

WILLIAM HARVEY JONES

B A R R I S T E R & S O L I C I T O R

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February 20, 2018

Chaitons LLP
Barristers & Solicitors
5000 Yonge Street, 10th. floor
Toronto Ontario
MM2N 7E9
Attention: Maya Poliak

And to the attached service list

Dear Sirs and Mesdames

RE: In the matter of the Notice of intention to Make a Proposal of Forte EPS Solutions Inc.

Please find attached hereto the following documents:

1. The endorsement of Justice Dunphy of February 16, 2018 ; and
2. The Order of Justice Dunphy dated February 16, 2018.

Yours very truly



William Harvey Jones

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

(Short title of proceeding)

Feb 16/18

! see attachment sheet

ST Duylly J
16 Feb 2018

It seems to me that unless you requested relief more properly by way of being asked by the trustee in bankruptcy acting as such. I order the proposed Trustee to distribute Escrow Funds as follows:

1. TO Proposed Trustee re \$ < 0,000
Prof. Charge Fees
2. TO DIP lender \$ 213,479*
*(add per diem to today's date)
3. Proposed Trustee \$ 23,600
(fees re Escrow)

All remaining funds to be delivered to the Trustee in Bankruptcy to be dealt with pursuant to TBIA in

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

FILED / DÉPOSÉ
FEB 13 2018
AT / À
LOCAL REGISTRAR - TORONTO
LOCAL GREFFIER LOCAL

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

Lawyer for the DEBTOR/APPLICANT

The ordinary course. The order satisfies para 17 of the order of majors of October 30, 2017.

The Reinforcement Agreement is hereby determined as well. CRAs

claim is below the level of funds

the Trustee is ~~likely~~ will have on

hand. If the Trustee is satisfied with the ~~CRAs claim~~ ^{priority of + amount} it will be

Saks's Fund. CRA is on with +

did not appear today and are not

parties to the Reinforcement Agreement

at all events. No VIP lender

and Proposed Trustee are authorized to

co-ordinate with & perform primary in further interest access after today's date.

John D. [Signature]



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

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

THE HONOURABLE

)

FRIDAY, THE 16th

)

JUSTICE DUNPHY

)

DAY OF FEBRUARY, 2018

)

**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**

DISTRIBUTION ORDER

THIS MOTION, made by 16567 HIGHWAY 12 HOLDINGS LIMITED. (the “**DIP Lender**”) for an Order seeking, amongst other things:

1. approval of a distribution of proceeds currently held by Albert Gelman Inc. (“**AGI**”) in accordance with the Order of the Honourable Justice Myers dated October 30, 2017 (the “**Escrow Funds**”) in payment of the advances made and secured by the DIP Charge as defined below;
2. approval of a payment of AGI’s fees and disbursements, including the fees of its counsel, associated with administering to the Escrow Funds;
3. termination of the Reimbursement Agreement between AGI in its capacity as proposal trustee of Forte EPS Solutions Inc. (the “**Debtor**”), the Debtor, and Business Development Bank of Canada (“**BDC**”) dated November 2, 2017 as referenced in the Order of the Honourable Justice Myers dated October 30, 2017 (the “**Reimbursement Agreement**”).

ON READING (i) the affidavits of John Cipressi sworn February 4, and February 14, 2018 (the “**Cipressi Affidavits**”), (ii) the first report of the Trustee dated February

14, 2018 (the "**First Report**"), and on hearing the submissions of counsel for the DIP Lender, the Trustee, BDC, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Helga Fairhurst sworn February 5 and February 15, 2018 filed:

GENERAL

1. **THIS COURT ORDERS** that the First Report and the activities of AGI contained therein be and are hereby approved.

DISTRIBUTION OF ESCROW FUNDS

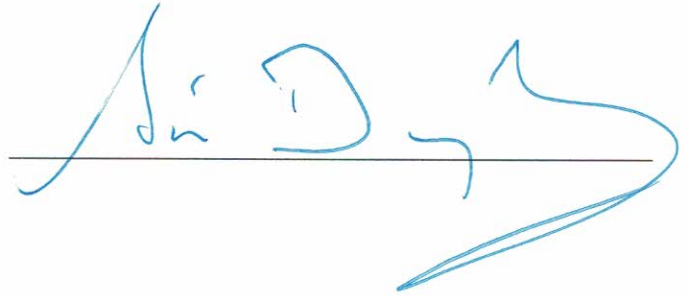
2. **THIS COURT ORDERS** that AGI is authorized and directed to distribute the Escrow Funds as follows:

- (a) payment of \$50,000 to AGI in its capacity as proposal trustee of the Debtor in accordance with the Administration Charge as granted by the Order of the Honourable Justice Penny dated July 31, 2017;
- (b) payment of \$213,479.00 (the "**DIP Funds**") to the DIP Lender representing repayment of principal and accrued interest to February 16, 2018 on funds advanced to the Debtor and secured by the DIP Charge as created by the Order of the Honourable Justice Penny dated July 31, 2017. The DIP Lender and the Proposal Trustee are to co-ordinate the timing of the payment of the DIP Funds providing that no further interest accrued after February 16, 2018;
- (c) payment of the AGI's accounts (including the accounts of its counsel) relating to its administration of the Escrow Funds up to a maximum of \$23,600 inclusive of HST and disbursements; and
- (d) the remaining funds held in trust by AGI pursuant to the Order of Myers J. dated October 30, 2017 (the "**October 30 Order**") shall be delivered to the

Trustee in Bankruptcy to be dealt with ^{ATD} pursuant to the *Bankruptcy and Insolvency Act* RSC 1985 c. B-3 as amended (the "BIA")

ADMINISTRATIVE MATTERS

3. **THIS COURT ORDERS** the Reimbursement Agreement dated November 2, 2017, as required by paragraph 13 of the October 30 Order is hereby terminated.
4. **THIS COURT ORDERS** that the distributions in paragraph 2 of this Order satisfy the requirements of paragraph 17 of the October 30 Order.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be 'A. D. G.' followed by a large, sweeping flourish that extends to the right.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE 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**

ORDER

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