

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

THE HONOURABLE

)

FRIDAY, THE 18TH DAY

)

)

OF JANUARY, 2019



ROYAL BANK OF CANADA

Plaintiff

- and -

**2556733 ONTARIO INC. and SANTINA MARIA CALIDONNA
also known as SANDY CALIDONNA**

Defendants

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 2556733 Ontario Inc. (the “**Debtor**”), for an order, amongst other things: (i) approving the Report of the Receiver dated January 9, 2019 (the “**Report**”) and the actions of the Receiver described therein; (ii) approving the fees and disbursements of the Receiver and its counsel, including an accrual for fees and disbursements to be incurred to the completion of these proceedings; (iii) authorizing and directing the Receiver to distribute monies from the Debtor’s estate; (iv) discharging Spergel as the Receiver of the assets, undertakings and properties of the Debtor effective upon the filing of a certificate by the Receiver certifying that

all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule "A" (the "**Discharge Certificate**"); and (v) releasing Spergel from any and all liability, as set out in paragraph 7 of this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and appendices thereto, including the fee affidavits filed on behalf of the Receiver and its counsel (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn January 10, 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 is hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Report and the actions of the Receiver described therein be and are hereby approved, including, without limitation, the Receiver's interim statement of receipts and disbursements appended thereto.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as described in the Report and as set out in the Fee Affidavits, be and are hereby approved.

4. **THIS COURT ORDERS** that the Fee Accrual (as defined in the Report) be and is hereby approved.

5. **THIS COURT ORDERS** that, after payment of the fees and disbursements herein approved by paragraphs 3 and 4 of this Order, the Receiver be and is hereby authorized and directed, without further Order of this Court, to distribute the monies remaining in the Receiver's hands (including, for greater certainty, the Receiver-Held Proceeds (as defined in the Approval Order dated today)) as follows:

- (a) \$4,711,934.06 to Royal Bank of Canada;
- (b) \$1,800,000.00 to Sheldon Barris;
- (c) \$50,717.88 to Her Majesty the Queen in Right of Canada as Represented by the Minister of National Revenue;
- (d) \$314,168.00 to 1532690 Ontario Ltd.;
- (e) \$166,030.31 to the City of Toronto;
- (f) \$3,910.04 to Enbridge; and
- (g) the balance, if any, to Kyko Global Inc. prior to the Receiver filing the Discharge Certificate.

6. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as Receiver of the assets, undertakings and properties of the Debtor, provided however that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit

of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Spergel, in its capacity as the Receiver.

7. **THIS COURT ORDERS AND DECLARES** that, upon the Receiver filing the Discharge Certificate, Spergel is hereby released and discharged from any and all liability that Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity as the Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Spergel is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

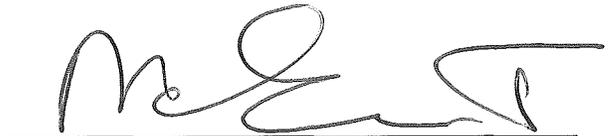
8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

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

JAN 18 2019

PER / PAR:

jt.

A handwritten signature in black ink, appearing to be 'M. Spergel', is written over a horizontal line.

SCHEDULE "A"

Court File No. CV-18-607300-00CL

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

ROYAL BANK OF CANADA

Applicant

- and -

**2556733 ONTARIO INC. and SANTINA MARIA CALIDONNA
also known as SANDY CALIDONNA**

Respondents

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

(A) Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made November 5, 2018 (and entered December 6, 2018), msi Spergel inc. ("**Spergel**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2556733 Ontario Inc. (the "**Debtor**").

(B) Pursuant to an Order of the Court made January 18, 2019 (the "**Discharge Order**"), Spergel was discharged as the Receiver of all the assets, undertakings and properties of the Debtor to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, provided, however, that notwithstanding its

discharge: (a) the Receiver will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) the Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Spergel, in its capacity as the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES the following:

1. all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver; and
2. this Certificate was filed by the Receiver with the Court on the _____ day of _____, 2019.

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of all the assets, undertakings and properties of 2556733 Ontario Inc., and not in its personal capacity

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

Plaintiff

- and -

2556733 ONTARIO INC., ET AL.

Defendants

Court File No. CV-18-607300-00CL

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

Proceedings commenced at Toronto

DISTRIBUTION AND DISCHARGE ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSUC # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
E-mail: smitra@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver