



ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
[COMMERCIAL LIST]

MAP
THE HONOURABLE **MR.**) FRIDAY, THE 8th DAY
)
JUSTICE **PENNY**) OF MARCH, 2019

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF SYNERGY STAMPING INC. AND 1696306 ONTARIO INC.,
OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

ORDER
(Re: Approval and Vesting, Distribution, etc.)

THIS MOTION, made by Synergy Stamping Inc. and 1696306 Ontario Inc. (collectively, the “**Companies**”) pursuant to Sections 50.4(9) and 64.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) for an order, *inter alia*:

- (i) approving the transaction contemplated by the asset purchase agreement made by and between 1696306 Ontario Ltd. (the “**Vendor**”) and Prestige Equipment (“**Prestige**”) dated February 26, 2019 (the “**Surplus Machine APA**”) and appended to the affidavit of Saifur Rahman, sworn February 27, 2019 (the “**Rahman Affidavit**”);

- (ii) vesting the Vendor's right, title and interest in and to the asset described in the Surplus Machine APA (the "**Surplus Machine**") in the purchaser thereof free and clear of all claims; and
- (iii) approving the distribution of the proceeds realized from the sale of the Surplus Machine to BDC less the amount of the Sale Holdback (*as hereinafter defined*;

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

ON READING the Rahman Affidavit and the exhibits thereto and the First Report of Albert Gelman Inc. in its capacity as the proposal trustee of the Companies (in such capacity, the "**Proposal Trustee**"), dated March 1, 2019, and the appendices thereto (the "**First Report**"), and on hearing the submissions of counsel for the Companies, the Proposal Trustee, and such other counsel as were present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Sandra Radanovic sworn March 1, 2019, filed:

1. **THIS COURT ORDERS** that the time for service and filing 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 AND DECLARES** that the Surplus Machine APA is hereby authorized and approved, and the execution of the Surplus Machine APA by Vendor. is hereby authorized and approved, with such minor amendments as Vendor. may deem necessary. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated by the Surplus Machine APA (collectively, the "**Transaction**").

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

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Surplus Machine shall stand in the place and stead of the Surplus Machine, and that from and after the delivery of the Purchaser's Bill of Sale all Claims and Encumbrances shall attach to the net proceeds from the sale of the Surplus Machine with the same priority as they had with respect to the Surplus Machine immediately prior to the sale, as if the Surplus Machine had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS** that, notwithstanding:

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

the vesting of the Surplus Machine in Prestige, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

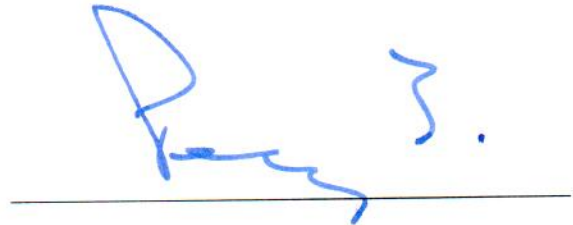
6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustees' Certificate, forthwith upon delivery thereof.

7. **THIS COURT ORDERS** that Confidential Appendix "Y" and Confidential Appendix "X" to the Rahman Affidavit shall be sealed until the completion the sales process approved by order of the Court made in this proceeding dated March 8, 2019 and any transaction or transactions contemplated thereby, or until further order of this Court.

8. **THIS COURT ORDERS** that Vendor shall pay the proceeds realized from the sale of the Surplus Machine to the Business Development Bank of Canada ("**BDC**") less the amount of \$10,000 (the "**Sale Holdback**"), which amount is to be held back by Vendor on account of the

administration charge approved by the Court in this proceeding; and, for greater certainty the amount distributed to BDC pursuant to this paragraph shall not be subject to the aforementioned administration charge.

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

A handwritten signature in blue ink is positioned above a horizontal line. The signature is stylized and appears to consist of a large initial 'P' followed by a series of connected loops and a final flourish that ends in a small '3' shape.

SCHEDULE "A"

Court File Nos. 32-2474822 and 32-2474820

Estate File Nos. 32-2474822 and 32-2474820

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SUPERIOR COURT OF JUSTICE
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[COMMERCIAL LIST]**

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PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- I. On February 14, 2019, each of Synergy Stamping Inc. ("**Synergy**") and 1693606 Ontario Inc. ("**169Co**"; and, together with Synergy, the "**Debtors**") filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**NOIs**").
- II. Albert Gelman Inc. was appointed as proposal trustee under each of the NOIs (in such capacity, the "**Proposal Trustee**").
- III. Pursuant to an Order of the Court dated March 8, 2018, the Court approved the agreement of purchase and sale between the 169Co, as vendor, and Prestige Equipment Corporation (the "**Purchaser**"), as purchaser, dated February 26, 2018 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, of all 169Co's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the

purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser;
3. The transaction has been completed to the satisfaction of the Proposal Trustee; and
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

ALBERT GELMAN INC., in its capacity as Proposal Trustee, and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

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Estate File Nos. 32-2474822 and 32-2474820

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Proceedings commenced at Toronto

ORDER

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Inc.*