

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE Mr.) TUESDAY, THE 17th
JUSTICE McEwen) DAY OF SEPTEMBER, 2019

BETWEEN :



**THE TORONTO-DOMINION BANK and
TD EQUIPMENT FINANCE CANADA,
a division of THE TORONTO-DOMINION BANK**

Applicants

- and -

NOREAST FOODS LTD. and AERDON CONTINENTAL CORP.

Respondents

ORDER

THIS MOTION, made by Albert Gelman Inc. (“**AGI**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties (collectively, the “**Property**”) of Noreast Foods Ltd. and Aerdon Continental Corp. (collectively, the “**Debtors**”), for an Order, *inter alia*, (i) approving the first report of the Receiver dated September 5, 2019 (the “**First Report**”) and the activities of the Receiver set out therein; (ii) approving the fees and disbursements of the Receiver and its legal counsel; (iii) approving the First Confidential Report of the Receiver dated September 5, 2019 (the “**First Confidential Report**”) and the activities of the Receiver set out therein; (iv) approving the liquidation services agreement dated August 27, 2019 (the “**Liquidation Agreement**”) entered into between the Receiver and Danbury Global Ltd. (the “**Liquidator**”); (v) directing Kass Cargo International Inc.

(“**Kass Cargo**”) to produce to the Receiver any and all records in possession or control of Kass Cargo in relation to the import of certain machinery and equipment constituting Property; and (vi) sealing the First Confidential Report, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver, including the First Report and the appendices thereto, the First Confidential Report and the appendices thereto, the fee affidavit of Shakaira John sworn September 4, 2019 and the fee affidavit of Bryan Gelman sworn September 5, 2019, and on hearing the submissions of counsel for the Receiver and such other counsel as were present and listed on the Counsel Slip, no one else appearing for any other party named on the service list, although served as evidenced by the affidavit of Shakaira John sworn September 5, 2019, filed.

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that the time for service of this Motion and the Motion Record herein are properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE FIRST REPORT AND THE FIRST CONFIDENTIAL REPORT

2. **THIS COURT ORDERS** that First Report and the conduct and activities of the Receiver described therein be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

3. **THIS COURT ORDERS** that First Confidential Report and the conduct and activities of the Receiver described therein be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF INTERIM RECEIPTS AND DISBURSEMENTS

4. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period of July 26, 2019 to September 4, 2019, as set out in Appendix "N" of the First Report, be and is hereby ratified and approved.

APPROVAL OF FEES AND DISBURSEMENTS

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, being fees and disbursements totalling \$67,008.90 plus HST of \$8,709.90, totalling \$75,717.98 as set out in Appendix "P" to the First Report, are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's legal counsel, Aird & Berlis LLP, being fees and disbursements totalling \$16,386.11 plus HST of \$2,130.19, totalling \$18,516.30, as set out in Appendix "Q" to the First Report, are hereby approved.

APPROVAL OF LIQUIDATION AGREEMENT

7. **THIS COURT ORDERS** that the Liquidation Agreement, in form attached as Appendix "H" to the First Report, be and is hereby approved, and that the Receiver and the Liquidator are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction contemplated therein.

PRODUCTION OF RECORDS

8. **THIS COURT ORDERS** that Kass Cargo be and is hereby directed to produce forthwith to the Receiver any and all records in possession or control of Kass Cargo in relation to the import of any of the Property of the Debtors into Canada, including, but not limited to, the Property described in the attached **Schedule "A"**, and any and all documentation evidencing the payment by the Debtors of HST to Canada Customs or the Canada Revenue Agency.

SEALING OF FIRST CONFIDENTIAL REPORT

9. **THIS COURT ORDERS** that the First Confidential Report and the appendices thereto be and are hereby sealed until the completion of the transactions contemplated in the Liquidation Agreement or further Order of this Court.



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ON / BOOK NO:
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SEP 17 2019

PER / PAR: 

SCHEDULE "A"

| I# | QTY | DESCRIPTION | MODEL | S/N |
|----|-----|---|-------------|--------|
| 1 | 2 | THREE STATION, STAINLESS STEEL, PNEUMATIC TOFU PRESS (NOT IN SERVICE) | N/A | N/A |
| 2 | 1 | THREE STATION, STAINLESS STEEL, CURDING TANK (NOT IN SERVICE) | N/A | N/A |
| 3 | 1 | STAINLESS STEEL, HOMOGENIZER, 2013 (NOT IN SERVICE) | GJB- 1.5-25 | 130115 |
| 4 | 1 | WALK-IN FRIDGE, 8' X 8' (APPROX.) | N/A | N/A |
| 5 | 1 | <u>FORCE MECHANICAL BEAN SPROUT WASHING LINE, 2017</u> | N/A | N/A |
| 5A | 1 | STAINLESS STEEL, INCLINE, PRODUCT LOADING CONVEYOR | N/A | N/A |
| 5B | 1 | STAINLESS STEEL, VIBRATORY SHAKER TABLE | N/A | N/A |
| 5C | 1 | STAINLESS STEEL, DRYER (NOT IN USE) | N/A | N/A |
| 5D | 1 | (4) STATION, STAINLESS STEEL, VIBRATORY SHAKER CONVEYOR | N/A | N/A |
| 5E | 1 | CONTROL PANEL | N/A | N/A |
| 5F | 1 | STAINLESS STEEL, COLD WATER, SPROUT WASH TANK AND CONTROL PANEL | N/A | N/A |
| 5G | 1 | LOT OF CONTROL PANELS | N/A | N/A |

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| 5H | 1 | STAINLESS STEEL, OZONE MACHINE (NOT IN USE) | N/A | N/A |
| 5I | 1 | STAINLESS STEEL BEAN SPROUT DRYING MACHINE (NOT IN USE) | N/A | N/A |
| 6 | 1 | HUALIAN , STAINLESS STEEL, SOLID INK, AERATING BAG SEALING MACHINE, 12M/MINUTE CAPACITY, WITH STAINLESS STEEL, CONVEYOR, 2015 | FRMQ-980III | 1121225100003 |
| 7 | 1 | HUALIAN , BAG SEALING MACHINE WITH CONVEYOR, 2012 | FRPM-8401 | 112112110191 |
| 8 | 1 | EASY-KLEEN , GAS POWERED, HOT WATER, PRESSURE WASHER | EZO2703G | N/A |
| 9 | 2 | SCOTSMAN , STAINLESS STEEL, ICE MAKER WITH SCOTSMAN, B322S, ICE BIN, S/N 1202130013343 | F0822A-1A | 11041320010312 11031320017123 |
| 10 | 1 | CUSTOM BUILT, 75' X 60' (APPROX.) (6) CHAMBER, HYDROPONIC GROW ROOM, OVERHEAD WATER SYSTEMS (ONLY (4) ROOMS CURRENTLY SET UP), CONTROL PANEL (EXPOSED NON-WATERPROOF LIGHT SWITCH) | N/A | N/A |
| 11 | 5 | CUSTOM BUILT, STAINLESS STEEL, SOAK TANK | N/A | N/A |
| 13 | 1 | HUALIAN , STAINLESS STEEL, AUTOMATIC VACUUM PACKAGING MACHINE, 160 CM X 60 CM X 80 CM MAXIMUM WORKSPACE, 2013 | DZ600/2S | 20133J12H |
| 14 | 1 | STAINLESS STEEL, AUTOMATIC, VACUUM PACKAGING MACHINE, 2016 | DZ-600/25B | IT-2016-200 |
| 15 | 1 | <u>SOY RAW MILK LINE</u> | N/A | N/A |

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|-----|----|--|----------------|------------------|
| 15A | 1 | CUSTOM BUILT, (4) CHAMBER, SOAKING TANK WITH TRANSFER PUMP (RUSTED PIPES) | N/A | N/A |
| 15B | 1 | BEAN GRINDING SYSTEM COMPRISED OF (1) LOADER WITH HOPPER, AUGER FEEDER, (2) SHANYOU , FSM-200AP, SOYMILK REFINER BEAN SLAG SEPARATORS, 2018, S/N 442M GRINDERS, TRANSFER AND HOLD TANKS, PUMPS, CONTROL PANEL | N/A | N/A |
| 15C | 2 | HOT WATER HOLDING TANK | N/A | N/A |
| 15D | 1 | CUSTOM BUILT, STAINLESS STEEL, TOFU CLOTH WASHING SYSTEM | N/A | N/A |
| 16 | 1 | <u>JING BAO COOKED SOY MILK LINE, 2017</u> | N/A | N/A |
| 16A | 1 | STAINLESS STEEL, 40 KG VACUUM LOADER AND 750 KG HOPPER (1480 MM X 1480 MM X 680 MM), 2017 | FPXC-750 | 201711001 |
| 16B | 14 | STAINLESS STEEL, SOY BEAN, HEATED SOAKER HOPPER, 2017 | N/A | N/A |
| 16C | 1 | LOT OF STAINLESS STEEL, CONVEYORS, 2017 | N/A | N/A |
| 16D | 1 | PLC CONTROL, SOAKING LINE CONTROL PANEL | N/A | N/A |
| 16E | 1 | JING BAO GRINDER LOADING SYSTEM COMPRISED OF (1) 100 KG, STAINLESS STEEL, HOPPER (3800MM X 2600MM X 2000MM), 2017 AND (2) STAINLESS STEEL, AUGER FEEDERS, 2017 | SDTS-2 | 201711005 |
| 16F | 2 | JING BAO , STAINLESS STEEL, GRINDER, 2017 | JHT | 20171002, N/A |
| 16G | 2 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | 0173450, 0173454 |

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| 16H | 1 | JING BAO , AUTOMATIC MICRO PRESSURE COOKING SYSTEM WITH PLC CONTROL, 4 TON PER HOUR CAPACITY, 2017 | WYZJ-4-II | 201711002 |
| 16I | 1 | STAINLESS STEEL, TANK | N/A | N/A |
| 16J | 2 | LOT OF STAINLESS STEEL, AGITATED AND JACKETED TANKS | N/A | N/A |
| 16K | 1 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | 0373455 |
| 16L | 1 | JING BAO , AUTOMATIC MICRO PRESSURE COOKING SYSTEM WITH PLC CONTROL, 4 TON PER HOUR CAPACITY, 2017 | WYZJ-4-II | 201711003 |
| 16M | 1 | TRANSFER PUMP | N/A | N/A |
| 16N | 1 | STAINLESS STEEL, HOLDING TANK | N/A | N/A |
| 16O | 1 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | N/A |
| 16P | 1 | JING BAO , LXJY-4-FS, STAINLESS STEEL, SPIRAL SCREW EXTRUSION SEPARATOR, 400 KG/H, 2017 | HEM4-100 | K0220171101 |
| 16Q | 1 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | ..34495 |
| 16R | 1 | JING BAO , STAINLESS STEEL TANK WITH TRANSFER PUMPD, 1600 MM X 800 MM X 700 MM, 30 KG CAPACITY, 2017 | N/A | N/A |
| 16S | 1 | JING BAO , STAINLESS STEEL, TANK WITH TRANSFER PUMP, 2017 | N/A | N/A |
| 16T | 1 | XINXIANG CITY DAZHEN SCREEN MACHINE , VIBRATORY SEPARATOR, 2017 | S4912A-1 | 2017-9-28-1 |
| 16U | 1 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | N/A |

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| 16V | 1 | SHANYOU , COMMERCIAL SOYMILK REFINER BEAN SLAG SEPARATOR, 2018 | FSM-200AP | 442 |
| 16W | 1 | JINK BAO , STAINLESS STEEL, RECTANGULAR TANK WITH TRANSFER PUMP | N/A | N/A |
| 16X | 1 | JING BAO , STAINLESS STEEL, CENTRIFUGAL SEPARATOR, 600 KG/HOUR, 2017 | LXJ-600 | 201712001 |
| 16Y | 1 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | N/A |
| 16Z | 1 | JING BAO , LXJY-4-FS, STAINLESS STEEL, SPIRAL SCREW EXTRUSION SEPARATOR, 400 KG/HOUR, 2017 | HEM4-100 | N/A |
| 16AA | 1 | JING BAO , STAINLESS STEEL, TANK, 1600 MM X 800 MM X 700 MM, 30 KG CAPACITY, 2017 | SJT-700 | 201711010 |
| 16BB | 2 | YUANAN CENTRIFUGAL PUMP, 2017 | YAR-40YA5T-2SE | 0373455 |
| 16CC | 1 | XINXIANG CITY DAZHEN , SCREEN MACHINE, VIBRATORY SEPARATOR, 2017 | S4912A-1 | 2017-9-23-1 |
| 16DD | 1 | JING BAO , STAINLESS STEEL, CENTRIFUGAL SEPARATOR, 600 KG/HOUR, 2017 | LXJ-600 | 201712002 |
| 16EE | 1 | PASTEURIZER | N/A | N/A |
| 16FF | 1 | JINK BAO CONTROL PANELS | N/A | N/A |
| 17 | 2 | PNEUMATIC, CARTON ERECTORS | N/A | N/A |
| 18 | 1 | SHENYANG BEIYA BEVERAGE MACHINERY , FILLER LINE (NOT IN SERVICE) | N/A | N/A |
| 19 | 1 | <u>FRYING LINE</u> | N/A | N/A |
| 19A | 1 | STAINLESS STEEL, VENT HOOD (THE HOOD IS NOT VENTED AND | N/A | N/A |

| DOES NOT HAVE FIRE SUPPRESSION) | | | | |
|---------------------------------|---|--|----------|----------------------------------|
| 19B | 2 | STAINLESS STEEL, DEEP FRYER WITH AGITATING BUCKET LOADER | N/A | N/A |
| 19C | 1 | STAINLESS STEEL, VARIABLE SPEED, WIRE MESH DRYER CONVEYOR | N/A | N/A |
| 19D | 1 | PLC CONTROL PANEL | | |
| 20 | 1 | LOT OF EQUIPMENT NOT IN SERVICE COMPRISED OF WIRE MESH MARINATING CONVEYERS AND WIRE MESH DRYING CONVEYORS | N/A | N/A |
| 21 | 1 | FULTON , 50 HP, NATURAL GAS BOILER , 2017 (UNIT IS RUSTING AND LEAKING) | FB-050-A | PV-292-BB |
| 22 | 1 | FULTON , 50 HP, NATURAL GAS BOILER, 2017 (UNIT IS RUSTING) | VMP50 | PM-151-PP |
| 23 | 1 | BOILER WATER SOFTENER SYSTEM WITH DOSING AND CONDENSATE TANKS | N/A | N/A |
| 25 | 1 | COMPAIR , 60 HP, ROTARY SCREW AIR COMPRESSOR, 26,817 HOURS | 6060 WL | L012/2414 |
| 26 | 2 | PROPOINT , 10 HP, 120 GALLON, TANK MOUNTED, PISTON TYPE, AIR COMPRESSOR | 8475022 | SN1303108T08990148 M24810501A |
| 27 | 1 | WALK-IN FRIDGE, 20' X 60' X 24' (APPROX.) WITH (4) TRENTON, EVAPORATORS AND CONDENSERS | N/A | N/A |
| 28 | 1 | STAINLESS STEEL, RIBBON BLENDER | N/A | N/A |
| 29 | 1 | SKYJACK , BATTERY POWERED, SCISSOR LIFT, 26' MAXIMUM LIFT, 2007 | SJ3226 | 27002050 |

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| 30 | 2 | WENLING YONGIN MACHINERY , 15T, 580 MM X 580 MM, PNEUMATIC TOFU PRESS, 2018 | N/A | AJ79 AJ78 |
| 31 | 1 | STAINLESS STEEL, TILTING KETTLE (NOT IN SERVICE) | N/A | N/A |
| 32 | 1 | STAINLESS STEEL, PNEUMATIC TOFU PRESS | N/A | N/A |
| 33 | 1 | <u>WENLING YONJIN MACHINERY</u> <u>SHEET TOFU PRODUCTION LINE,</u> <u>2017</u> | N/A | N/A |
| 33A | 1 | STAINLESS STEEL, AGITATED, (4) TANK, TOFU CURDING MACHINE WITH PLC CONTROL | N/A | N/A |
| 33B | 1 | STAINLESS STEEL, GRINDER | N/A | N/A |
| 33C | 1 | STAINLESS STEEL, CLOTH LINED, CHAIN BELT, VARIABLE SPEED, INFEED CONVEYOR | N/A | N/A |
| 33D | 1 | STAINLESS STEEL, 15 TON, TOFU PRESS | N/A | N/A |
| 33E | 1 | STAINLESS STEEL, TOFU, BIN TRANSFER CONVEYOR | N/A | N/A |
| 33F | 1 | LOT OF STAINLESS STEEL, TOFU CLOTH, UNWIND AND BIN RETURN CONVEYORS | N/A | N/A |
| 33G | 1 | CLIMATE CONTROLLED ROOM FOR SHEET TOFU PROCESSING, 20' X 60' (APPROX.) | N/A | N/A |
| 33H | 1 | STAINLESS STEEL, VARIABLE SPEED, ROD/TRAY, CONVEYOR FOR TOFU SHEETS | N/A | N/A |
| 33I | 1 | STAINLESS STEEL, TOFU DIE PRESS | N/A | N/A |
| 33J | 1 | LONGYING , STAINLESS STEEL, PACKAGING AUTOMATIC FILLING AND SEALING MACHINE | FKJ | |

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|-----|----|---|--------|---------------|
| 33K | 1 | ZHONGRUI NITROGEN GENERATOR, 2015 | ZR-3B | 201503072 |
| 33L | 1 | HOLY SUN AIR DRYER, 2015 | HRD-1F | RD0115404106A |
| 34 | 1 | WALK-IN FRIDGE, 25' X 45' X 18 X 15' (APPROX.) (NOT IN SERVICE) | N/A | N/A |
| 35 | 1 | <u>YONG JIN AUTOMATIC PULP PLATE TOFU PRODUCTION LINE (SMOOTH TOFU)</u> | N/A | N/A |
| 35A | 1 | STAINLESS STEEL, DOSING TANK | N/A | N/A |
| 35B | 1 | PNEUMATIC, TOFU TRAY LOADER | N/A | N/A |
| 35C | 1 | LOT OF PLASTIC, TOFU TRAYS | N/A | N/A |
| 35D | 1 | STAINLESS STEEL, PNEUMATIC, DEPOSITOR | N/A | N/A |
| 35E | 1 | STAINLESS STEEL TRAY/CLOTH, CONVEYOR | N/A | N/A |
| 35F | 1 | STAINLESS STEEL, TRAY FLIPPING MACHINE | N/A | N/A |
| 35G | 1 | STAINLESS STEEL, EXIT CONVEYOR WITH CLOTH RETURN | N/A | N/A |
| 36 | 1 | <u>YIFEI MACHINERY FRESH CLASSIC (WATER) TOFU PRODUCTION LINE, 2018</u> | N/A | 180120 |
| 36A | 36 | STAINLESS STEEL, MIXING BOWLS MOUNTED ON VARIABLE SPEED CONVEYOR | N/A | N/A |
| 36B | 1 | STAINLESS STEEL, PNEUMATIC PISTON FILLER | N/A | N/A |
| 36C | 1 | STAINLESS STEEL, MIXER | N/A | N/A |
| 36D | 1 | STAINLESS STEEL, MIXING BOWL SHUTTLE | N/A | N/A |

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|-----|----|--|---------|----------|
| 38B | 1 | STAINLESS STEEL DEPOSITOR | N/A | N/A |
| 38C | 1 | STAINLESS STEEL TRAY CONVEYOR | N/A | N/A |
| 38D | 1 | STAINLESS STEEL TRAY STACKER | N/A | N/A |
| 38E | 1 | STAINLESS STEEL TRAY LOADER | N/A | N/A |
| 38F | 10 | STAINLESS STEEL TOFU PRESS | N/A | N/A |
| 38G | 1 | PLC CONTROL PANEL | N/A | N/A |
| 39 | 1 | STAINLESS STEEL, TOFU, DIE CUT PRESS | | |
| 40 | 1 | WENLING YONGJIN MACHINERY CO. LTD. , STAINLESS STEEL, SEMI AUTOMATIC, TOFU, DIE CUT PRESS WITH PLC CONTROL | N/A | N/A |
| 41 | 1 | SHANDONG KANGBEI THE FOOD PACKING MACHINERY , STAINLESS STEEL, CONTINUOUS STRETCH AUTOMATIC THERMOFORMING VACUUM PACKAGING MACHINE, 2017 WITH ZHONGURI, DP-3A, NITROGEN GENERATOR AND HOLY SUN, HSD-1HTF, AIR DRYER | DRZ-520 | 25102017 |
| 42 | 1 | SHANGHAI LONGYING AUTOMATION , STAINLESS STEEL, PNEUMATIC LABEL APPLICATOR WITH PLC CONTROL | N/A | N/A |
| 43 | 1 | STAINLESS STEEL, SMOKER WITH PLC CONTROL PANEL (NOT IN SERVICE) | N/A | N/A |

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| 45 | 1 | LOT OF ASSORTED SHOP EQUIPMENT COMPRISED OF PLASTIC STACKING BINS, EQUIPMENT THROUGHOUT PLANT NOT OTHERWISE LISTED, STAINLESS STEEL BEAN SPROUT GROWING BINS, PRESSURE WASHERS, TABLE TOP AND FLOOR SCALES, COMPRESSORS NOT OTHERWISE LISTED, WELDERS, SPARE TRANSFORMERS, PALLET RACKING, PALLET JACKS, DOLLIES, HYDRAULIC POWER PACK, WATER SOFTENER EQUIPMENT, CONTENTS OF OFFICE AND LUNCHROOM, ETC. | N/A | N/A |
|----|---|--|-----|-----|

**THE TORONTO-DOMINION BANK and
TD EQUIPMENT FINANCE CANADA,
a division of THE TORONTO-DOMINION BANK**

-and-

NOREAST FOODS LTD. and AERDON CONTINENTAL CORP.

Applicants

Respondents

Court File No. CV-19-00621751-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

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*Lawyers for Albert Gelman Inc., in its capacity as the court-appointed
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