 2017

FILE NUMBER 98795-00007

Albert Gelman Inc.
100 Simcoe Street, Suite 125
Toronto, ON M5H 1L2

Attention: Tom McElroy

Dear Mr. McElroy:

Re: Forte EPS Solutions Inc. (the "Debtor") and North Simcoe Community Futures Development Corporation ("North Simcoe") and Western Ontario Community Futures Development Corporation Association Inc. ("SOFFI")

You have advised us that you have been appointed as the proposal trustee in connection with a Notice of Intention to File a Proposal filed by the Debtor under the *Bankruptcy and Insolvency Act* (Canada). You have engaged us to give you our opinion concerning certain security affecting the property of the Debtor.

We have examined copies of the following:

1. a General Security Agreement, dated April 30, 2012 (the "**North Simcoe GSA**"), granted by the Debtor to North Simcoe;
2. a General Security Agreement, dated January 30, 2013 (the "**SOFFI GSA**"), granted by the Debtor to SOFFI; and
3. a Postponement Agreement dated January 30, 2013 (the "**Postponement**"), granted by North Simcoe to Business Development Bank of Canada ("**BDC**").

North Simcoe and SOFFI are collectively referred to as the "**Secured Creditors**". The North Simcoe GSA and the SOFFI GSA are collectively referred to as the "**Security Agreements**".

Searches Obtained

1. *Corporation Profile Report.* We have obtained a Corporation Profile Report dated October 23, 2017, from the Government of Canada (the "**Federal Corporate Profile Report**") with respect to the Debtor. The Federal Corporate Profile Report confirms that the Debtor was incorporated on October 12, 2011 and lists John Cipressi and Dominic Zita as Directors of the Debtor. The Federal Corporate Profile Report notes that a Certificate of Dissolution was filed on August 14, 2016, and a Certificate of Revival was filed on November 1, 2016. The Debtor has an extra-provincial registration in Ontario. We have obtained a Corporation Profile Report from the Ministry of Government Services (Ontario) dated October 23, 2017 (the "**Provincial Profile Report**").

LEARNERS

LAWYERS

Page 2

2. *Certificates of Status.* We have obtained a Certificate of Status dated October 23, 2017, respecting the Debtor issued pursuant to the *Canada Business Corporations Act*. The Certificate of Status confirms that the Debtor exists under the *Canada Business Corporations Act*, has filed the required annual returns, and has paid all prescribed fees required.

3. *Bank Act.* We have obtained a search of registrations against the Debtor under section 427 of the *Bank Act*. The search obtained is dated October 23, 2017, and discloses no registrations.

4. *Personal Property Security Act (Ontario) ("PPSA").* We have obtained a search against the Debtor in the personal property security registration database which is current to October 22, 2017 (the "PPSR Search"). We have also compiled a summary of the registrations (the "PPSR Summary").

5. *Writs of Execution.* We have obtained a Writs of Execution search dated October 24, 2017, against the Debtor. The Writs of Execution search disclosed two registrations against the Debtor in the County of Simcoe (Barrie):

(a) Execution no. 16-0000787 against the Debtor in favour of Pacific High Tech Ltd, issued and filed on May 18, 2016, for the judgment amount of \$448,993 USD and postjudgment interest from April 18, 2016;

(b) Execution no. 17-0000743 against the Debtor in favour of Nova Chemicals (Canada) Ltd, issued and filed on May 17, 2017, for the judgment amount of \$158,130 USD, \$3,553.57 CDN and postjudgment interest from April 13, 2017.

Copies of each search obtained against the Debtor, as well as the PPSR Summary are attached as **Schedule "B"**.

We are advised that the date of the initial bankruptcy event within the meaning of the *Bankruptcy and Insolvency Act* is May 19, 2017.

Security Review

(I) The North Simcoe GSA

The North Simcoe GSA purports to create a security interest in all of the Debtor's "undertakings, property and assets", as more particularly described at paragraphs 1 and 2 of the North Simcoe GSA (the "**North Simcoe Collateral**"). The North Simcoe GSA purports to secure "...the payment of all existing and future indebtedness and liability of the Debtor to [North Simcoe]..." and more particularly described at paragraph 1 of the North Simcoe GSA (the "**North Simcoe Obligations**"). The North Simcoe GSA purports to be signed on behalf of the Debtor by John Cipressi as President. The Federal Corporate Profile Report lists John Cipressi as a director of the Debtor.

The North Simcoe Collateral notes certain Scheduled Property described in Schedule "A" and Schedule "B" to the North Simcoe GSA, however no Schedule "A" or Schedule "B" were provided.

The GSA also purports to make the Debtor liable for "all costs and expenses (including legal fees on a solicitor and his own client basis) of [North Simcoe] with respect to...taking, recovering or possessing in the Collateral...any other proceeding taken for the purpose of enforcing the rights and remedies provided herein...", as more particularly described at paragraph 4c) of the North Simcoe GSA.

The GSA also purports to create a purchase money security interest ("**PMSI**") in the Collateral "for future advances in order to enable the Debtor to acquire rights in or the use of such undertakings, property and assets so acquired by the Debtor", as more particularly described at paragraph 2 of the preamble of the North Simcoe GSA. We have not been provided with a delivery and acceptance certificate and as such are not able to provide an opinion as to whether North Simcoe has a PMSI in any or all of the Collateral.

We also note that the Postponement refers the North Simcoe GSA and a security agreement purportedly granted by the Debtor to BDC (the "**BDC Security**"). The Postponement purports to subordinate and postpone the North Simcoe Security to and in favour of the BDC Security. It purports to be signed on behalf of North Simcoe by Debra Muenz as President and General Manager.

(II) The SOFFI GSA

The SOFFI GSA purports to create a security interest in all of the Debtor's "...assets described in **Schedule 'A'** attached hereto or as otherwise incorporated by reference to the provisions of this **General Security Agreement**...all patents, trademarks, copyrights and other industrial and intellectual property...all Statutory Licenses, Quotas and other transferable rights", as more particularly described at paragraph 2(iii) of the SOFFI GSA (the "**SOFFI Collateral**"). The SOFFI GSA purports to "secure the performance of his, her, it's or their obligations for repayment of the **Indebtedness**...", as more particularly described at paragraph 2(ii) of the SOFFI GSA (the "**SOFFI Obligations**"). The SOFFI GSA purports to be signed on behalf of the Debtor by John Cipressi as CEO. The Federal Corporate Profile Report lists John Cipressi as a director of the Debtor.

The Collateral does not include "consumer goods" as defined in the PPSA and more particularly describe at paragraph 3(i) of the SOFFI GSA.

The SOFFI GSA also purports to make the Debtor liable for "...all charges rendered to [SOFFI] by any person (*including Solicitors, Auditors, Receivers or like persons*) with respect to any amounts owing for Costs, Disbursements, Fees, Remuneration and/or other similar Expenses reasonably incurred by [SOFFI]...", as more particularly described at paragraph 8(ix) of the SOFFI GSA.

The SOFFI GSA also purports to create a purchase money security interest ("**PMSI**") in the Collateral to the extent that moneys advanced by SOFFI are used to purchase said Collateral, as more particularly described at paragraph 3 of Schedule "A" to the SOFFI GSA. We have not been provided with a delivery and acceptance certificate and as such are not able to provide an opinion as to whether SOFFI has a PMSI in any or all of the Collateral. We note that the Collateral includes assets that would not be subject to a PMSI pursuant to section 33 of the PPSA.

(III) The PPSR Search

The PPSR Search discloses the registration of a financing statement made May 10, 2012, by North Simcoe against the Debtor, bearing file number 678306825 (the "**North Simcoe Registration**") and is further described in the PPSR Summary attached.

We note that North Simcoe only registered against "Equipment" with a secured amount of \$150,000.00, Date of Maturity as May 1, 2015, and a General Collateral Description of "Manufacturing machinery and equipment related to the production of expanded polystyrene products" (the "**North Simcoe**

Equipment"). The Secured Amount and Date of Maturity are only to be used if all goods are consumer goods. North Simcoe did not register for Consumer Goods, nor does the North Simcoe GSA relate to consumer goods. However, section 46(4) of the PPSA states that a financing statement or financing change statement is not invalidated if it contains an error or omission unless a reasonable person is likely to be misled materially by the error or omission.

As North Simcoe has purported to subordinate its Security to BDC, we do not express an opinion of the validity and enforceability of the North Simcoe Registration.

The PPSR Search discloses the registration of a financing statement made February 1, 2013, by SOFFI against the Debtor, bearing file number 684459225 (the "**SOFFI Registration**") and is further described in the PPSR Summaries attached.

The PPSR Search discloses the registration of a number of other financing statements by various creditors against the Debtor (the "**Other Registrations**"). These Other Registrations are further described in the PPSR Summary attached. We have not reviewed the security documentation and do not express an opinion regarding the Other Registrations in this letter.

Opinion

Based upon and relying solely on the foregoing and subject to the assumptions and qualifications hereinafter mentioned, we are of the opinion that, at the date of this letter:

1. Registration has been made in all public offices provided for under the laws of the Province of Ontario where such registration is necessary to preserve, protect or perfect the security interest created by the SOFFI Security Agreement.
2. The SOFFI Security Agreements create valid security interests in favour of the Secured Creditors in the Debtor's interest in the Collateral and Leased Collateral to secure payment and performance of the Obligations and Lease Obligations. However, we note that in addition to the qualifications and assumptions in Schedule "A", this opinion is subject to confirmation that the Security Agreements are genuinely signed by an authorizing signing officer of the Debtor.
3. Registration has been made in all public offices provided for under the laws of the Province of Ontario where such registration is necessary to preserve, protect or perfect the security interest created by the North Simcoe Equipment.
4. Registration has not been made in all public offices provided for under the laws of the Province of Ontario where such registration is necessary to preserve, protect or perfect the security interest created by the balance of the North Simcoe Collateral contemplated in the North Simcoe Security Agreement.

With reference to the opinion expressed in subparagraph 2 above, it is to be noted that there are a number of other registrations to which the security interests under the Security Agreements are/may be subject, the details of which are set out in the search summary mentioned above. Our comments on these registrations are included in the summary.

LERNERS

LAWYERS

Page 5

The opinions expressed herein are subject to the assumptions and qualifications in **Schedule "A"** hereto.

We confirm that we are not acting for the Secured Creditor in connection with this matter.

This opinion has been delivered to you solely in connection with the matters set out herein and is not to be relied upon for any other purpose. Without our prior written consent, this opinion letter, together with the opinions expressed herein, may not be:

- (a) relied upon by any other party; or
- (b) quoted from, used or circulated in whole or in part or otherwise referred to in any manner.

Yours very truly,

Lerners LLP

A handwritten signature in cursive script that reads "LERNERS LLP". The letters are connected and fluid, with a small flourish at the end of the "P".

Schedule "A"**1. Assumptions**

For the purpose of the opinions expressed in the attached letter, we have assumed:

- (a) the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, notarial or photostatic copies;
- (b) the accuracy and currency of the public records searched by us as referred to herein, including without limitation the accuracy of the PPSA search mentioned above in setting out the particulars of the Financing Statement;
- (c) the identity and the legal capacity of individuals signing any documents.

We have further assumed that:

- (d) Each of the Security Agreements are a valid and binding obligation of each of the parties thereto other than the Debtor;
- (e) the Financing Statements were properly executed by or on behalf of the Secured Creditors;
- (f) any uncertified corporate documents and proceedings which have examined are true and correct copies of such documents and proceedings which were in full force and effect at all relevant times;
- (g) value for each of the Security Agreements has been given by the Secured Creditor and each of the Security Agreements were delivered by the Debtor free from any subsisting condition;
- (h) the Secured Creditors did not know, and had no reason to suspect, of any deficiency of the nature mentioned in paragraph O below.

2. Qualifications

The opinions expressed in the attached letter are subject to the following qualifications:

- (a) The enforceability of each of the Security Agreements is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangements, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
- (b) We are qualified to practice law only in the Province of Ontario and the opinions expressed in the attached letter are confined to the laws of the Province of Ontario and federal laws of Canada applicable in that province. In particular, to the extent that the laws of Ontario would require the application of the laws of any other jurisdiction, no

opinion is expressed as to the laws of such other jurisdiction. Our opinion does not relate to any property situate outside Ontario (whether now or at the time the Debtor acquired rights therein) or as to the effectiveness of the Security Agreement to the extent it relates to any such property.

- (c) We have not received copies of the articles or bylaws of the Debtor or any internal corporate proceedings to confirm that each of the Security Agreements was within the Debtor's corporate power and that it was properly authorized, executed and delivered by proper signing authorities on behalf of the Debtor. However, pursuant to the *Business Corporations Act (Ontario)*, the "indoor management" rule provides that any non-compliance with the articles or any lack of or defect in the authority given to the signing officers of the Debtor in respect of any of the Security Agreements may not be asserted against the Secured Creditors, except if the Secured Creditors knew of the deficiency or, by virtue of their relationship to the Debtor, ought to have known of it. No actual deficiency has come to our attention.
- (d) We express no opinion on the amount or the validity of the Obligations and Lease Obligations.
- (e) The security interests under the Security Agreements do not attach to certain types of collateral, for example rights where the granting of a security interest therein would constitute a breach of the agreement granting those rights.
- (f) We have not been given any notices or acknowledgements prescribed in part VII of the *Financial Administration Act (Canada)* relating to the assignment of federal Crown debts. An assignment of federal Crown debts (other than amounts owing to the Debtor under the *Income Tax Act (Canada)*) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
- (g) We express no opinion as to whether a security interest may be created in:
 - (i) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (ii) permits, quotas or licences which are held by or issued to the Debtor.
- (h) We express no opinion as to any security interest created by the Security Agreement with respect to any property of the Debtor that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtor that are not identifiable or traceable.
- (i) We express no opinion as to the creation or perfection of any security interest in any property or assets governed by the *Canada Shipping Act*, the *Canada Transportation Act* or the *Railways Act (Ontario)*.

LERNERS

LAWYERS

Page 8

- (j) We express no opinion as to whether the Debtor has title to or any rights in the Collateral or Leased Collateral.
- (k) We express no opinion as to the ranking of any security interest, mortgage, charge or other interest created by the Security Agreements as against any interests held by other claimants.
- (l) We express no opinion with respect to the creation or perfection of any security interest to which the PPSA does not apply including an interest or claim in or under any policy of insurance or contract of annuity.
- (m) Our opinion does not relate to any consumer goods (within the meaning of the PPSA).
- (n) We have not received the corporate records of the Debtor and as such have not reviewed or relied upon them.
- (o) Except as expressly set forth in our opinion (and notwithstanding the definition of "Collateral" or "Leased Collateral"), our opinion does not relate to any real property or any interest therein.
- (p) We have not considered whether there are circumstances which may give rise to the possibility of the Loan Documents being set aside under provincial fraudulent preference and conveyance laws.

4766686.1

Federal Corporation Information

Corporation Number

799660-8

Business Number (BN)

849883707RC0001

Corporate Name

FORTE EPS SOLUTIONS INC.

Status

Active

Governing Legislation*Canada Business Corporations Act - 2011-10-12*

Registered Office Address

16567 HIGHWAY 12
MIDLAND ON L4R 4K3
Canada

Directors

Minimum 1**Maximum 10**

- John Cipressi
72 BOURGEOIS BEACH ROAD
VICTORIA HARBOUR ON L0K 2A0
Canada
- DOMINIC ZITA
2385 ERIN CENTRE BLVD.
MISSISSAUGA ON L5M 5B2
Canada

Annual Filings

Anniversary Date (MM-DD)

10-12

Date of Last Annual Meeting

2016-11-03

Annual Filing Period (MM-DD)

10-12 to 12-11

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

- 2017 - Due to be filed
- 2016 - Filed
- 2015 - Filed

Corporate History

Corporate Name History

2011-10-12 to Present	FORTE EPS SOLUTIONS INC.
-----------------------	--------------------------

Certificates and Filings**Certificate of Incorporation**

2011-10-12

Certificate of Dissolution

2016-08-14

Certificate of Revival

2016-11-01

Date of Search: 2017-10-23

Date Modified: 2017-09-07

Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT


Ontario Corp Number	Corporation Name	Incorporation Date
1885468	FORTE EPS SOLUTIONS INC.	2011/10/12
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
JOHN CIPRESSI 16567 HIGHWAY 12	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
MIDLAND ONTARIO CANADA L4R 4K3	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Principal Place of Business in Ontario		NOT APPLICABLE
JOHN CIPRESSI 16567 HIGHWAY 12	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
MIDLAND ONTARIO CANADA L4R 4K3	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Date Commenced In Ontario	Date Ceased In Ontario
NOT AVAILABLE	2011/10/12	NOT APPLICABLE

Request ID: 020850383
Transaction ID: 66005744
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/10/23
Time Report Produced: 11:59:19
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1885468	FORTE EPS SOLUTIONS INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

Administrator:
Name (Individual / Corporation)

JOHN
CIPRESSI

Address

72 BOURGEOIS BEACH ROAD

VICTORIA HARBOUR
ONTARIO
CANADA L0K 2A0

Date Began

2011/10/12

First Director

NOT APPLICABLE

Designation

OFFICER/MANAGER IN ONT.

Officer Type

Resident Canadian

NOT APPLICABLE

Request ID: 020850383
Transaction ID: 66005744
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/10/23
Time Report Produced: 11:59:19
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1885468	FORTE EPS SOLUTIONS INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	2	2013/01/31

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.



Certificate of Compliance

Canada Business Corporations Act
s. 263.1

Certificat de conformité

Loi canadienne sur les sociétés par actions
art. 263.1

FORTE EPS SOLUTIONS INC.

Corporate name / Dénomination sociale

799660-8

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

Virginie Ethier

Director / Directeur

2017-10-23

Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)

Confirmation Letter / Lettre de confirmation

D+H Collateral Management Corporation / Gestion des services connexes de D+H
Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la *Loi sur les banques*.

Kim Franklin
Thomson Reuters Canada Limited
333 Bay Street, Suite 400
Toronto, Ontario
M5H 2R2

2017/10/23 09:51:19 AM PDT

Ref / Objet: 04149293

Tel/Tél: 1-416-595-9522 / 1-416-687-7616
Fax/Télécopie: 1-416-348-0031
e-Mail/Courriel: info@cyberbahn.ca

Acct# 7285

Dear Sir / Madam

Monsieur / Madame

Re: **Bank Act Security - Section 427**

Objet: **Garanties données en vertu de la *Loi sur les banques* - article 427**

We have processed your request(s) and hereby confirm the following results: (*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous faisons part des résultats suivants: (* voir ci-dessous).

REFERENCE

REFERENCE

(2) A search has been made of the notices of intention to give security under the Bank Act registered in the province of Ontario. As at the date and time above, our records indicate the following.

(2) Nous avons examiné les préavis qui se rapportent aux garanties données en vertu de la *Loi sur les banques* et qui sont enregistrés pour la province de: Ontario. À la date et à l'heure indiquées ci-dessus.

Your search for the company

Votre recherche pour la société

FORTE EPS SOLUTIONS INC.

FORTE EPS SOLUTIONS INC.

returns the following results:

révèle les résultats suivants:

Type	Registration Name	Address	Date	Expires	Number	Bank
Type	Enregistrement au nom	Adresse	Date	Expires	Numéro	Banque
	de					

(2) No matches were found / Aucune donnée correspondante au registre



For Registrar / Pour le Régistrare

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 10/24/2017
File Currency Date: 10/22/2017
Family(ies): 5
Page(s) : 21

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.
Report Type: PPSA VERO
Transaction ID: 11981339

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA.
A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
IN RESPECT OF THE FOLLOWING:

Note: Viewing of this report is optimized in landscape mode.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 11981339

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
PAGE : 1

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA. A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

ENQUIRY NUMBER 20171023120103.37 CONTAINS 21 PAGE(S), 5 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

TRANSACTIONID=11981339

CONTINUED... 2

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
04 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS
08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
Maturity OR Maturity Date
10 YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE
14 COLLATERAL S/N 0714548
15 DESCRIPTION (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N BMA700
16 REGISTERING TRAVELERS LEASING LTD.

17 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 7

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 05 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME
 ONTARIO CORPORATION NO.

04 ADDRESS INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME
 ONTARIO CORPORATION NO.

07 ADDRESS
 08 SECURED PARTY /
 LIEN CLAIMANT
 09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR NO FIXED Maturity DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS,
 14 COLLATERAL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO,
 15 DESCRIPTION AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM
 16 REGISTERING TRAVELERS LEASING LTD.
 17 AGENT
 ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 8

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

REPORT : PPSR060
 PAGE : 8

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER 698417343	TOTAL PAGES 007	MOTOR VEHICLE SCHEDULE 20140729 1012 1462 0374	REGISTRATION NUMBER P PPSA	REGISTERED UNDER	REGISTRATION PERIOD 7
01	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR NAME	BUSINESS NAME				ONTARIO CORPORATION NO.
03	DATE OF BIRTH	ADDRESS	FIRST GIVEN NAME	INITIAL	SURNAME	
04	DEBTOR NAME	BUSINESS NAME				ONTARIO CORPORATION NO.
05	SECURED PARTY / LIEN CLAIMANT	ADDRESS				
06	COLLATERAL CLASSIFICATION CONSUMER	ADDRESS				
07	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
08	YEAR MAKE	MODEL				
09	MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT	ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE TRAVELERS LEASING LTD.				
10	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	V5C6A7	
11	*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***					
12	CONTINUED...					
13	9					

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	005	20140729	1403	1462	0537
21	698417343				

PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		A AMENDMENT		

REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME
23	FORTE EPS SOLUTIONS INC.		
24	AMEND S/N ON EQUIPMENT IN GENERAL DESCRIPTION #12		
25			
26			
27			
28			
02/05	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
03/06	BUSINESS NAME		
04/07	ADDRESS		
29	ASSIGNOR		
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE		ONTARIO CORPORATION NO.
09	ADDRESS		

COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	NO FIXED OR
10										
11	YEAR	MAKE	MODEL							V.I.N.
12	MOTOR VEHICLE									
13	GENERAL									
14	COLLATERAL									
15	DESCRIPTION									
16	REGISTERING AGENT OR									
17	SECURED PARTY/LIEN CLAIMANT									

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 11

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017
 PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE
 REPORT : PSSR060
 PAGE : 11

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	005	20140729	1403 1462	0537
21	RECORD REFERENCED	FILE NUMBER	698417343		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			A AMENDMENT		
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE				
26	REASON/ DESCRIPTION				
27					
28					
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06					
04/07	ASSIGNOR	ADDRESS			
29	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				ONTARIO CORPORATION NO.
08					
09	COLLATERAL CLASSIFICATION	ADDRESS			
	CONSUMER				
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	MATURITY OR	MATURITY DATE
10					
	YEAR	MAKE	MODEL		V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL	(4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,			
15	DESCRIPTION	M15684-MVA-3 & M15684-MVA-4			
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY BC	V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 12

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 12

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE REGISTRATION NUMBER	REGISTERED UNDER
01	03	20140729 1403 1462 0537	
21	005		
21	698417343		
22			
23			
24			
25			
26			
27			
28			
02/05			
03/06			
04/07			
29			
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09			
10			
11			
12			
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14			
15			
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17			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 13

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTI EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 04 005 20140729 1403 1462 0537

RECORD FILE NUMBER 698417343
 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT YEARS PERIOD
 FIRST GIVEN NAME INITIAL SURNAME

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME
 23 DEBTOR/ TRANSFEREE BUSINESS NAME
 24 DEBTOR/ TRANSFEREE BUSINESS NAME
 25 OTHER CHANGE
 26 REASON/
 27 DESCRIPTION
 28

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02/ 05 DEBTOR/
 03/ TRANSFEREE BUSINESS NAME
 06 04/07 ADDRESS
 29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT Maturity OR NO FIXED Maturity DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE
 14 COLLATERAL S/N 0714548
 15 DESCRIPTION (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N 1W1360022634
 16 REGISTERING AGENT OR TRAVELERS FINANCE LTD.
 17 SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 14

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	RENEWAL YEARS	CORRECT PERIOD	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	INITIAL SURNAME
01	05	005	20140729 1403 1462 0537							
21	FILE NUMBER	699417343								
22	REFERENCE									
23	DEBTOR/ TRANSFEROR	BUSINESS NAME								
24	OTHER CHANGE REASON/ DESCRIPTION									
25	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
26	DEBTOR/ TRANSFEREE	BUSINESS NAME								
27	ASSIGNOR	ADDRESS								
28	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE									ONTARIO CORPORATION NO.
29	COLLATERAL CLASSIFICATION CONSUMER	ADDRESS								
30	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED								
31	YEAR	MAKE	MODEL							V.I.N.
32	MOTOR VEHICLE GENERAL									
33	DATE OF MATURITY									
34	NO FIXED MATURITY DATE									
35	REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT	ADDRESS								
36	TRAVELERS FINANCE LTD.	500 - 4180 LOUGHEED HIGHWAY								
37	BURNABY BC	V5C6A7								

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE REGISTRATION NUMBER	REGISTERED UNDER
01	002	20140730 1436 1462 0842	
21	698417343		

22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD

FIRST GIVEN NAME INITIAL SURNAME

23	REFERENCE	BUSINESS NAME	FORTE EPS SOLUTIONS INC.
24	DEBTOR/ TRANSFEROR		
25	OTHER CHANGE		
26	REASON/	DELETE FROM GENERAL COLLATERAL	
27	DESCRIPTION	(4) REZTOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X	
28	DATE OF BIRTH	FIRST GIVEN NAME INITIAL SURNAME	
02/	DEBTOR/		
05/	TRANSFEREE		
03/	BUSINESS NAME		
06	ADDRESS		
04/07			

29 ASSIGNOR ADDRESS

SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS

09 COLLATERAL CLASSIFICATION

10 CONSUMER

11 YEAR MAKE MODEL

12 MOTOR VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING AGENT OR ADDRESS

17 SECURED PARTY/ LIEN CLAIMANT

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE

TRAVELERS FINANCE LTD.
 500 - 4180 LOUGHEED HIGHWAY
 BURNABY BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 16

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE REGISTRATION NUMBER	REGISTERED UNDER
01	02	20140730 1436 1462 0842	
21	RECORD FILE NUMBER	698417343	

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT YEARS PERIOD

22 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
 23 DEBTOR/ BUSINESS NAME
 24 TRANSFEROR
 25 OTHER CHANGE
 26 REASON/ (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,
 27 DESCRIPTION M15684-MVA-3 & M15684-MVA-4
 28

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/05			
03/06			
04/07			
29	ASSIGNOR		
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE		
09			ONTARIO CORPORATION NO.

COLLATERAL CLASSIFICATION	ADDRESS	CONSUMER	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10							
11							
12							
13							
14							
15							
16							
17							

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 17

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 18

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER											
	684369324											
01	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD					
		001	001	20130129	1001	1862 7549	P	PPSA	9			
02	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME								
03	BUSINESS NAME	FORTE EPS SOLUTIONS INC.										
04	ADDRESS	16567 HWY 12	INITIAL	SURNAME								
	DATE OF BIRTH	FIRST GIVEN NAME	MIDLAND ONTARIO CORPORATION NO. L4R 4K8									
05	BUSINESS NAME	BUSINESS DEVELOPMENT BANK OF CANADA										
06	ADDRESS	151 FERRIS LANE, P. O. BOX 876	INITIAL	SURNAME								
	DATE OF BIRTH	FIRST GIVEN NAME	BARRIE ONTARIO CORPORATION NO. L4M 4Y6									
07	SECURED PARTY / LIEN CLAIMANT											
08	COLLATERAL CLASSIFICATION	V.I.N.										
09	CONSUMER											
10	GOODS	X	X	X	X	X	X	X	X	X	X	
11	YEAR MAKE											
12	MOTOR VEHICLE											
13	GENERAL COLLATERAL											
14	DESCRIPTION	GEORGE G. CAMERON, HGR GRAHAM PARTNERS LLP										
15	REGISTERING AGENT	STE 107, 190 CUNDLES ROAD EAST BARRIE ONT L4M 4S5										
16		*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***										
17		CONTINUED... 19										

RUN NUMBER : 296
RUN DATE : 2017/10/23
ID : 20171023120103.37
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
678306825

01 CAUTION FILING NO. OF PAGES 01 001
TOTAL PAGES 001
MOTOR VEHICLE SCHEDULE 20120510 1738 1626 4104 P PPSA
REGISTRATION NUMBER UNDER PERIOD 3

02 DEBTOR
03 NAME BUSINESS NAME FORTE EPS SOLUTIONS INC.
FIRST GIVEN NAME INITIAL SURNAME
20120510 1738 1626 4104 P PPSA 3

04 DEBTOR
05 ADDRESS 16567 HIGHWAY 12 MIDLAND
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
01 001 20120510 1738 1626 4104 P PPSA 3

06 DEBTOR
07 BUSINESS NAME FORTE EPS SOLUTIONS INC.
ON L4R4P4

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION
MIDLAND ON L4R4K6

10 COLLATERAL CLASSIFICATION
CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 150000 NO FIXED MATURITY OR MATURITY DATE 01MAY 2015
YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING
17 AGENT

ADDRESS PO BOX 8, 355 CRANSTON CR. MIDLAND ON L4R4K6
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 20

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 20

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01				REGISTRATION	
			NUMBER		
31	RECORD REFERENCED	FILE NUMBER	678306825	20150428 1718 1626 7025	RENEWAL YEARS 5
32	INDIVIDUAL DEBTOR			CHANGE REQUIRED B RENEWAL	
33	BUSINESS DEBTOR			FORTE EPS SOLUTIONS INC.	ONTARIO CORPORATION NO.
08/16	SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT				
09/17	NAME			NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION	
	ADDRESS			P.O. BOX 8, 105 FOURTH STREET, UNIT B MIDLAND	ON L4R4K6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 21

RUN NUMBER : 296
 RUN DATE : 2017/10/23
 ID : 20171023120103.37
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 22OCT 2017

REPORT : PSSR060
 PAGE : 21

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
732672198	20171005 1418 1862 6275		
698417343	20140729 1012 1462 0374	20140729 1403 1462 0537	20140730 1436 1462 0842
684459225	20130201 0942 1200 1699		
684369324	20130129 1001 1862 7549		
678306825	20120510 1738 1626 4104	20150428 1718 1626 7025	

8 REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

File No.	Registration No.	Reg'n. Period	Debtor	Secured Creditor	Collateral						
					<table border="1"> <tr> <td data-bbox="227 451 284 525">CG</td> <td data-bbox="227 409 284 451">In</td> <td data-bbox="227 367 284 409">Eq</td> <td data-bbox="227 325 284 367">Ac</td> <td data-bbox="227 283 284 325">Oth</td> <td data-bbox="227 126 284 283">Mv</td> </tr> </table> <p>recycling "in-a-box" S/N 14012467; (1) EPS machine greenmax A-C100 S/N 131108; (1) united "smart 1" table model electromechanical testing machine S/N 0714548; (1) hirsch movicon X monolith E4 platform S/N BMA700; together with all attachments, accessories, replacements, substitutions, additions, and improvements thereto, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral or proceeds of the collateral and a right to any insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>	CG	In	Eq	Ac	Oth	Mv
CG	In	Eq	Ac	Oth	Mv						
	20140729 1403 1462 0537		Amend General Collateral Description.		<p>(4) Reznor gas heaters S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X; (1) Used infra model 3000-A universal automatic moulding & laminating machine S/N 288 (4) engineered air make up units S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4; (1) Technodinamica contour TD400/1 cutter S/N 20133500; (1) Micro recycling "in-a-box" S/N 14012467; (1) EPS machine greenmax A-C100 S/N 131108; (1) united "smart 1" table model electromechanical testing machine S/N 0714548; (1) Hirsch movicon X monolith E4 platform</p>						

File No.	Registration No.	Reg'n. Period	Debtor	Secured/Creditor	Collateral					
					CG	In	Eq	Ac	Oth	MV
	20140730 1436 1462 0842				S/N 1W1360022634					
					Delete: (4) Reznor gas heaters S/N BGG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X;					
732672198	20171005 1418 1862 6275	5 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L0K 1R0	16567 Highway 12 Holdings Limited 16567 Highway 12 Midland, ON L0K 1R0	X	X	X	X	X	
					Secured Amount: \$200,000					



WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF

SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

CERTIFICATE # / 32641134-0626880B
N° DE CERTIFICAT :

DATE OF CERTIFICATE / 2017-OCT-24
DATE DU CERTIFICAT :

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 16-0000787
ISSUE DATE / DATE DE DÉLIVRANCE : 2016-MAY-18
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2016-MAY-19
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : CV-16-545247
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : TORONTO

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES

DEFENDANT / DÉFENDEUR

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12 PO BOX 245, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER

C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	PACIFIC HIGH TECH LTD.
----	-------------------	------------------------

ADDRESS / ADRESSE :	C/O FOGLER, RUBINOFF LLP 77 KING STREET WEST P.O. BOX 95, SUITE 3000, TORONTO, ONTARIO, M5K 1G8
TELEPHONE / TÉLÉPHONE :	4168649700
FAX / TÉLÉCOPIEUR :	4169418852

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

NAME / NOM	MACDOUGALL, W. ROSS
FIRM NAME / NOM DE L'ENTREPRISE	FOGLER, RUBINOFF LLP
ADDRESS / ADRESSE	77 KING STREET WEST TD CENTRE NORTH TOWER P.O. BOX 95, SUITE 3000 TORONTO ONTARIO M5K 1G8 TEL: 4168649700 FAX: 4169418852

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2016-MAY-18	CDN 188.84	REMOTE ISSUE/FILE
2.	PAYMENT / PAIEMENT	2016-MAY-24	CDN 74.78	PAYMENT GARN

COMMENTS / REMARQUES

ISSUED & FILED BY SABRINA SANTOIANNI ON MAY 18, 2016 12:08 P.M. EST REMOTELY

FEE OF \$188.84 COLLECTED

JUDG CURR: USD, JUDG AMOUNT: 448993.03

JUDG INTE RATE: 2.0000, JUDG START DATE: 2016-04-18

JUDG DEBTOR: FORTE EPS SOLUTIONS INC.

AMT IN CDN \$ SUFFICIENT TO PURCHASE \$448,993.03 USD AT THE CLOSE OF BUSINESS ON THE 1ST DAY WHICH THE BANK QUOTES A CDN \$ RATE FOR THE PURCHASE OF USD \$ BEFORE THE DAY OF PAYMENT IS RECEIVED BY THE PLAINTIFF

COST CURR: CDN, COST AMOUNT: 750.00

COST INTE RATE: 2.0000, COST START DATE: 2016-04-18

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT 100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

CERTIFICATE # / N° DE CERTIFICAT:

32641134-0626880B

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE TROUVENT DANS VOTRE DEMANDE.

CHARGE FOR THIS REPORT / **CDN 6.35**
FRAIS POUR CE RAPPORT :



WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF

SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

CERTIFICATE # / 32641135-4934345B
N° DE CERTIFICAT :

DATE OF CERTIFICATE / 2017-OCT-24
DATE DU CERTIFICAT :

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 17-0000743
ISSUE DATE / DATE DE DÉLIVRANCE : 2017-MAY-17
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2017-MAY-18
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : SP7485/14
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : SARNIA

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES

DEFENDANT / DÉFENDEUR

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER

c/o LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	NOVA CHEMICALS (CANADA) LTD.
	ADDRESS / ADRESSE :	1086 MODELAND ROAD, SARNIA, ONTARIO, N7T 8C7
	TELEPHONE / TÉLÉPHONE :	5193463287

FAX / TÉLÉCOPIEUR :	5194812823
----------------------------	------------

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

NAME / NOM	MCELREA, COLIN
ADDRESS / ADRESSE	2 FERRY DOCK HILL, P.O. BOX 2196, SARNIA ONTARIO N7T 7L8 TEL: 5193368770 FAX: 5193361811 CMCELREA@SARNIALAW.COM

JUDGMENT/COST DETAILS (FROM ORIGINAL WRIT) / DÉTAILS DU JUGEMENT/DÉPENS (DU BREF ORIGINAL)

#	JUDGMENT OR COSTS / JUGEMENT OU DÉPENS	AMOUNT / MONTANT	INTEREST RATE / TAUX D'INTÉRÊT	START DATE / DATE DE DÉBUT
1.	JUDGMENT / JUGEMENT	USD 158,130.25	2.0000%	2017-APR-13
	COSTS / DÉPENS	CDN 3,553.57	2.0000%	2017-APR-13
	AGAINST DEBTORS / CONTRE LES DÉBITEURS	FORTE EPS SOLUTIONS INC.		

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2017-MAY-17	CDN 203.84	REMOTE ISSUE/FILE

COMMENTS / REMARQUES

ISSUED & FILED BY MCELREA, COLIN ON MAY 17, 2017 11:42 A.M. EST REMOTELY
FEE OF \$203.84 COLLECTED

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT
100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE
TROUVENT DANS VOTRE DEMANDE.

CHARGE FOR THIS REPORT / **CDN 6.35**
FRAIS POUR CE RAPPORT :

APPENDIX Q

POSTPONEMENT

WHEREAS North Simcoe Community Futures Development Corporation ("NSCFDC") has, by way of security agreement, certain security interests (the "North Simcoe Security") over the assets of Forte EPS Solutions Inc. ("Forte"), which North Simcoe Security is perfected by registration under the *Personal Property Security Act* (Ont.) (the "PPSA") as File Number 678306825;

AND WHEREAS Business Development Bank of Canada ("BDC") has a security interest (the "BDC Security") over all of the present and after acquired undertaking and property of Forte as more particularly set out in a General Security Agreement between Forte and BDC, which BDC Security interest is perfected by registration under the PPSA as File No. 684369324;

NOW THEREFORE for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, NSCFDC does hereby subordinate and postpone the security constituted by the North Simcoe Security to and in favour of the security constituted by the BDC Security.

DATED the ^{30th} day of January, 2013.

**NORTH SIMCOE COMMUNITY FUTURES
DEVELOPMENT CORPORATION**

Per:

Name: Debra Muenz
Title: President/G.M.

I have authority to bind the corporation.

APPENDIX R



November 3, 2016

Forte EPS Solutions Inc.
Box 245, 16567 Highway 12
Midland, ON L4R 4K8

Attention: Mr. John Cipressi

Dear Mr. Cipressi,

Subject: BDC Loan to Forte EPS Solutions Inc. [069941-01]

You are in DEFAULT under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans(s) in full.

The amount due and payable on the date of this letter is:

	Loan No. 01
Principal	\$525,150.00
Interest	\$6,168.22
TOTAL	\$531,318.22
Daily interest	\$86.21

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Ruth Thomson
Business Specialist
T (416) 952-8690
E ruth.thomson@bdc.ca

Angus Hutchinson
Regional Director, Special Accounts

Encl.

CC: Mr. John Cipressi
CC: Mr. Dominic Zita

November 3, 2016

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: Forte EPS Solutions Inc. , an insolvent person.

Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$531,318.22 as at November 3, 2016 with interest thereafter at the Bank's floating base rate of 4.70% plus 1.25% per annum compounded monthly and all costs and charges of enforcement.
4. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, ON., this 3rd day of November , 2016.

BUSINESS DEVELOPMENT BANK OF CANADA



Angus Hutchinson, Regional Director, Special Accounts



Ruth Thomson, Business Specialist, Special Accounts

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 201__.

Per:

Authorized Signatory

APPENDIX S



16th Floor, One London Place, 255 Queens Ave., London, ON N6A 5R8
 T 519.858.8220 F 519.858.0687 www.AdvocatesLLP.com

Angelo C. D'Ascanio
 (519) 858-8220 ext. 232
 A.Dascanio@AdvocatesLLP.com

Our File: 15108

VIA REGISTERED MAIL

August 26, 2015

John Cipressi
 CEO
 Forte EPS Solutions Inc.
 16567 Highway 12
 Midland, ON L4R 4K8

John Cipressi
 CEO
 16567 Highway 12 Holdings Limited
 16567 Highway 12
 Midland, ON L4R 4K8

John Cipressi
 16567 Highway 12
 Midland, ON L4R 4K8

Dominic Zita
 16567 Highway 12
 Midland, ON L4R 4K8

Dear Sirs:

Re: LOAN AGREEMENT DATED JANUARY 30, 2013, (THE "LOAN AGREEMENT") BETWEEN WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION INC. ("WOCFDCA"), AS LENDER, FORTE EPS SOLUTIONS INC., AS PRIMARY DEBTOR, 16567 HIGHWAY 12 HOLDINGS LIMITED, AS GUARANTOR, JOHN CIPRESSI, AS GUARANTOR, AND DOMINIC ZITA, AS GUARANTOR

We are the lawyers for WOCFDCA.

Forte EPS Solutions Inc. is in arrears of payment under the Loan Agreement. This constitutes an act of default entitling WOCFDCA to demand immediate repayment of the amounts owing under the Loan Agreement, together with accruing interest and costs. Under the terms of the Guarantee, the Guarantors promised to pay all amounts due and owing under the Loan Agreement and, as such, are also liable to pay the amounts owing under the Loan Agreement, together with accruing interest and costs.

WOCFDCA demands, from the Primary Debtor and each of the Guarantors, immediate repayment of the following amounts owing under the Loan Agreement:

August 26, 2015

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- (a) \$383,479.03 Total Principal owing as at January 31, 2015, inclusive of \$1,986.94 in accrued interest on late monthly payments;
- (b) \$65.67 Accruing Interest per day, based on the applicable interest rate of 6.25% per annum, calculated monthly, on the Total Principal; and
- (c) \$2,000.00 in legal costs.

If immediate payment is not made as demanded, WOCFDCA reserves its right to add the foregoing, and any additional, legal costs to the Total Principal and to recalculate the interest payable on this new Total Principal.

Forte EPS Solutions Inc. has provided a General Security to secure the amounts payable under the Loan Agreement and 16567 Highway 12 Holdings Limited has provided a real property mortgage to secure its Guarantee of the Loan Agreement. Attached is a Notice of Intention to Enforce Security served upon you pursuant to the *Bankruptcy and Insolvency Act*, a Notice of Intent to Sell served upon you pursuant to the *Personal Property Security Act*, and a Notice of Sale Under Mortgage served upon you under the *Mortgages Act*.

Sincerely,



Angelo C. D'Ascanio
Advocates LLP
Encl.
Cc: WOCFDCA
Cc: dominic@gmail.com
Cc: john.c@forteeps.com



Chosen for experience. Powered by technology.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Section 244(1))

TO: 16567 HIGHWAY 12 HOLDINGS LIMITED and FORTE EPS SOLUTIONS INC., insolvent persons.

TAKE NOTICE THAT:

1. Western Ontario Community Futures Development Corporation Inc., secured creditors, intend to enforce their security on the property of the insolvent persons described below:

All personal property of Forte EPS Solutions Inc., including, without limitation, all equipment, inventory, accounts, and intellectual property; and

The real property of 16567 Highway 12 Holdings Limited known as Part Lot 101, Concession 2, Tay, Being Parts 1 and 3, Plan 51R-14263, Town of Midland, County of Simcoe.

2. The security that is to be enforced is in the form of:

A General Security Agreement from Forte EPS Solutions Inc. dated January 30, 2013; and

A Real Property Mortgage from 16567 Highway 12 Holdings Limited Registered as # SC1041655 on February 21, 2013.

3. The total amount of indebtedness secured by the security is \$383,479.03 as at January 31, 2015, plus accruing interest, costs and any applicable HST.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at London, Ontario this 26th day of August 2015.

Western Ontario Community Futures
 Development Corporation Inc.,
 By its Lawyers Advocates LLP,
 Per:



Angelo C. D'Ascanio

NOTICE OF INTENTION TO SELL
(PURSUANT TO SECTIONS 63(4) AND (5) OF THE
***PERSONAL PROPERTY SECURITY ACT*)**

TO: See Schedule "A"

TAKE NOTICE that pursuant to a General Security Agreement between Forte EPS Solutions Inc., as debtor, and Western Ontario Community Futures Development Corporation Inc. as secured creditor, dated January 30, 2013, the said secured party intends to dispose of the Collateral thereby secured unless the Collateral is redeemed.

1. The Collateral is composed of all personal property of whatsoever kind and whensoever acquired by the debtor, or in respect of which the debtor has or hereafter may have rights including, without limitation, all inventory, equipment, machinery, fixtures, furniture, and other tangible personal property thereof.
2. The amount required to satisfy the obligations of the debtor secured by the said General Security Agreement totals on account of principal \$383,479.03 as of the 31st day of January 2015, together with interest thereon until the date of payment at the rate of 6.25% per year, calculated monthly.
3. The estimated expenses of the secured party pursuant to Section 63(1)(a) and Section 63(5)(c) of the Personal Property Security Act are \$2,000.00.
4. Upon receipt of payment, the payor will be credited with any rebates or allowances to which the debtor is entitled by law or under the said General Security Agreement.
5. That upon payment of the amounts due as above described, any person entitled to receive notice may redeem the collateral.
6. Unless the amounts due as above described are paid by the 27th day of September, 2015, said Collateral will be disposed of and the debtor and the Guarantors of its obligations will be liable for any deficiency.
7. Unless payment of the amounts due as above described are received by the 27th day of September 2015, there will be a private sale, public tender or public sale of the said Collateral. In the event of there being a public sale, you will be advised of the date, time and place.

DATED at London, Ontario this 26th day of August, 2015.

Western Ontario Community Futures Development
Corporation Inc.,
By its Lawyers Advocates LLP,
Per:



Angelo C. D'Ascanio

SCHEDULE "A"

TO: Forte EPS Solutions Inc.
16567 Highway 12
Midland, ON L4R 4K8

AND TO: 16567 Highway 12 Holdings Limited
16567 Highway 12
Midland, ON L4R 4K8

AND TO: John Cipressi
16567 Highway 12
Midland, ON L4R 4K8

AND TO: Dominic Zita
16567 Highway 12
Midland, ON L4R 4K8

AND TO: North Simcoe Community Futures Development Corporation
P.O. Box 8
355 Cranston Drive
Midland, ON L4R 4K6

AND TO: Business Development Bank of Canada
151 Ferris Lane
P.O. Box 876
Barrie, ON L4M 4Y6

AND TO: First Source Mortgage Corporation
1 Valleybrook Drive, Suite 100
Toronto, ON M3B 2S7

AND TO: Travelers Leasing Ltd.
500 – 4180 Lougheed Highway
Burnaby, B.C. V5C 6A7

NOTICE OF SALE UNDER MORTGAGE

TO: SEE SCHEDULE "A"

TAKE NOTICE that default has been made in payment of the monies due under a certain Mortgage dated the 21st day of February 2013, made between:

16567 HIGHWAY 12 HOLDINGS LIMITED

AS MORTGAGOR

- and -

**WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT
CORPORATION INC.**

AS MORTGAGEE

upon the following property, namely:

Part Lot 101, Concession 2, Tay, Being Parts 1 and 3, Plan 51R-14263,
Town of Midland, County of Simcoe
being known municipally as 16567 Highway 12, Midland, Ontario

which Mortgage was registered on the 21st Day of February, 2013, in the Land Registry Office for the Land Titles Division of Simcoe (No. 51) at Barrie, Ontario as No. SC1041655.

AND I HEREBY GIVE YOU NOTICE that the amount due as of the 31st day of July 2015, on the Mortgage for principal, interest and costs respectively, are as follows:

For principal	\$383,479.03;
For accrued interest	\$ 11,983.74;and
For costs	\$ <u>2,000.00</u>
 Total	 <u>\$397,462.77</u>

(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper)

together with interest at the rate of 6.25% per year, calculated monthly, not in advance, on the principal hereinbefore mentioned, August 1, 2015, to the date of payment.

AND unless the said sums are paid on or before October 12, 2015, we shall sell the property covered by the said Mortgage under the provisions contained in it.

THIS Notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

DATED the 26th day of August, 2015

Western Ontario Community Futures Development
Corporation Inc.,
By its Lawyers Advocates LLP,
Per:



Angelo C. D'Ascanio

SCHEDULE "A"

TO: 16567 Highway 12 Holdings Limited
16567 Highway 12
Midland, ON L4R 4K8

AND TO: Tax Department
City of Midland
575 Dominion Avenue
Midland, ON L4R 1R2

AND TO: Water Department
City of Midland
575 Dominion Avenue
Midland, ON L4R 1R2

AND TO: Midland Power Utility Corporation
16984 Highway 12
Midland, ON L4R 4P4

AND TO: Forte EPS Solutions Inc.
16567 Highway 12
Midland, ON L4R 4K8

AND TO: First Source Mortgage Corporation
1 Valleybrook Drive, Suite 100
Toronto, ON M3B 2S7

AND TO: John Cipressi
16567 Highway 12
Midland, ON L4R 4K8

AND TO: Dominic Zita
16567 Highway 12
Midland, ON L4R 4K8

APPENDIX T

CONTRACT OF SALE OF GOODS (Absolute)

THIS CONTRACT dated the 1 day of August, 2014.

and made IN PURSUANCE OF THE "SALE OF GOODS ACT"

BETWEEN Forte EPS Solutions Inc.
16567 Highway 12
Midland, ON, L4R 4K3 (hereinafter called the Seller) OF THE FIRST PART

AND TRAVELERS LEASING LTD.
500 – 4180 Loughheed Hwy.
Burnaby, BC V5C 6A7 (hereinafter called the Buyer) OF THE SECOND PART

WHEREAS the Seller

- (a) is possessed of the goods and specific goods, hereinafter described, and
- (b) has agreed with the Buyer for the absolute sale to him of the same upon the terms and conditions and for the consideration hereinafter set forth.

NOW THIS INDENTURE WITNESSETH:

In consideration of and for the sum of Five Hundred Fifty Six Thousand Five Hundred Thirty Three and 87/100 (\$492,507.85 + HST) Dollars of lawful money of Canada, paid by the Buyer to the Seller at or before the sealing and delivery of this Contract, the receipt whereof the Seller hereby acknowledges, the Seller hereby sells, assigns, transfers and sets over all the right, title, interest, property, claim and demand of the Seller thereto and therein, unto the Buyer, to and for his sole and only use forever.

SCHEDULE: AS PER ATTACHED EQUIPMENT SCHEDULE

The Seller hereby covenants, promises and agrees to and with the Buyer

- (a) that all of the said goods are now IN THE POSSESSION OF the Seller as defined in the SALE OF GOODS ACT.
- (b) that he, the Seller, is now rightfully and absolutely possessed of and ENTITLED TO the said goods, Alta hereby sold and assigned, and to all and every part of them (Save as aforesaid).
- (c) that he, the Seller, now has himself GOOD RIGHT TO SELL and ASSIGN the said goods unto the Buyer in the manner aforesaid and according to the true intent and meaning of this contract. (Save as aforesaid)
- (d) that the said goods are FREE AND CLEAR of all charges and encumbrances of every nature and kind whatsoever save and except for those charges and encumbrances set forth and described in Schedule.

- (e) that he, the Seller will INDEMNIFY and save harmless the Buyer from any and all charges and encumbrances not so set forth and described in the Schedule.
- (f) that the Buyer shall and may from time to time, and at all times hereafter, peaceably and quietly have, hold, possess and enjoy the said goods hereby, sold and assigned, and all and every part of them, to and FOR HIS OWN USE and benefit without any manner of hindrance, interruption, molestation, claim or demand whatsoever of, from or by him, the Seller, or any person whomsoever.
- (g) that he, the Seller, shall from time to time, and at all times hereafter, upon every reasonable request of the Buyer, but at the expense of the Buyer, make, do and execute, or cause or procure to be made, done and executed, all such FURTHER ACTS, deeds and assurances for the more effectual assignment and assurance of the said hereby sold and assigned goods unto the Buyer, in the manner aforesaid, and according to the true intent and meaning of this Contract, as shall be reasonably required by the Buyer.

All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this agreement shall be read and held as made by and with, granted to and imposed upon the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns; wherever the singular or masculine is used, it shall be construed as meaning the plural or the feminine or the body politic or the corporate where the context or the parties hereto so require, and where a party is more than one person, all covenants shall be deemed joint and several.

IN WITNESS WHEREOF the Seller has hereunto set his hand the 1 day of August, 2014.

SIGNED, SEALED AND DELIVERED

in the presence of

WITNESS
 Address
 City

Forte EPS Solutions Inc.- SELLER

Signature [Handwritten Signature]
 Dominic Zita, Director

GST/HST # 84988 3707

CERTIFIED COPY OF A RESOLUTION OF
THE BOARD OF DIRECTORS OF
Forte EPS Solutions Inc.
(the "Company")

WHEREAS for the purpose of carrying out its objects, the Company wishes to lease certain equipment from TRAVELERS LEASING LTD. (the "Lessor") upon terms and conditions previously agreed to.

NOW THEREFORE BE IT RESOLVED:

- 1 That the Company enter into a Sale/Leaseback Agreement with respect to the equipment with the Lessor.
- 2 That Director _____ and/or _____ of the Company be and they are hereby authorized, instructed and empowered on behalf of and in the name of the Company to execute and sign the Bill of Sale, Sale/Leaseback Agreements, schedules, purchase orders and ancillary documentation provided by the Lessor and to affix or cause to be affixed thereto the corporate seal of the Company and generally perform all such acts and do all things as may be required to give full effect to this resolution.

CERTIFICATE

I, the undersigned Officer of the Company, do hereby certify under the seal of the Company that the foregoing is a true and correct copy of a resolution passed and adopted by the directors of the Company in strict accordance with the constitution of the Company and the said resolution is at this date in full force and effect and is wholly unrevoked or unamended.

DATED at _____, this 1 day of August 2014.

Forte EPS Solutions Inc.



Dominic Zita, Director

SCHEDULE TO THE CONTRACT SALE OF GOODS

This schedule is in addition to Contract Sale of Goods dated Aug 1, 2014 between TRAVELERS LEASING LTD. (Buyer) and Forte EPS Solutions Inc. (as Seller) and forms part of the contract.

EQUIPMENT DESCRIPTION:

- (1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
 - (1) Technodinamica Contour TD400/1 Cutter S/N 20133500
 - (1) Micro Recycling "In-A-Box" S/N 14012467
 - (1) EPS Machine Greenmax A-C100 S/N 131108
 - (1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
 - (1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
- and all parts, attachments and accessories

Buyer:
Travelers Leasing Ltd.

Seller:
Forte EPS Solutions Inc.



Authorized Signor



Dominic Zita, Director



LESSOR: TRAVELERS LEASING LTD.
HEAD OFFICE: VANCOUVER

LEASE AGREEMENT

LEASE NO. E0195

G.S.T. NO: 815852777RT0001

LESSEE NAME Forte EPS Solutions Inc.										
ADDRESS 16567 Highway 12							TEL.NO. (905) 564-3325			
CITY/PROV. Midland, ON					POSTAL CODE L4R 4K3					
CONTACT/TITLE Domenic Zita, Director				BANK NAME and ADDRESS:			FAX NO. ()			
COLLATERAL VENDOR Sale/Leaseback, NAME AND ADDRESS										
LOCATION OF COLLATERAL		16567 Highway 12, Midland ON L4R 4K3 (if different than above)								
LESSEE OWNS PREMISES <input checked="" type="checkbox"/>		NAME & ADDRESS OF LANDLORD IF COLLATERAL IS TO BE PLACED IN RENTED PREMISES								
LEASING PARTICULARS										
TERM NO. OF MONTHS	NO. OF PAYMENTS	PAYMENT WILL BE MADE IN ADVANCE MONTHLY <input checked="" type="checkbox"/> QUARTERLY <input type="checkbox"/> OTHER <input type="checkbox"/> SPECIFY			RENTAL AMOUNT EXCLUDING PST & GST/HST	GST/HST	PROV. SALES TAX	PROV.	TOTAL AMOUNT	PER DIEM RENTAL
66	66				\$9,027.85	\$1,173.62	\$0.00	ON	\$10,201.47	\$
DEPOSIT HELD AGAINST FINAL INITIAL TERM PAYMENTS		LEASE COMMENCEMENT DATE (For completion by Travelers only) July 30 / 14								
LESSOR					LESSEE					
This lease (herein called the "Lease") shall not become binding upon Lessor until accepted in writing as evidenced by the signature of a duly authorized officer of Lessor in the space provided below.					The undersigned certifies that he has read the entire lease and accepts the terms and conditions thereof and acknowledges that this is the entire agreement and that there are no other agreements no contained herein.					
DATE OF LESSOR'S ACCEPTANCE OF CONTRACT August 1 2014					Lessee's Full Legal Name Forte EPS Solutions Inc.					
On Behalf of Travelers Leasing Ltd.										
By: Authorized Signature <i>[Signature]</i>					Each one of the undersigned certifies that he is duly authorized to execute this Lease.					
Title:					By: Dominic Zita, Director <i>[Signature]</i>					
					By:					
					Witness to all: _____					
					Witness Name: _____					

CHANGES MUST BE INITIALED BY ALL LEASE SIGNATORIES

Terms and conditions of the lease

1. LEASE: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the Collateral described above together with all parts, accessories and equipment now or hereafter attached to or forming a part thereof and all proceeds therefrom including trade-ins, chattel paper, documents of title, contract rights, rental payments, insurance payments and other property and obligations received as a result of the said Collateral being sold, dealt with or otherwise disposed of (the Collateral).

2. NON-CANCELLABLE LEASE: This Lease cannot be cancelled or terminated except by Lessor, as provided herein.

3. NO REPRESENTATION OR WARRANTIES: Lessee has selected the Collateral and the Vendor. Lessee acknowledges that Lessor has made no representation or warranty with respect to the Collateral, its condition, design, fairness or purchase price, durability, suitability or fitness for the use intended by Lessee or as to any other matter or thing whatsoever, and all warranties and conditions whether statutory or implied are to the extent permitted by law excluded. Lessee shall unconditionally and without set off pay the rent stipulated even if the Collateral does not operate as intended by Lessee or at all as represented by the manufacturer or Vendor, or the Collateral operates or fails to operate in a manner that could give rise to a fundamental breach of contract, or is unacceptable for any other reason whatsoever. Lessor hereby assigns to Lessee, for the Term hereof only, all assignable rights under any warranty given to Lessor by the Vendor or manufacturer of the Collateral. If the Collateral is returned to Lessor for any reason whatsoever Lessee agrees to reassign to Lessor such warranties, guarantees, service contracts and representations previously assigned to Lessee by Lessor.

4. TERM: Notwithstanding the delivery date of the Collateral, this Lease is for a term commencing on the Lease Commencement Date and, unless sooner terminated as provided for herein, ending at the expiry of the number of months indicated under the heading "Term" in the Leasing Particulars (the "Term").

5. RENT: Lessee shall pay to Lessor the Rent as set out in the Leasing Particulars as follows: first rental payment upon Lessee's execution hereof and subsequent rental payments on the first day of each month thereafter, or other calendar period indicated in the Leasing Particulars, throughout the Term, Rent and any other amounts due, are payable without set off or abatement and in no event shall rents be refunded to Lessee. This Lease shall not terminate, or the obligations of the Lessee be otherwise affected, by reason of defect in, or damage to, or loss of possession of, or loss of use of, or destruction of Collateral from whatever cause, the prohibition of the restriction of Lessee's use of the Collateral, the interference of such use by any private person or entity, or for any other cause, whether similar or dissimilar to the foregoing; it being the intention of the parties hereto that the rental amount payable by Lessee hereunder shall continue to be available in all events in the manner and at the time specified unless the obligation to pay the same shall be terminated to the express provisions of this Lease.

6. INTEREST ON OVERDUE PAYMENTS: Lessee shall without notice pay a late charge of \$10.00 for each month or part thereof for which said Rent or other sum shall be delinquent plus interest at a rate of 24% per annum on any overdue rentals and, upon written notice from Lessor at the same rate on all other amounts required to be paid by Lessee hereunder which have been paid by Lessor. Such interest is to be calculated and compounded monthly not in advance add to accrue from the date when such arrears were due and payable hereunder before and after maturity, default judgment until such arrears are paid in full.

7. NET LEASE: Lessee shall pay or reimburse Lessor for all expenses, fees charges, claims and fines incurred or arising in connection with the registration, licensing, possession, use or operation of the Collateral and all taxes and duties (other than taxes on income levied on Lessor under the Income Tax Act of Canada or any other corresponding Provincial Income Tax Act) on or relating to the Collateral. All other expenses and outgoings relating to the Collateral or any manner or thing shall be borne by Lessee. The rental herein provided shall be absolutely net to Lessor free of all set off, expenses or outgoings of any kind or nature. If Lessee fails to repair and restore, to procure and maintain insurance as herein provided or to pay any fees, expenses, charges or claims on or in connection with the Collateral or otherwise perform as herein required, Lessor may do so and shall be entitled to immediate reimbursement from Lessee without prejudice to any other of Lessor's rights or remedies hereunder.

8. PRE-AUTHORIZED PAYMENT: Lessee agrees that it will authorize Lessor to automatically draw Lease payments on Lessee's appointed financial institution via Lessor's Pre-authorized Payment Plan. Payment by other means must receive the Lessor's prior approval and nevertheless will be subject to a service fee at Lessor's sole discretion.

9. ACCEPTANCE: Upon delivery and acceptance of the Collateral, Lessee shall execute and deliver to Lessor a Delivery and Acceptance Certificate in a form prescribed by Lessor.

10. TITLE: Lessor shall at all times have the title to the Collateral acquired by Lessor from the Vendor. Lessee shall have no right, title or interest in the Collateral other than the right of possession and use during the Term upon the terms and conditions herein contained. Lessee shall at Lessor's request place labels, plates or other identification on the Collateral showing Lessor's title thereto as Lessor may request.

11. PERSONAL PROPERTY: The Collateral is and shall at all times remain personal or movable property and shall not be affixed or attached to any lands, buildings, motor vehicles or other chattels without the prior written consent of the Lessor. In the event Lessor grants its permission, Lessee shall install the said Collateral in a manner which will permit its removal without material injury to the Collateral or to the place of installation. Lessee shall be responsible for any damage done to any real estate, building or structure by the removal of the Collateral and shall indemnify and save harmless the Lessor therefrom. If the Collateral is to be delivered to leased premises Lessee shall upon Lessor's request advise Lessor of the name and address of the landlord of such leased premises and obtain a postponement of the Landlord's interest in the Collateral to the interest of Lessor.

12. LOCATION AND USE: The Collateral shall be located and used at the place designated herein and not elsewhere, without the prior written consent of Lessor. The use of the Collateral shall not be changed to any use which would result in a change of capital cost allowance class, without the prior written consent of Lessor. Lessee shall cause the Collateral to be maintained and operated carefully. In compliance with manufacturer's recommendations, and applicable laws and legislation, by competent and duly qualified personnel only, and for business purposes. Lessee shall comply with and conform to all Federal, Provincial, Municipal and other laws, ordinances and regulations in any way relating to the possess, use or maintenance of the Collateral. Lessor shall have the right and Lessee shall allow Lessor free access to inspect the Collateral on request.

13. INSTALLATION, MAINTENANCE AND REPAIR: Lessee shall, at its expense, be responsible for the delivery, installation, removal and return, maintenance and repair (including necessary replacements) of the Collateral by a party acceptable to the Lessor. Lessee shall not, without prior written consent of the Lessor, make any alterations to the Collateral. All such alterations, additions or improvements shall be at Lessee's expense and shall belong to, and become property of Lessor, immediately upon being made.

14. COLLATERAL TO BE KEPT FREE OF ALL LIENS, LEVIES AND CHARGES: Lessee shall keep the Collateral free of liens, liens and encumbrances, and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal), which may be levied or assessed directly or indirectly against, or on account of the said Collateral or any interest therein or use thereof. If Lessee shall fail to pay such license fees, registration fees, assessments, charges and taxes, as the case may be. In which event the costs thereof shall constitute so much additional rent, which shall be forthwith due and payable and Lessor shall be entitled to all the rights and remedies provided herein in the event of default of payment of rent.

15. ASSIGNMENTS AND SUBLETTING: Lessee shall not transfer, deliver up possession of, or sublet the said Collateral, and the Lease hereby granted shall not be assignable by Lessee without written permission of Lessor, which permission may be arbitrarily withheld. Lessor may at any time assign all or part of its interest in the Collateral or this Lease and nothing contained herein shall prevent the Lessor from assigning, pledging, mortgaging, transferring or otherwise disposing, either in whole or in part, of Lessor's rights hereunder. Lessee hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy thereof.

16. LOSS AND DAMAGE: The Collateral shall be at the risk of Lessee. In the event that any item of Collateral shall be lost, stolen, destroyed or damaged beyond repair, for any reason, or in the event of any condemnation, confiscation, theft or seizure, or expropriation of such item, Lessee shall promptly notify Lessor and if Lessor so demands, forthwith pay as a genuine pre-estimate of liquidated damages for loss or bargain and not as a penalty, the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Lease had not been terminated).

17. INSURANCE: Lessee shall obtain, and maintain for the entire Term of this agreement, at its own expense, property damage and liability insurance against loss or damage to the Collateral, including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as customarily covered by insurance on the type of Collateral leased hereunder and by prudent operators of business similar to that in which Lessee is engaged, in such amounts, in such form and with such insurers which shall be satisfactory to Lessor. The amount of insurance on the type of Collateral shall not be less than the greater of the full replacement value of the Collateral or the installments of rents then remaining and unpaid hereunder. Each insurance policy will name Lessee and Lessor as insureds, will name Lessor as loss payee thereof and will contain a clause requiring the insurer to give Lessor at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.

At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance, or other evidence satisfactory to Lessor, that such insurance coverage is in effect, provided, however that Lessor shall be under no duty to ascertain the existence of, or to examine such insurance policy, or to advise Lessee in the event such insurance shall not comply with the requirement hereof. Lessee further agrees to give Lessor prompt notice of any damage or loss of the Collateral or any part thereof.

Lessee will, at its expense, make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so at Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of Collateral provided this Lease not then be in default. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided.

18. PURCHASE OPTION: No purchase option exists unless specifically mentioned herein. The exercise of any purchase option is subject to there be no default under the Lease at the option date and to sixty days prior written notice to Lessor. The option price shall be payable together with all applicable taxes and any other monies due under the Lease, in cash prior to the transfer of title to the Collateral, which transfer shall be on as is, where is basis without any warranties or representation as to its marketability, durability quality or condition.

19. RETURN OF COLLATERAL: Upon expiration of the Lease Term, Lessee, at its own risk and expense, will immediately return the Collateral to Lessor in the same condition as when delivered, ordinary wear and tear expected, at such location as Lessor shall designate. If Lessee fails to return the equipment at the expiry of the rental term, this Lease may, at the option of Lessor, be automatically extended for successive one-month periods on the same terms and conditions as applied during the rental term.

20. INDEMNITY: Lessee hereby indemnifies Lessor and agrees to save Lessor harmless from and against all loss, cost (including taxable costs on a solicitor and client basis) and expenses (including actual legal fees and disbursements incurred by Lessor) whatsoever arising in connection with this Lease, the purchase order, the Collateral and the use thereof, including but not limited to its manufacture, selection, purchase order, the Collateral and the use thereof, including but not limited to its manufacture, selection, purchase delivery, possession, use, operation or return and recovery of claims under any insurance policy relating to the Collateral and enforcement of the rights of Lessor hereunder.

21. DEFAULT: Lessee acknowledges that Lessor has purchased the Collateral at the specific request of Lessee, which has personally selected the Collateral for the purpose of this Lease, and that rentals hereunder and loss to Lessor in the event of default are dependent in part upon the cost of the Collateral to Lessor, the Term and the minimum return expected by Lessor from the sale of the Collateral at the end of the Term. Each of the following is an act of default:

- (a) Lessee fails to make any rental payment or pay any other sum after the same is due and payable; or
- (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 10 days after written notice thereof by Lessor; or
- (c) Any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or
- (d) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of trustee or receiver; or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed within a period of 20 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee and if instituted against Lessee shall not be dismissed within a period of 20 days; or
- (e) if the Collateral or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
- (f) if Lessee is a corporation and
 - (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this Lease;
 - (ii) the Lessee changes its name without obtaining the prior written consent of Lessor;
 - (iii) any special resolution is passed on other proceedings taken regarding the wind-up of the corporation; or
 - (iv) it ceases to carry on the business presently conducted by it; or
- (g) Lessee shall suffer the loss or suspension of any licenses, permits, or other operating authorities required for the present operation of its business or any part of it; or
- (h) Lessee defaults under any other agreement to which Lessee and Lessor are parties; or

- (f) if Lessor in good faith believes and has commercially reasonable grounds to believe itself insecure or that the prospect of payment or performance by Lessee hereunder is about to be impaired or that the Collateral is about to be placed in jeopardy.

22. REMEDIES: Upon the happening of default Lessor may:

- (a) take possession of the Collateral and for that purpose enter any premises where the Collateral is located whether or not the Collateral is affixed to any such premises, and sell, lease or otherwise dispose of the Collateral by public or private means and upon such terms and consideration as Lessor may in its sole discretion accept. Lessee hereby waives any damages or claim to damages arising from any retaking of possession under the terms of this Lease; or
- (b) in the name of and as the irrevocable appointed agent and attorney for the Lessee and without terminating or being deemed to have terminated this Lease take possession of the Collateral and proceed to lease the Collateral to any other person, firm or corporation on such terms and conditions, for such rental and for such period of time as Lessor may deem fit and receive such rental and hold the same and apply the same against any monies expressed to be payable from time to time by Lessee hereunder; or
- (c) terminate this Lease and by written notice to Lessee require Lessee to forthwith pay to Lessor on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as penalty the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Lease had not been terminated) less the net amount received by Lessor on any sale, lease or other disposition of the Collateral.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lessor at law or in equity; and in particular pursuant to the Personal Property Security Act or other similar legislation of the jurisdiction under whose laws this Lease may from time to time be interpreted. If upon disposition of the Collateral under this Lease or under the provisions of any remedies available to Lessor there shall be a surplus, such surplus shall be the property of Lessor.

23. EXPENSE UNDER DEFAULT: If Lessee repudiates the Lease or is in default thereunder Lessee shall be liable for any and all unpaid additional Rent due or to become due hereunder and other costs and expenses incurred by reason of any event of repudiation or of default or the exercise of Lessor's remedies in respect thereof, including all costs and expenses incurred in connection with the placing of such Collateral in the condition required by Section 13 and in returning the Collateral as required by Section 19.

24. WAIVER BY LESSOR: No delay or omission to exercise any right or remedy accruing to Lessor upon any breach or default of Lessee will impair any such right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default thereafter occurring. Any waiver, permit, consent or approval on the part of Lessor of any breach or default under this Lease or of any provision or condition hereof, must be in writing and will effect only to the extent in such writing specifically set forth. All remedies, either under this Lease or at law or in equity or otherwise afforded to the Lessor, are cumulative and not alternate.

25. WAIVER BY LESSEE: To the extent not prohibited by law or statute, Lessee hereby waives the benefit of all provisions of all applicable conditional sales, regulatory credit and other statutes and regulations made thereunder any and all Provinces and Territories of Canada, which would in any manner affect, restrict or limit the rights of Lessor hereunder, including, without limiting the generality of the foregoing, all of Lessee's rights, benefits and protections given or afforded by the provisions of the Limitations of Civil Rights Act of Saskatchewan as amended. Lessee also waives and assigns to Lessor the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.

26. BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS: Subject to the terms hereof this Lease shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives, provided that nothing in this clause contained shall impair any of the provisions hereinbefore set forth prohibiting transfer or subletting of the said Collateral by Lessee, or assignment of this Lease by Lessee without the written consent of Lessor.

27. FURTHER ASSURANCES: Lessee agrees to do all things and execute all documents as may reasonably be required by Lessor in order to give effect to this Lease including and to provide Lessor with a security interest and a purchase money security interest in the Collateral and a security interest in the proceeds of the Collateral.

28. SEVERABILITY: Any provision of this Lease prohibited by or unlawful or unenforceable under any applicable law or jurisdiction shall, at the sole option of Lessor, be ineffective as to such jurisdiction without invalidating the remaining provisions of this Lease, provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Lessee.

29. INTERPRETATION: It is hereby agreed by and between the parties hereto that whenever the context of this Lease so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and that in case more than one Lessee is named as Lessee, the liability of such Lessees shall be joint and several, without benefit of division or discussion.

30. APPLICABLE LAW: This Lease agreement shall be interpreted and enforced in accordance with the laws of the Province where in the said Collateral is to be located according to the terms hereof.

31. TIME: Time is of the essence of this Lease.

32. CREDIT INVESTIGATION: Lessee hereby consents to Lessor conducting a personal investigation or credit check upon Lessee subject to the application legislation. Lessee must at request of Lessor or Assignee provide financial statements on Lessee within 90 days of Lessee's fiscal year end.

33. NAME CHANGE, ETC.: Lessee shall promptly notify Lessor in writing of:

- (a) any change in Lessee's name;
- (b) any transfer, authorized or unauthorized, by Lessee of any interest in or benefit from the Collateral;
- (c) any change, authorized or unauthorized, by Lessee in the location of any Collateral; and
- (d) any change in the location of Lessee's Head Office specified above.

34. CHOICE OF LANGUAGE: The parties hereby acknowledge that they have required this contract and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language. Les parties reconnaissent avoir demandé que le présent contrat ainsi que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés dans langue anglaise.

35. HEADINGS: The insertion of headings in the Lease is for convenience of reference only and shall not affect the interpretation thereof.

36. PURCHASE MONEY SECURITY INTEREST: This Lease grants to Lessor a purchase money security interest in the Collateral, unless this Lease shall constitute a sale leaseback of the Collateral, and a security interest in proceeds of the Collateral which are present and after acquired personal property, fixtures and crops.

37. NOTICES: Any notice required or permitted to be given by the provisions hereof must be in writing and will be conclusively deemed to have been received by a party hereto on the day it is delivered to Lessor, at its head office in Burnaby and Lessee at the address contained herein.

38. ENTIRE AGREEMENTS: This Lease together with any purchase order, delivery and acceptance certificate, schedules, amendments or additions which are accepted in writing by Lessor constitute the entire agreement between Lessor and Lessee.

39. COPY OF AGREEMENT: Lessee acknowledges receipt of a copy of this Lease and waives all right to receive from Lessor copies of financing statements, financing change statements or verification statements filed with respect to this Lease.

40. FPSA WORDS AND EXPRESSIONS: Words and expressions used herein that have been in the Personal Property Security Act of the jurisdiction under whose laws this lease may from time to time be interpreted shall have the same meaning herein.

41. PERSONAL INFORMATION: I hereby authorize Travelers and any of its representatives or partners to collect, use and disclose my personal information for the purposes of investigating and providing financial services. I have been informed by Travelers or its partners or representatives, that my personal information is collected, used and disclosed for the following purposes: (1) to collect credit and related financial information from me, from credit agencies, and from any parties listed herein, (2) to use the information collected to determine my financial situation and confirm my identity, to provide financial services I have requested and to offer additional products and services of Travelers that may be of benefit to me, (3) to share the information with assignees, bankers or funding partners of Travelers, (4) to share the information collected and any information on my commercial dealings with Travelers with credit agencies or other financial institutions. Further, I specifically acknowledge that Travelers may assign this agreement and any related agreements in whole or in part from time to time and I agree that any personal information collected in relation to this agreement may be made available to any such proposed assignee.

42. Confirmation of Payable Status: Lessee certifies to TRAVELERS LEASING LTD. or its Assign ("the Bank") that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, the Lessee certifies that all sums owed privileged and preferred creditors, including government agencies have been paid and are current amounts owing in accordance with the permitted time frame for payment set by the particular creditor/agency. The Lessee agrees to maintain such payables in a current status while indebted to the Bank and to provide the Bank with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, the Lessee hereby authorizes the Bank to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and the Borrower hereby directs such departments to provide the Bank information respecting the Borrower's status of payments due to such government departments and/or agencies.

SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.

Equipment Description:

- (1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
 - (1) Technodinamica Contour TD400/1 Cutter S/N 20133500
 - (1) Micro Recycling "In-A-Box" S/N 14012467
 - (1) EPS Machine Greenmax A-C100 S/N 131108
 - (1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
 - (1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
- and all parts, attachments and accessories

TRAVELERS LEASING LTD.



Forte EPS Solutions Inc.


Dominic Zita, Director



LEASE NO. E0195

Delivery and Acceptance Certificate

1. We represent and warrant that all of the Equipment described in the lease agreement ("Lease") made between Travelers Leasing Ltd. ("Lessor") and the Lessee and numbered as captioned herein has been received, installed and is operating satisfactorily.
2. We have read the Lease and understand the terms thereof and, in particular but not limited to, those entitled "Non Cancellable Lease" and "No Representations or Warranties".
3. We acknowledge that the Lessor is not a manufacturer or distributor of the Equipment, nor is the Lessor an agent of the Vendor, and that the essential element of this Lease is financing only.
4. We hereby authorize Lessor to pay the Vendor invoice and to commence the Lease.

Date: August 1/14

Lessee's Full Legal Name

Forte EPS Solutions Inc.

BY: X [Signature] _____
Dominic Zita, Director

APPENDIX U

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC.

(Short title of proceeding)

June 14, 2017

June 14, 2017

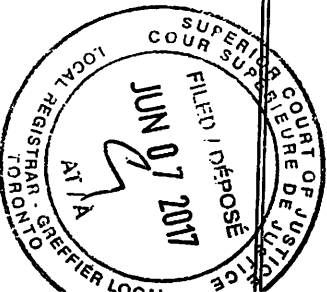
Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

I am satisfied that this motion should be granted on the terms of the attached Order.

Motion Record

The order is without prejudice to the parties rights to return to court and request that the Court charge be in priority & claims of the company & the Trustee's Finance lease. *Harris*



William Harvey Jones
Barrister and Solicitor
2702-401 Bloor Street
Toronto, Ontario
M4V 3A1

LSUC # 38735
(416) 596-8876
Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT

APPENDIX V

REQUEST FOR OFFERS TO PURCHASE THE BUSINESS AND ASSETS OF FORTE EPS SOLUTIONS INC. MANUFACTURER OF EPS RIGID FOAM

Pursuant to the Order of the Honorable Justice Myers dated August 24, 2017, Albert Gelman Inc., in its capacity as Proposal Trustee of Forte EPS Solutions Inc. is soliciting offers for the purchase of the business and assets of Forte EPS Solutions Inc. ("Forte").

Forte manufactures environmentally friendly low, medium and high density EPS (Expanded Polystyrene) Rigid Foam building materials primarily for the construction industry.

Forte has a modern 80,000 ft² automated manufacturing facility that is leased from 16567 Highway 12 Holdings Limited, an entity that is related to Forte. The related party landlord has expressed an interest in an assignment of its existing lease (providing it is comfortable with the potential tenant) or a sale of the premises on appropriate terms (to be negotiated with the landlord directly).

Forte's business is staffed by trained and skilled local employees residing in Midland, Ontario approximately 90 minutes north of the Greater Toronto Area. Forte's clientele includes local, national and multi-national construction companies with operations in Ontario and the northern U.S.A.

Forte produces Geofoam blocks used in civil construction and EPS foam sheets used for under concrete slab and against concrete wall construction. As well, Forte produces plain and embossed sheets for both the roofing industry and for the EIFS (Exterior Insulated Finish System) industries. The construction industry is Forte's primary focus as EPS foam is competitive and widely accepted. In addition, Forte is able to produce EPS foam products for product packaging as well as other custom applications such as custom cut letters for signage.

The cost of constructing the plant has left Forte in a position that it is undercapitalized. Management is confident that there are sufficient sales opportunities, given adequate working capital, for Forte to achieve several million per year in sales. Management estimates that the current installation of equipment is capable of producing approximately \$15 million CAD per annum in sales. As well, the 80,000 ft² facility has sufficient space to add more equipment as required. The facility is situated on 6.4 acres of land that provides the opportunity for outdoor storage.

Interested parties may obtain a confidential information package by contacting Albert Gelman Inc. and executing a non-disclosure and confidentiality agreement. **Offers must be submitted to Albert Gelman Inc. located at 100 Simcoe Street, Suite 125, Toronto, Ontario M5H 3G2 by September 28, 2017 at 5 p.m. EST.**

To request an information package please contact Tom McElroy at 416-504-1650 ext. 117 or by email at tmcelroy@albertgelman.com.

ALBERT GELMAN INC.,
Proposal Trustee of Forte
EPS Solutions Inc.
100 Simcoe Street, Suite 125
Toronto, Ontario M5H 3G2
Attention: Tom McElroy
T 416-504-1650 ext. 117
E. tmcelroy@albertgelman.com
F 416-504-1655

This document has been prepared by Albert Gelman Inc. for general information only. Albert Gelman Inc. makes no representations or warranties of any kind, expressed or implied, regarding the information contained herein. Any interested parties should undertake their own inquiries as to the accuracy of the information.

APPENDIX W

Forte EPS Solutions Inc.
 16567 Highway 12
 Midland, ON L4R 4K3
 Attention: John Cipressi and Dominic Zita

Invoice

Invoice Date: Oct 17, 2017
Invoice No: 2918
Billing Through: Oct 16, 2017
File ID: FORTE - P:

Re: Proposal of Forte EPS Solutions Inc.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
05/09/2017	TMCELROY	Call with J. Albert re monitoring and site visit; Call with prospective purchaser; SISF administration; Call with W. Jones re DIP financing and other matters; Email to creditor; Email to W. Jones; Email to management re SISF process; Review and consideration of prospective purchaser changes to NDA; Emails to prospective purchasers; Conference call with D. Magisano and W. Jones; Draft email responding to D. Zita;	3.10	\$345.00	\$1,069.50
05/09/2017	JALBERT	Attend premises for monitoring; Tour premises, note finished goods ready for shipment, WIP for Bronte; Discuss matters including off-cuts, accumulation of waste product in yard not yet disposed of and concerns in relation to foam chips in yard that are accumulating and possibly blowing outside of property boundaries; Update calls with T. McElroy on matters;	3.00	\$490.00	\$1,470.00
06/09/2017	TMCELROY	Emails to prospective purchaser; Discussions with J. Albert re Bronte Construction deposit, etc.; Draft report to Court; Discuss DIP financing, Flint Hills credit, etc. with W. Jones; Draft email to L. Wood; Call with prospective purchaser; Emails to R. Thomson (BDC); Draft email to H. Bricks; Discussions with J. Albert re treatment of assets subject to Travelers lease and email to D. Magisano re same; Prepare revised cash flow model and forward same to management; Convert accounts to Bill of Cost format;	6.40	\$345.00	\$2,208.00
06/09/2017	JALBERT	Update with T. McElroy on monitoring and other matters, including emailing of MAC report to service list, status of sales process, status of DIP financing and issues in relation to customer deposits for WIP as well as communications to BDC; Review and consider further emails from debtor and counsel and discussions with T. McElroy on various issues, including Salaries, application for extension and scheduling of application; Email from counsel and debtor's counsel on scheduling motion for extension; Email to debtor on various monitoring issues; Email from BDC and response; Discussion with T. McElroy re various matters; Email to debtor on communication with prospective buyers;	2.10	\$490.00	\$1,029.00

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

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 16567 Highway 12
 Midland, ON L4R 4K3
 Attention: John Cipressi and Dominic Zita

Invoice

Invoice Date: Oct 16, 2017
Invoice No: 2918
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File ID: FORTE - P:

Re: Proposal of Forte EPS Solutions Inc.

07/09/2017	TMCELROY	Draft third report to Court; Emails to W. Jones re DIP Funding; Prep for conference call with management; Emails to prospective purchasers; Call with prospective purchaser; Perform monitoring activities; Update prospective purchasers list; Emails to L. Wood; Email to management re agenda for conference call; Email to management re Trustee's accounts; Call with D. Magisano re sale of Travelers' assets as part of SISP; Review of banking information and email to S. Paderson re same;	4.70	\$345.00	\$1,621.50
07/09/2017	JALBERT	Emails re: status of DIP financing; Discussions with T. McElroy on draft report for next extension and agenda for conference call with Debtor; Further discussions with T. McElroy on key items; Review and comment on draft report; Review Travellers Lease; Conference call with counsel on process for dealing with assets pursuant to lease;	1.20	\$490.00	\$588.00
07/09/2017	SWARNER	Update monitoring spreadsheet for period Aug 26 to Sept 7;	1.20	\$235.00	\$282.00
08/09/2017	TMCELROY	Prep for and attendance at conference call with J. Cipressi, D. Zita, D. Magisano and J. Albert; Emails to prospective purchaser; Email to C. Belcourt (plant manager); Prepare and send revised PAD to L. Wood; Email to R. Thomson re data room; Call with H. Piworowicz of NATS (creditor);	3.30	\$345.00	\$1,138.50
08/09/2017	JALBERT	Call with T. McElroy in preparation for conference call with debtor and counsel; Conf call with Debtor and respective counsel on agenda items;	1.20	\$490.00	\$588.00
09/09/2017	JALBERT	Draft follow up memo to Debtor and their counsel on concerns raised in September 8 conference call and follow up required; Initial draft of terms and conditions of form of offer for prospective purchasers;	1.10	\$490.00	\$539.00
10/09/2017	TMCELROY	Review and send follow up email to D. Zita and J. Cipressi;	0.50	\$345.00	\$172.50
11/09/2017	TMCELROY	Emails to prospective purchasers; Emails to management; Review debtor motion record; Review of monitoring reports; Email to creditor re status of proposal proceedings;	1.80	\$345.00	\$621.00
11/09/2017	JALBERT	Calls with T. McElroy; Emails from Debtor on status of outstanding items and follow up to Friday's conference call;	0.70	\$490.00	\$343.00

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Re: Proposal of Forte EPS Solutions Inc.

12/09/2017	TMCELROY	Emails to L. Wood; Conference call with W. Jones, D. Zita, J. Cipressi, D. Magisano and J. Albert; Conference call with D. Magisano, J. Albert and W. Jones; Draft report to Court; Conference call with D. Magisano, J. Albert, Ruth Thomson and Maya Poliak; Email to management re CF forecast; Review of documents provided by Debtor; Calls with prospective purchasers;	6.90	\$345.00	\$2,380.50
12/09/2017	JALBERT	Preparation for and conference call with our counsel and Debtor and their counsel on follow up to our Friday meeting and matters still outstanding for our report to court; Follow up call with Trustee's counsel and conference call with Debtor's counsel; Review Phase II on land, note there are no issues raised in it; Work on main agenda items for report to court; Review and due diligence on first draft of revised cash flow; Review first draft of Trustee's report prepared by T. McElroy and discuss with him; Conference call with BDC and counsel;	3.30	\$490.00	\$1,617.00
13/09/2017	TMCELROY	Emails to J. Cipressi and D. Zita; Review AR report; Call with W. Jones re cash flow, DIP funds and Bronte contract; Emails to W. Jones; Finalize report; Calls with D. Zita re cash flow forecast; Emails to L. Wood; Emails to prospective purchasers;	4.20	\$345.00	\$1,449.00
13/09/2017	JALBERT	Review T. McElroy amendments to Trustee's Report and discuss same with him; Update emails from Debtor and call with T. McElroy in relation to outstanding items from our prior meetings and report to court;	1.10	\$490.00	\$539.00
14/09/2017	TMCELROY	Finalize and issue report to Court; Assist Dom Z. with cash flow forecast; Several calls with W. Jones; Call with L. Wood; Email to R. Thomson; Emails to prospective purchasers re plant tour; Monitoring activities; Review of draft supplementary affidavit of J. Cipressi;	6.10	\$345.00	\$2,104.50
14/09/2017	JALBERT	Work on Trustee's report, including conference calls with counsel and T. McElroy; Update emails from debtor and counsel in relation to DIP and communications with Bronte;	2.20	\$490.00	\$1,078.00
15/09/2017	TMCELROY	Call with D. Zita re cash flow projection; Finalize cash flow projection; Finalize Form 29 - Report of Trustee on CF; Several calls with W. Jones; Call with D. Magisano re supplement to Third Report; Conference call with J. Albert and M. Poliak re upcoming hearing; Emails to L. Wood; Emails to prospective purchasers; Conference call with M. Poliak and D. Magisano re cash flow forecast;	6.90	\$345.00	\$2,380.50

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15/09/2017	JALBERT	Attend at plant, meeting with prospective purchasers and tours; meeting with debtor; Follow up calls with T. McElroy;	6.00	\$490.00	\$2,940.00
16/09/2017	TMCELROY	Review proposed changes to NDA and email to D. Magisano re same; Email to William Jones re cash flow; Finalize supplementary report; Call with D. Zita; Call with W. Jones and J. Cipressi;	2.10	\$345.00	\$724.50
17/09/2017	TMCELROY	Call with W. Jones; Finalize report to Court;	0.80	\$345.00	\$276.00
17/09/2017	JALBERT	Work on supplementary report, discuss and review same with T. McElroy; Review supplementary Motion Record, including affidavit of Debtor; Discussions with T. McElroy in preparation for Motion for extension of time;	2.00	\$490.00	\$980.00
18/09/2017	TMCELROY	Prep for and attendance at Court hearing; Call with prospective purchaser; Emails to several prospective purchasers; Approve disbursement; Draft letter to V. Gifford; Call with A. Schmidt; Review form of offer and forward same to counsel;	4.30	\$345.00	\$1,483.50
18/09/2017	JALBERT	Prepare for and attend in court for extension hearing; Continue to prepare form of offer;	2.10	\$490.00	\$1,029.00
19/09/2017	TMCELROY	Numerous emails to prospective purchasers; Review solicitors accounts; Emails to V. Gifford; Emails to L. Wood; Calls (2) with prospective purchasers; Draft email to J. Cipressi and D. Zita re financial information;	1.60	\$345.00	\$552.00
19/09/2017	JALBERT	EM exchanges and discussions with T. McElroy on process, prospective buyers, monitoring; Discussions with counsel to Debtor on proposed lease agreement for prospective buyers;	0.40	\$490.00	\$196.00
20/09/2017	TMCELROY	Emails to prospective purchasers; Approve disbursement; Monitoring activities; Emails to L. Wood;	1.10	\$345.00	\$379.50
20/09/2017	JALBERT	Attend premises to meet with prospective purchaser and conduct monitoring activities; Take additional photos of equipment for data room;	3.00	\$490.00	\$1,470.00
21/09/2017	TMCELROY	Emails to prospective purchasers; Review form of APS and discuss same with J. Albert; Call with B. Sievert re lease agreement and status of financial statements; Call with D. Magisano re form of APS;	4.20	\$345.00	\$1,449.00
21/09/2017	JALBERT	Review APA and discuss same with T. McElroy; Review proposed lease agreement and discuss same with T. McElroy; Conference call with Debtor on several matters, including operations, cash flow and proposed lease; Conference call with counsel on form of APS;	2.50	\$490.00	\$1,225.00

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 Attention: John Cipressi and Dominic Zita

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Invoice Date: Oct 16, 2017
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Re: Proposal of Forte EPS Solutions Inc.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
22/09/2017	TMCELROY	Emails to prospective purchasers; Review content in data room; Conduct monitoring activities; Email to D. Zita; Review of Form of APS; File administration;	1.20	\$345.00	\$414.00
22/09/2017	JALBERT	Review counsel changes to APS; Co-ordination of further visits by prospective buyers; Upload photos to data room;	0.70	\$490.00	\$343.00
25/09/2017	TMCELROY	Call with W. Jones re form of APA; Monitoring activities; Email to L. Wood; Call with prospective purchaser; Finalize form of APA;	1.90	\$345.00	\$655.50
25/09/2017	JALBERT	Call Tom re: APS and discussions with debtor's counsel on changes;	0.30	\$490.00	\$147.00
26/09/2017	TMCELROY	Numerous emails to prospective purchasers; Call with prospective purchaser; Discussion with D. Cherniak re banking matters; Emails to L. Wood;	1.90	\$345.00	\$655.50
26/09/2017	JALBERT	Attend premises, meet with 2 prospective buyers; Discussions with D. Zita on sales process; Update to T. McElroy; Review finished goods and work in process on floor; Amendment to Form of Offer and upload amended form of offer;	4.50	\$490.00	\$2,205.00
27/09/2017	TMCELROY	Perform monitoring activities; Emails to prospective purchasers; Call with A. Schmidt re SISP; Email to prospective purchaser;	0.70	\$345.00	\$241.50
27/09/2017	JALBERT	Communications from prospective buyers and discussions with T. McElroy re same; TC with prospective buyer; TC Ken Page, solicitor, and discuss matter in general; Update data room with additional documents;	1.20	\$490.00	\$588.00
28/09/2017	TMCELROY	Emails to prospective purchasers; Email to K. Page; Review of SISP and SISP Order re time line and procedure; Instructions to D. Cherniak re banking; Call with W. Jones re SISP, BDC payment, etc; Email to L. Wood; Call with W. Jones re SISP process as it pertains to review of offers;	1.70	\$345.00	\$586.50
28/09/2017	JALBERT	Communications and discussions with Tom re: enquiries from prospective buyers; Open and review offers with T. McElroy;	0.90	\$490.00	\$441.00
29/09/2017	TMCELROY	Email to W. Jones re monitoring materials; Call with counsel re offers and next steps; Review offers and prepare offer summary; Email to W. Jones re SISP offers received; Email to K. Page; Email to prospective purchaser; Draft email to BDC re offers received; Call with L. Wood; Approve deposit; Review of CRA property claim;	3.40	\$345.00	\$1,173.00

Albert Gelman Inc. - 100 Simcoe Street, Ste. 125, Toronto, ON M5H 3G2 - Tel: 416 504 1650 - Fax: 416 504 1655 - albertgelman.com

Forte EPS Solutions Inc.
 16567 Highway 12
 Midland, ON L4R 4K3
 Attention: John Cipressi and Dominic Zita

Invoice

Invoice Date: Oct 16, 2017
Invoice No: 2918
Billing Through: Oct 16, 2017
File ID: FORTE - P:

Re: Proposal of Forte EPS Solutions Inc.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
02/10/2017	JALBERT	TC Counsel to Debtor on offers and next steps; Conference call with BDC on offers and follow up; Call with counsel re offers;	2.20	\$490.00	\$1,078.00
02/10/2017	TMCELROY	Call with W. Jones re offers; VM left for prospective purchasers; Email to W. Jones; Email to management; Call with prospective purchaser; Call with W. Jones re format of Div I Proposal; Prepare template form of Div I Proposal and forward same to W. Jones; Conference call with W. Jones, D. Zita and J. Cipressi; Review of life insurance policies;	3.80	\$345.00	\$1,311.00
03/10/2017	TMCELROY	Discuss form of commercial lease agreement with J. Albert; Discuss offers with J. Albert; Call with W. Jones; Update Ascend; Email to creditors; Call with D. Nunes re SISP; Emails to D. Nunes;	1.10	\$345.00	\$379.50
03/10/2017	JALBERT	TC Meeting with T. McElroy to discuss offers, proposed lease agreement in preparation for the Trustee's recommendation on "Best Offer"; Review proposed lease agreement; Conference call with T. McElroy and Debtor's counsel on offers and draft form of lease; Email updates; Emails from counsel to prospective buyer and discuss with T. McElroy;	1.60	\$490.00	\$784.00
04/10/2017	TMCELROY	Call with W. Jones re SISP process; Several calls with D. Nunes re SISP; Emails to D. Nunes; Emails (2) to D. Magisano;	1.00	\$345.00	\$345.00
05/10/2017	TMCELROY	Email to W. Jones; Calls with counsel re Best Offer per SISP; Monitoring activities; Review amended offer and discuss same with counsel;	2.70	\$345.00	\$931.50
05/10/2017	JALBERT	Review of specific "Best Offer" in detail; Conference call with counsel to discuss Trustee's position on qualified offers and terms of qualified offers and agree on next steps;	1.80	\$490.00	\$882.00
06/10/2017	TMCELROY	Monitoring procedures; Email to L. Wood; Prepare Excel model re distribution "waterfall" of Best Offer; Attend meeting with J. Cipressi, W. Jones, K. Page, D. Magisano, D. Zita;	3.40	\$345.00	\$1,173.00
06/10/2017	JALBERT	Review analysis of T. McElroy on potential sales proceeds and allocation in preparation for meeting with Debtors and counsel;	0.30	\$490.00	\$147.00
07/10/2017	TMCELROY	Email to counsel for prospective purchaser; Email to D. Magisano re SISP procedures;	0.40	\$345.00	\$138.00
10/10/2017	JALBERT	Update on emails on sales process; Communications with offerors; Communications with debtors counsel;	0.20	\$490.00	\$98.00
10/10/2017	TMCELROY	Email to W. Jones; Email to counsel re SISP deadlines;	0.30	\$345.00	\$103.50

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Forte EPS Solutions Inc.
 16567 Highway 12
 Midland, ON L4R 4K3
 Attention: John Cipressi and Dominic Zita

Invoice

Invoice Date: Oct 16, 2017
Invoice No: 2918
Billing Through: Oct 16, 2017
File ID: FORTE - P:

Re: Proposal of Forte EPS Solutions Inc.

Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/10/2017	TMCELROY	Review and respond to correspondence from L. Wood re cash flow monitoring; Monitoring activities; Email to Sherry re monitoring report; Emails to L. Wood re monitoring matters;	0.80	\$345.00	\$276.00
11/10/2017	JALBERT	EM exchange and update from T. McElroy on monitoring issues; TC with T. McElroy on sales process issues;	0.40	\$490.00	\$196.00
12/10/2017	TMCELROY	Conference call with W. Jones and D. Magisano re status of discussions with prospective purchaser; Call with J. Albert and D. Magisano re SISP and status of offer/proposal; Review solicitors account; Approve disbursement; Emails to Debtor; Email to creditor; Conference call with J. Cipressi, W. Jones, D. Magisano and K. Page;	2.60	\$345.00	\$897.00
12/10/2017	JALBERT	Conference call with counsel on status of Debtor's position of offers; TC update with T. McElroy following conference call with Debtor on status, negotiations and position of landlord on preferred offer;	1.20	\$490.00	\$588.00
13/10/2017	TMCELROY	Several calls with W. Jones re status of negotiations with prospective purchaser; Call with counsel re status of negotiations with prospective purchaser and next steps;	0.90	\$345.00	\$310.50
13/10/2017	JALBERT	Update call with T. McElroy on status of preferred offer and negotiations between landlord and prospective purchaser to remove lease conditions; Further update call with T. McElroy; Update from Counsel on communications with prospective purchaser;	0.70	\$490.00	\$343.00
13/10/2017	DCHERNIAK	May - Sep 2017 Bank reconciliations;	0.50	\$100.00	\$50.00
14/10/2017	TMCELROY	Email to K. Page; Email to W. Jones; Several email to L. Wood re monitoring; Monitoring procedures; Email to creditor;	0.80	\$345.00	\$276.00
16/10/2017	JALBERT	Update emails between debtor and counsel for preferred purchaser; Co-ordinate attendance at premises; Conference call with counsel on debtor's negotiation with purchaser, as copied to us, and decision on Trustee's role in matter;	0.70	\$490.00	\$343.00
16/10/2017	TMCELROY	Several call with W. Jones re status of negotiation with prospective purchaser; Email to L. Wood; Conference call with D. Magisano, J. Larry and W. Jones; Email to M. Poliak;	1.20	\$345.00	\$414.00

Total Fees: \$54,437.00
HST: \$7,076.81

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 Attention: John Cipressi and Dominic Zita

Invoice

Invoice Date: Oct 16, 2017
Invoice No: 2918
Billing Through: Oct 16, 2017
File ID: FORTE - P:

Re: Proposal of Forte EPS Solutions Inc.

Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Daphna Cherniak (Estate Administrator)	0.50	\$100.00	\$50.00
Joe E. Albert (Principal, CIRP, CPA, DIFA, LIT)	48.60	\$490.00	\$23,814.00
Suzette Warner (Associate, CFE, CPA, CGA, FCCA)	1.20	\$235.00	\$282.00
Tom McElroy (Manager, CPA, CA, CBV, CIRP, LIT)	87.80	\$345.00	\$30,291.00

Disbursements:

Taxable Disbursements

PHOTOCOPIES:	\$395.00
POSTAGE:	\$393.65
TRAVEL:	\$574.10

Total Disbursements: \$1,362.75

HST: \$177.18

Amount Due This Invoice: \$63,053.74

Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$55,799.75
TOTAL HST:	\$7,253.99
TOTAL AMOUNT DUE:	\$63,053.74

Payment of this account is due on receipt
 HST Registration # 83741 9514 RT0001

APPENDIX X

Court File No. 31-2253654
Estate File No. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

BILL OF COSTS OF SOLICITOR TO TRUSTEE

From August 15, 2017 to September 7, 2017

FEES:

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
August 15, 2017	DNM	1.10	E-mails regarding Insolofoam negotiations and possible SISP
August 16, 2017	DNM	1.50	Review and amend report; e-mail to debtor counsel regarding funding matters; e-mails regarding motion tomorrow
August 17, 2017	DNM	2.50	Attend court hearing; discussion with Debtor counsel; discussions with client regarding D. Zita pay; e-mail to debtor counsel regarding same
August 18, 2017	DNM	0.30	E-mail exchanges regarding withdraws from debtor
August 21, 2017	DNM	2.80	Telephone call with client and debtors about Thursday's motion, salary issues and DIP issues; revise SISP; e-mails regarding same; emails regarding salary issues
August 22, 2017	DNM	2.00	Review and amend second supplement to second report; telephone call with T. McElroy regarding same; telephone call with M. Poliak; telephone call with W. Jones
August 23, 2017	DNM	3.50	Telephone calls with BDC counsel; review amend order; telephone calls with W. Jones; e-mails regarding order and CRA matters; telephone calls with client
August 24, 2017	DNM	3.50	Prepare and attend motion regarding SISP; meet with client regarding same; e-mails regarding same; conference call regarding disclosure to Proposal Trustee; telephone call with debtor and counsel regarding disclosure
August 25, 2017	DNM	0.60	Review e-mails regarding reporting from Debtor
August 28, 2017	DNM	1.40	Telephone call with J. Albert and T. McElroy regarding SISP; review teaser, NDA CIM etc.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
August 29, 2017	DNM	1.50	Telephone calls with J. Albert And T. McElroy; telephone call with W. Jones; draft e-mail to W. Jones
August 30, 2017	DNM	2.60	E-mails regarding CRA matters and information requests; review CIM; telephone calls with J. Albert; conference call with debtor and counsel; e-mail from BDC counsel
August 31, 2017	DNM	1.10	Draft response to M. Poliak; e-mail from client regarding call with BDC; e-mails regarding accounting information requested; message from J. Albert; voicemail to client
September 1, 2017	DNM	1.30	Telephone call with clients; finalize e-mail to BDC counsel; review MAC; e-mails regarding same
September 5, 2017	DNM	1.00	Telephone call with client and debtor counsel regarding lease extension and DIP funding; e-mail regarding same; telephone call with client regarding new report
September 6, 2017	DNM	1.10	E-mails regarding database and expressions of interest; message from W. Jones
September 7, 2017	DNM	1.20	Review amended NDA; provide comments to same; telephone call with client regarding lease issue and possible issues on sale

OUR FEE HEREIN: \$14,500.00
HST ON FEES: \$ 1,885.00
TOTAL FEES AND HST: \$16,385.00

Lawyer	Hours	Rate	Amount
Domenico N. Magisano	29.00	\$500.00	\$14,500.00

DISBURSEMENTS:

Fee for Taxation of BOC*	50.00
Miscellaneous – Binding	9.20
Miscellaneous – Copying	61.00
Bell Conferencing Inc.	3.90
Charge to File BOC	43.20

TOTAL DISBURSEMENTS	167.30
HST ON DISBURSEMENTS	15.25

TOTAL FEES AND DISBURSEMENTS	\$14,667.30
TOTAL HST	\$1,900.25
TOTAL AMOUNT DUE AND PAYABLE	<u>\$16,567.55</u>

*Non-Taxable Disbursement

TOTAL AMOUNT CLAIMED FOR FEES AND DISBURSEMENTS

ASSESSED AND ALLOWED at Toronto this _____ day of _____, 2017.

Registrar

We hereby certify that we have examined this bill of costs, that the services therein described have been duly authorized and rendered, and that the charges in our opinion are fair and reasonable. The receipts to date of this estate after payment of secured creditors' claims are approximately \$_____.

We hereby waive notice of the time and place of taxation of this bill.

Albert Gelman Inc.

Per: _____

Court File No. 31-2253654
Estate File No. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

BILL OF COSTS OF SOLICITOR TO TRUSTEE

From September 8, 2017 to October 12, 2017

FEES:

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
September 8, 2017	DNM	1.40	Review documents regarding upcoming stay extension; telephone call with Debtor and counsel regarding status update
September 11, 2017	DNM	1.10	Prepare and attend chambers appointment; discussion with W. Jones; review debtor record
September 12, 2017	DNM	3.40	Telephone call with client; telephone call with client and debtor; telephone call with counsel and debtor; review cash flows; telephone call with BDC an counsel; amend draft order; e-mail exchanges with Debtor counsel
September 13, 2017	DNM	1.40	E-mails regarding information in response to MAC Report; review and revise Third Report; email regarding same; e-mails regarding DIP Loan allocation; e-mails regarding Flint Hills and Bronte issues
September 14, 2017	DNM	1.50	Telephone call with clients; telephone call with counsel to Airlite; e-mails to client regarding same; review revisions to third report; e-mail amendments to NDA to Airlite counsel; review same
September 15, 2017	DNM	1.70	Telephone calls with T. McElroy and J. Albert; telephone calls with clients and W. Jones regarding \$30,000 shareholder advance; e-mails regarding same; e-mails with client regarding motion tomorrow; telephone calls with clients and M. Poliak
September 17, 2017	DNM	0.60	Review supplement to third report; review draft order; e-mails regarding same
September 18, 2017	DNM	2.00	Prepare and attend motion for stay extension; finalize supplement to third report; e-mails regarding supplemental report
September 19, 2017	DNM	1.80	Review draft form of offer; e-mails regarding same;

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			draft APA
September 20, 2017	DNM	1.10	Complete draft APA; e-mail to debtor counsel
September 21, 2017	DNM	1.60	Telephone call with client; amend APA; draft email to debtor counsel
September 22, 2017	DNM	0.20	E-mail from client regarding e-mail to W. Jones; amend and send same
September 22, 2017	VLG	0.30	Search Trademark and Patents database for any ownership of Forte EPS Solutions Inc. and it's principals; e-mails no match results to client
September 29, 2017	DNM	0.80	Telephone call with client regarding status of SISP
October 1, 2017	DNM	0.30	Review and respond to e-mails regarding payments to BDC; e-mails regarding SISP and proposal matters
October 2, 2017	DNM	1.20	Message exchange with W. Jones; e-mail from M. Poliak; telephone call with W. Jones; telephone call with client and BDC; telephone call with client; e-mail to W. Jones
October 3, 2017	DNM	0.40	Telephone call with T. McElroy; e-mails regarding possible lease with landlord
October 4, 2017	DNM	0.70	E-mails regarding lease negotiations and clarification on offer terms
October 5, 2017	DNM	2.80	Telephone call with W. Jones regarding possible proposal; telephone call with T. McElory regarding same; e-mails regarding mortgaged property; telephone call with clients; e-mails to W. Jones
October 6, 2017	DNM	4.10	Meeting with debtor and counsel; e-mail exchanges with client regarding Amvic agreement; e-mail exchanges with W. Jones
October 8, 2017	DNM	0.30	E-mail exchanges with T. McElroy regarding SISP matters
October 10, 2017	DNM	0.80	Telephone call with D. Nunes; telephone call with W. Jones; e-mails regarding sale of assets and lease matters
October 11, 2017	DNM	0.60	Draft e-mails regarding offer dates; e-mails regarding offer negotiations
October 12, 2017	DNM	3.00	Telephone calls with clients regarding offers and sale process; e-mails regarding same; telephone call with W. Jones; conference call with D. Nunes regarding sale agreement

OUR FEE HEREIN: \$16,449.50
 HST ON FEES: \$ 2,138.44
 TOTAL FEES AND HST: \$18,587.94

Lawyer	Hours	Rate	Amount
Domenico N. Magisano	32.80	\$500.00	\$16,400.00
Victoria L. Gifford (clerk)	0.30	\$165.00	\$49.50

DISBURSEMENTS:

Fee for Taxation of BOC*	150.00	
Bell Conferencing Inc.	18.21	
Charge to File Documents	197.80	
TOTAL DISBURSEMENTS		366.01
HST ON DISBURSEMENTS		28.08

TOTAL FEES AND DISBURSEMENTS	\$16,815.51
TOTAL HST	\$2,166.52
TOTAL AMOUNT DUE AND PAYABLE	<u>\$18,982.03</u>

*Non-Taxable Disbursement

TOTAL AMOUNT CLAIMED FOR FEES AND DISBURSEMENTS

ASSESSED AND ALLOWED at Toronto this _____ day of _____, 2017.

Registrar

We hereby certify that we have examined this bill of costs, that the services therein described have been duly authorized and rendered, and that the charges in our opinion are fair and reasonable. The receipts to date of this estate after payment of secured creditors' claims are approximately \$_____.

We hereby waive notice of the time and place of taxation of this bill.

Albert Gelman Inc.

Per: _____

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

Court File No. 31-2253654
Estate File No. 31-2253654

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at **TORONTO**

**FOURTH REPORT OF THE PROPOSAL TRUSTEE
(RETURNABLE OCTOBER 30, 2017)**

LERNERS LLP
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

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Lawyers for the Proposal Trustee, Albert Gelman
Inc.