

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

**MOTION RECORD OF THE MOVING PARTY/APPLICANT
Hearing Date: October 18, 2017**

Date: October 12, 2017

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
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BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

NOTICE OF MOTION

TAKE NOTICE that Link & Associates Inc. (the “**Receiver**”) in its capacity as Interim Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue (“**Eastway**” or “**Debtor**”) will make a motion to a Judge of the Superior Court of Justice on the 18th day of October, 2017 at 3:00 p.m. or as soon after that time as the motion can be heard, at the Ottawa Courthouse, 161 Elgin St. Ottawa, Ontario.

PROPOSED METHOD OF MOTION:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form attached as **Schedule “A”**, which order shall, *inter alia*:
 - (a) abridge the time for, and validate the service of, the Second Report of the Interim Receiver, Link & Associates Inc. dated October 11, 2017 (the “**Second Report**”),

the Notice of Motion and the motion materials filed in support of this motion and dispense with further service of same;

- (b) amend the Appointment Order and appoint Link & Associates Inc. as Receiver and Receiver/Manager of the Debtor's property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (the "**BIA**");
- (c) amend the Appointment Order to, among other things, expand the Receiver's powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate;
- (d) seal the Confidential Appendix and its Exhibits A and B to the Second Report;
- (e) accept the Second Report and approve the actions, activities, conduct and findings of the Receiver as described therein;
- (f) approve the Interim Statement of Receipts and Disbursements of the Interim Receiver;
- (g) Authorize the Receiver to make payments to the Applicant up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so;
- (h) approve fees of the Interim Receiver and its legal counsel up to and including attendance on this motion;

- (i) such further and other relief as to this Honourable Court may seem just and appropriate.

THE GROUNDS FOR THE MOTION ARE:

2. The general background information and history of the Debtor and its business is summarized at paragraphs 12 to 31 of the Second Report.

Litigation History

3. On June 23, 2017, the Receiver was appointed pursuant to the Order of the Honourable Mr. Justice Macleod for a period of 30 days (the “**Appointment Order**”).

4. The Receiver filed its first report dated July 6, 2017 (the “**First Report**”) for a motion returnable on July 11, 2017, which included a request for an amendment of the Appointment Order to provide a 90 day extension of the Receiver’s appointment.

5. The First Report and the 90 day extension (to October 23, 2017) was approved by an Order of Justice Macleod dated July 11, 2017 (the “**Amending Order**”).

6. The Receiver is back before this Court seeking, among other things, an order amending the Appointment Order and removing the “Interim” from its title.

Activities of the Receiver since the First Report

7. After taking control of the Debtor’s bank accounts and conducting an initial review of the Debtor’s business, the Receiver took several steps, including but not limited to the following:

- i) Continued to operate the business as it was authorized to do in the Appointment Order;

- ii) Implemented improved purchasing and control procedures which requires the Receiver to sign all purchase orders;
- iii) Arranged for Terry Kruk to assist the Receiver on-site with management of the operations;
- iv) Entered into amended agreements to complete two of the Arnprior Contracts and agreed to the termination of two of the Arnprior Contracts;
- v) Completed the sale and delivery of Eastway's demonstrator rescue truck;
- vi) Arranged for Eastway to be certified and listed by Underwriters Laboratories of Canada;
- vii) Mutually agreed to terminate the employment of one of Eastway's managerial staff;
- viii) Instituted temporary layoff of three production employees;
- ix) Responded to HST audit;
- x) Arranged for completion of overdue corporate income tax return;
- xi) Arranged for continuing property, liability and garage insurance policies; and
- xii) Obtained an MTO exemption number to facilitate title transfers to customers.

Proposed Amendments to the Appointment Order

8. The activities of the Receiver have been extensive and at this time, the label "Interim" should be removed from the Appointment Order and the Receiver recognized as a Receiver within the meaning of section 243(2) of the BIA.

9. Practically speaking, the difference will be the removal of a time limitation on the appointment, and the requirement of the Receiver to issue statutory notices to the creditors under section 245 and 246 of the BIA.

10. The Receiver also seeks amendments to the Appointment Order to, among other things, expand the Receiver's powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate

Interim Statement of Receipts and Disbursements (SRD's)

11. The Receiver took control of the Company's bank accounts and all receipts and disbursements are being paid through the Company account, with the exception of monies that were paid to the Receiver by customers who agreed to prepay for parts and materials to complete their contracts (the "Pre-Payments"), as described in the Second Report.

12. The Receiver has prepared two Interim Statements of Receipts and Disbursements (SRD's), one specific to its trust account for handling the customer Pre-Payments and a second for all of the receipts and disbursements which have been transacted through the Eastway operating account that is controlled by the Receiver.

13. The Receiver seeks approval of the two Interim SRD's.

Funding and repayments during Receivership

14. Since the date of the Appointment Order, the Applicant has continued to fund the operating expenses of the Debtor.

15. The Receiver has continued to operate the business as authorized in the Appointment Order, which includes operating the Applicant's credit facility and making periodic advances from, and repayments to, the Applicant.

16. Up to the date of this Second Report, the Applicant has advanced to the Debtor \$420,659.21 and received repayments of \$259,109.18.

17. The only repayments made to the Applicant were for advances made by the Applicant to Eastway after the date of the Appointment Order. However, within the next 30 to 45 days there will be sufficient funds available to the Receiver to make payments to the Applicant against the principal amount of its secured debt.

18. The Receiver seeks approval to make payments to the Applicant up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so.

Sealing Order - Confidential Supplement

Asset Appraisal

19. To evaluate the fixed assets of Eastway (primarily machinery, equipment and vehicles) the Receiver obtained an appraisal from Rideau Auctions Inc. (“**Rideau**”). A copy of the Rideau appraisal dated September 15, 2017 is attached as an exhibit to the Confidential Supplement to the Second Report.

Confidential Information Memorandum

20. The Receiver prepared a one page “teaser” document and distributed it to various parties in the industry, including direct competitors and other truck manufacturers, as well as equipment dealers/liquidators.

21. The teaser requested interested parties to contact the Receiver and to execute a confidentiality agreement to obtain a copy of a Confidential Information Memorandum (the “CIM”), which is attached as an exhibit to the Confidential Supplement to the Second Report.

22. Both the appraisal and the CIM contain commercially sensitive information regarding the business and assets of the Debtor and at this time, must remain confidential to protect and preserve the value of the assets of the Debtor for, among other things, maximizing recovery or realization on the assets by the Receiver.

Professional fees

23. The Receiver seeks to have its accounts and those of both of its legal counsel approved by this Court, the details and particulars of which are attached to the Second Report in the form of affidavits filed by the Receiver and its legal counsel.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- The Second Report of the Receiver dated October 11, 2017 with attached appendices; and
- Such further or other material as counsel may submit and this Honourable Court may admit.

Date: October 12, 2017

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DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and- **9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE**
Respondents

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

NOTICE OF MOTION

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RCP-E 4C (July 1, 2007)

SCHEDULE 'A'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
JUSTICE MACLEOD) TUESDAY, THE 18th
 DAY OF OCTOBER, 2017

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
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BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
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Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

ORDER

THIS MOTION, made by Link & Associates Inc. (the “**Receiver**”) in its capacity as Interim Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue (the “**Debtor**”) for an Order amending the Order appointing it as Interim Receiver, dated June 23, 2017 (the “**Appointment Order**”) and the Order of Justice MacLeod dated July 11, 2017 (the “**Amending Order**”) and for such further and other relief as set out in the Notice of Motion dated October 12, 2017, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion of the Receiver and the Second Report of the Receiver dated October 11, 2017 (the “**Second Report**”), and on hearing the submissions of counsel for Receiver, no one appearing for the Respondent,

1. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion 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 is hereby accepted and approved and the Receiver's activities as set out in the Second Report be and are hereby approved.
3. **THIS COURT ORDERS** that the Interim Statement of Receipts and Disbursements of the Interim Receiver be and are hereby approved.
4. **THIS COURT ORDERS** and hereby authorizes the Receiver to make payments to the Applicant up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so.
5. **THIS COURT ORDERS** that the fees of: a) the Receiver totalling \$72,803.85, which includes professional fees of the Receiver of \$57,600 plus disbursements of \$6,852.98 and HST of \$8,350; and b) its legal counsel Regent Law Professional Corporation totalling \$12,480.85, which includes professional fees of \$11,045 up to and including the attendance of this motion, plus HST of \$1,435.85 and Spark LLP of Toronto for a total of \$4,225.90, which consists of \$3,172.00 in fees, \$575.10 in disbursements, and \$478.80 in HST, as set out in the Second Report and supporting affidavits, filed, be and are hereby approved.
6. **THIS COURT ORDERS** that, until further order of this Court Confidential Exhibits A and B to the Second Report shall be sealed by this Court, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.
7. **THIS COURT ORDERS** that the Appointment Order shall be and is hereby amended as follows:
 - (a) The following word deleted from the title of the Order Appointing Interim Receiver: "Interim".

- (b) The following word added to the title of proceedings after the operating style of the Respondent Eastway Fire and Rescue: “Vehicles”.
 - (c) **Paragraph 2** (and by extension, paragraph 3 of the Amending Order) deleted and replaced with the following: “**THIS COURT ORDERS** that pursuant to section 101 of the *Courts of Justice Act*, R.S.O. c. C. 43 (“**CJA**”) and within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”), Link & Associates Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of every nature and kind whatsoever, and wherever located, including all proceeds thereof, acquired for, or used in relation to the business carried on by the Debtor (collectively the “**Property**”).”
 - (d) The following powers be added to **Paragraph 3** under the heading “**RECEIVER’S POWERS**”:
 - (i) “q) to file an assignment in bankruptcy of the Debtor, or to consent to a bankruptcy order against the Debtor.”
 - (e) The following new paragraph be added as **Paragraph 27**: “**THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.”
-

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and- **9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE**
Respondents

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

AMENDING ORDER

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RCP-E 4C (July 1, 2007)

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

**SECOND REPORT OF THE INTERIM RECEIVER
LINK & ASSOCIATES INC.**

October 11, 2017

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- B. First Report of the Interim Receiver (without Appendices)
- C. Order Amending Appointment Order dated July 11, 2017 (“Amending Order”)
- D. Correspondence from Regent Law LLP to Michael Cappy dated August 10, 2017, requesting compliance with the Amending Order
- E. Independent Legal Opinion on DaVinci Security
- F. Teaser requesting offers issued August 25, 2017
- G. Interim Statement of Receipts and Disbursements – Receiver’s Trust Account
- H. Interim Statement of Receipts and Disbursements – Eastway Operating Account
- I. Fee Affidavit of the Interim Receiver
- J. Fee Affidavit of Motion Counsel to the Receiver
- K. Fee Affidavit of Independent Counsel to the Receiver

TAB 2 CONFIDENTIAL APPENDIX

- A. Asset Appraisal dated September 15, 2017
- B. Confidential Information Memorandum dated August 25, 2017

INTRODUCTION

1. This is the second report (the “**Second Report**”) of Link & Associates Inc., filed in its capacity as the Court-Appointed Interim Receiver (in such capacity, the “**Receiver**”) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (“**Eastway**” or the “**Debtor**”).

2. The Receiver was appointed pursuant to the Order of the Honourable Mr. Justice Macleod of the Ontario Superior Court of Justice dated June 23, 2017 (the “**Appointment Order**”) for a period of 30 days. A copy of the Appointment Order is attached hereto as **Appendix “A”**.

3. The Receiver filed its first report dated July 6, 2017 (the “**First Report**”) for a motion returnable on July 11, 2017, which included a request for an amendment of the Appointment Order to provide a 90 day extension of the Receiver’s appointment. A copy of the First Report is attached hereto (without appendices) as **Appendix “B”**.

4. The First Report and the 90 day extension (to October 23, 2017) was approved by an Order of Justice Macleod dated July 11, 2017 (the “**Amending Order**”), a copy of which is attached as **Appendix “C”**.

5. Capitalized terms are as defined in the First Report unless defined otherwise herein.

Purpose of this Second Report

6. The purpose of this Second Report is to seek an Order:

- (a) amending the Appointment Order to delete reference to “Interim” and appoint Link & Associates Inc. as Receiver and Receiver/Manager of the Debtor’s property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (the “**BIA**”);
- (b) further amending the Appointment Order to expand the Receiver’s powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate;
- (c) accepting this Second Report and approving the actions, activities, conduct and findings of the Receiver as described therein;
- (d) sealing the Confidential Appendix as requested herein;
- (e) approving the Interim Statement of Receipts and Disbursements of the Interim Receiver;
- (f) Authorizing the Receiver to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so;
- (g) approving fees of the Interim Receiver and its legal counsel;
- (h) such further and other relief as to this Honourable Court may seem just and appropriate.

Notice to Reader

7. In preparing this Second Report and making the comments herein the Receiver has relied upon information prepared or provided by the Debtor and information from other third-party sources (collectively, the “**Information**”). Certain of the information contained in this Second Report may refer to, or is based on, the Information. As the Information has been provided by various third parties or has been obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness.

8. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

9. Unless otherwise stated, all dollar amounts set out in this Second Report are expressed in Canadian dollars.

Confidential Appendix

10. In the Receiver’s judgment, disclosure of some of the documents referred to in this Second Report would negatively impact the Receiver’s ability to carry out its mandate.

11. In particular, and without limiting the generality of the foregoing, it is the Receiver’s judgment that it would impair the Receiver’s ability to maximize realization of Eastway’s assets were any information to be made public concerning the specific details

of any appraisals, the terms of any offers of letters or intent, the parties or any of their advisors and/or any possible bidders, or any of them.

12. Accordingly, the Receiver has prepared a confidential appendix to this Second Report of the Receiver (the “**Confidential Appendix**”) for which the Receiver requests be sealed by this Court, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

BACKGROUND

13. Eastway is a federally incorporated company that operates its business out of leased premises located at 100 Industrial Avenue, Units B and C, Carleton Place, Ontario, (the “**Carleton Place Premises**”) and 10 Didak Drive, Arnprior, Ontario (the “**Arnprior Premises**”).

14. Eastway is in the business of designing and manufacturing “built-to-order” pumper trucks, tanker trucks, and rescue, wildlands and hazmat vehicles.

15. In December 2014 Eastway Emergency Vehicles Inc. (“**EEVI**”) was acquired by Michael Cappy (“**Cappy**”) and re-branded as Eastway911 Emergency Vehicles Ltd. (“**Eastway911**”).

16. In November, 2015 Eastway911 ceased production when the landlord (and former owner of EEVI) locked the doors for non-payment of rent.

17. On January 3, 2016 Eastway 911 filed a Notice of Intention to Make a Proposal and through a Court-approved stalking horse bid process, 9584358 Canada Ltd. acquired the assets of Eastway911 on or about March 18, 2016.

18. On May 25, 2017, Eastway acquired certain assets of competitor Arnprior Fire Trucks Corp. (“AFTC”) from Plaintree Systems Inc. for nominal cash consideration and assumption of certain liabilities, including an agreement to lease the Arnprior Premises for one year.

19. The assets purchased from Arnprior included the rights to five (5) contracts to build rescue vehicles for various municipalities in Canada and the United States, in various stages of completion.

20. The assumed liabilities include customer deposits associated with three of these five contracts.

Appointment of Interim Receiver

21. On or about March 15, 2016, Eastway entered into a loan agreement with DaVinci for working capital and term loan facilities totalling \$1.9 million. The purpose of the loans was to provide Eastway with funds to acquire the operating assets of Eastway911 and to provide working capital to finance the day to day operations of Eastway.

22. In January 2017, Mr. Terry Kruk (“Kruk”) was appointed by DaVinci to monitor the Eastway loan, which included attendances at the Carleton Place Premises, as DaVinci was becoming increasingly concerned about the growing loan advances and lack of revolving activity in the loan facility.

23. Kruk's role evolved into that of Acting Chief Financial Officer until his signing authority and electronic access to the bank accounts were revoked by Cappy, thereby removing visibility of the Company's financial position to DaVinci.

24. The loan advances from DaVinci to Eastway continued to increase and are presently in the range of \$3.8 million. Efforts by DaVinci to regularize the loan in a forbearance agreement were not successful.

25. The nature of the Eastway business model is that it generally requires the customer to pay in full upon delivery of a completed vehicle, which means the Company carries the costs of a build and overheads for several months until completion, although in certain instances partial deposits are paid, and/or the customer purchases the chassis directly.

26. Eastway was unable to generate sufficient contract volume to be profitable. Without sufficient contracts in progress at all times, there is excessive downtime and inefficiencies, and a large amount of overheads draining cash flow.

27. Cash flow shortfalls appear to have always been covered via additional DaVinci loan advances. There is no evidence of any shareholder investment for this purpose.

28. The relationship between Cappy and DaVinci continued to deteriorate, resulting in DaVinci bringing an application for the appointment of the Interim Receiver.

29. The Interim Receiver was appointed on Friday, June 23, 2017, for a period of 30 days or further order of the Court.

Amending Order

30. The appointment was extended for a further 90 days, to October 23, 2017, in the Amending Order.

31. In addition to extending the period of the appointment for 90 days, the Amending Order also ordered Cappy to make certain repayments to the Receiver and take certain actions with respect to Eastway's website, domain name, and server backups.

32. To date, Cappy has not complied with the Amending Order with respect to the payment of monies or the transfer of the website or domain, nor responded to a request for same. Correspondence from Regent Law LLP to Cappy dated August 10, 2017 is attached hereto as **Appendix "D"**.

ACTIVITIES OF THE INTERIM RECEIVER SINCE FIRST REPORT

33. As set out in its First Report, the assets of the Debtor at the date of the Appointment Order consisted primarily of contracts, work in progress, a quantity of parts and materials inventory, and equipment and vehicles.

34. After taking control of the Debtor's bank accounts and conducting an initial review of the Debtor's business, the Receiver took several steps, including but not limited to the following:

- i) Continued to operate the business as it was authorized to do in the Appointment Order;

- ii) Implemented improved purchasing and control procedures which requires the Receiver to sign all purchase orders;
- iii) Arranged for Kruk to assist the Receiver on-site with management of the operations;
- iv) Entered into amended agreements to complete two of the Arnprior Contracts and agreed to the termination of two of the Arnprior Contracts;
- v) Completed the sale and delivery of Eastway's demonstrator rescue truck;
- vi) Arranged for Eastway to be certified and listed by Underwriters Laboratories of Canada;
- vii) Mutually agreed to terminate the employment of one of Eastway's managerial staff;
- viii) Instituted temporary layoff of three production employees;
- ix) Responded to HST audit;
- x) Arranged for completion of overdue corporate income tax return;
- xi) Arranged for continuing property, liability and garage insurance policies; and
- xii) Obtained an MTO exemption number to facilitate title transfers to customers.

Proposed Amendments to the Appointment Order

35. The activities of the Interim Receiver have been extensive, and in view of the foregoing, it is the Receiver's opinion that the "Interim" label should be removed and the Receiver should be appointed as a receiver as defined under section 243(2) of the BIA by way of an amendment to the Appointment Order.

36. Practically speaking, the difference will be the removal of a time limitation on the appointment, and the requirement of the Receiver to issue statutory notices to the creditors under section 245 and 246 of the BIA, and to file periodic interim reports with the Official Receiver.

37. In addition, the Receiver seeks an amendment to the Appointment Order to expand the Receiver's powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate.

Decision to Continue Operations

38. Upon completing its initial assessment of the business, the Receiver was of the opinion that the best manner in which to maximize recovery and try to preserve enterprise value was for DaVinci to continue to provide funding so that the Receiver could complete and deliver certain builds in progress, find buyers for the two demonstrator units, and seek out a buyer for the business as a going concern.

Arnprior Contracts

39. As noted above, Eastway acquired the right to complete five (5) contracts included in the assets purchased from Arnprior (the "**Arnprior Contracts**").

40. Eastway also hired the former Arnprior employees, which while significantly increasing payroll costs, also provided skilled and experienced production staff.

41. The terms of the Arnprior purchase provided that Eastway would act as a subcontractor to Arnprior pursuant to the terms of a subcontract agreement. Once the jobs were completed, Arnprior was to invoice the customer and pay Eastway.

42. By all accounts, AFTC is a company with no assets. The Receiver was of the opinion that completing work as a subcontractor to a possibly insolvent company while having no control over the invoicing or collection process, while incurring all of the costs, was not desirable or appropriate.

43. On this basis, the Receiver met with AFTC and advised that it could only consider completion of the Arnprior Contracts if the AFTC Subcontract Agreement was set aside and Eastway (by its Receiver) entered into new agreements directly with the customers.

44. AFTC agreed to this approach and has been kept informed as to the status of each of the Arnprior Contracts.

45. The Arnprior Contracts are summarized below. The contracts are identified by number instead of the name of the municipality to respect confidentiality concerns.

Contract Number	Description	Contract Price	Down Payment	Customer Chassis Payment	Chassis Cost
In Progress					
AF16-049	Rescue-Pumper	\$ 514,184	\$ 102,246	\$ 268,096	\$ -
AF16-057	Pumper-Tanker	345,000	69,000	106,863	
AF16-036	Tanker-Pumper	567,795	85,126	-	289,046
Not Started					
AF16-100	Rescue	162,048	-	-	
AF16-139 (US)	Tanker- Pumper		-	-	
	\$319K USD@1.25	398,750	-	-	

46. The Receiver contacted each of the Arnprior customers and offered them the opportunity to have their trucks completed at existing contract price and to honour the deposits they had paid to AFTC, but due to cash constraints they could only be completed by Eastway on the basis of each customer pre-paying for parts and materials, and for the chassis in cases where the chassis had not yet already been purchased or paid for.

47. Three of the Arnprior Contracts included deposits paid by the customers to AFTC as shown in the table above, and these deposit liabilities were assumed by Eastway as part of the Arnprior transaction.

Arnprior Contracts - Completion Agreements

48. Customers under contracts AF16-049 and AF16-057 agreed to the foregoing proposal which are fully documented in completion agreements (the “**Completion Agreements**”) executed by the Receiver and the respective customers.

49. To segregate customer pre-payments for parts and materials (the “**Pre-Payments**”) from general operating funds, the Receiver opened a segregated trust account to which all Pre-Payments have been deposited.

50. As and when Eastway requires funding to pay its suppliers for parts and materials specific to these two contracts, it submits a request to the Receiver with supporting documentation and the Receiver transfers funds to Eastway’s operating account. All trust transfers are tracked by purchase order number and reconciled upon each transfer being made.

51. Both of these contracts are in progress and scheduled for completion and delivery later this year.

52. The Completion Agreements are contained within the CIM which is attached as part of the Confidential Appendix to this Second Report.

Arnprior Contracts – Termination

53. Two of the Arnprior Contracts which had yet to commence (contract numbers AF16-100 and AF16-139) were terminated by mutual agreement and the customers have chosen to re-tender, as they were not in a position to pre-pay for parts or chassis.

Arnprior Contracts - Status to be Determined

54. The fifth Arnprior Contract AF16-036 is in its early stages. The truck body had been fabricated as at the date of the Appointment Order, but no further work has been done.

55. The Receiver met with customer AF16-036 and offered it the opportunity to pay in advance for parts and materials, however it would have also require the customer to acquire the cab and chassis directly from the supplier at a cost of approximately \$268,000.

56. Given the surrounding uncertainty it was agreed that customer AF16-036 would wait for the outcome of the Receiver's process of seeking a buyer.

Eastway Contracts and Demo Units

57. At the date of the Appointment Order, aside from the Arnprior Contracts, Eastway had one firetruck in progress that was under contract, such contract originating from the Eastway911 transaction in March, 2016.

58. The truck which was approximately 90% complete, and upon completion will generate revenue of \$276,798 plus tax. This truck is due for completion and delivery within the next 30 days, pending ULC certification.

59. Eastway has one additional contract which it was awarded by tender on June 7, 2017 at a contract price of \$389,900, however no work has commenced. According to the township which awarded this tender to Eastway, its bid was a full \$50,000 less than the second place tender. Eastway paid a \$10,000 tender deposit when submitting its bid.

60. Eastway also had two other trucks available for sale, one a smaller rescue truck and the second a large pumper truck. Both were demonstrator models (the “**Demo Units**”) which had yet to be sold. Eastway was in discussions with a municipality in Southwest Ontario to purchase both of the Demo Units at the date of the Appointment Order.

61. Through the efforts of the Eastway sales team, the Demo Units were placed under contract on July 14, 2017, for a total price of \$662,410 plus tax. The purchaser requested a number of upgrades and options to be added to the base Demo Units, pushing out completion and delivery time for approximately 90 days.

62. One of the Demo Units (smaller rescue truck) was delivered on October 3, 2017. The second Demo Unit (large pumper truck) is expected to be delivered within the next 30 days, pending ULC certification.

ULC Certification of Automobile Fire Fighting Apparatus

63. In general, contracts to supply firetrucks will require the manufacturer to adhere to Underwriters Laboratories of Canada (ULC) standards. Upon its appointment, the

Receiver contacted ULC to ascertain whether Eastway was ULC listed and to confirm that it could meet the contract terms for same.

64. In consultation with ULC, the Receiver was advised that in June 2013, ULC announced changes to its program which harmonized its Fire Apparatus certification programs into a single North American program known as VIP-S515. The new program covers inspection and certification under CAN/ULC-S515-13 and Fire Fighting Apparatus that are contracted after November 1, 2014 shall be inspected and tested to CAN/ULC-S515-13 standards.

65. ULC advised that Eastway was not eligible for ULC certification to this standard as it had not gone through the necessary audit process, which takes approximately 4 days and costs in excess of \$10,000.

66. The Receiver arranged for the ULC audit to be conducted. The on-site portion of the audit took place from October 3 – 7, and based upon preliminary results the Receiver expects Eastway to receive its certification before the end of October.

FUNDING AND REPAYMENTS DURING RECEIVERSHIP

67. Since the date of the Appointment Order, DaVinci has continued to fund the operating expenses of the Company.

68. The Receiver has continued to operate the business as authorized in the Appointment Order, which includes operating Eastway's credit facility and making periodic advances from, and repayments to, DaVinci.

69. Since the date of the Appointment Order to the date of this Second Report, DaVinci has advanced to Eastway \$420,659.21 and received repayments of \$259,109.18.

70. The only repayments made to DaVinci are for advances made by DaVinci to Eastway after the date of the Appointment Order. However, it is anticipated within the next 30 – 45 days that sufficient funds will become available to make payments to DaVinci against the principal amount of its secured debt.

71. The Receiver recommends and seeks approval to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so.

SECURITY AND LEGAL OPINION

72. Security was granted by Eastway to DaVinci in the form of a General Security Agreement dated March 15, 2016 (the “**GSA**”), as well as a share pledge and a personal guarantee from Cappy. The GSA was registered pursuant to the *Personal Property Security Act* (“**PPSA**”) on March 18, 2016.

73. The Receiver retained the law firm of Spark LLP (“**Independent Counsel**”) to provide an independent legal opinion on the security held by DaVinci.

74. A copy of the security opinion dated May 26, 2017 (the “**Security Opinion**”) is provided in **Appendix “E”** to this Second Report.

75. Subject to the assumptions, qualifications and discussions contained in the Security Opinion, Independent Counsel is of the view that DaVinci holds a properly perfected security interest against Eastway's assets.

UNSECURED CREDITORS

76. At the date of the Receiver's appointment Eastway had virtually no trade creditors due to its suppliers requiring either payment in advance or COD terms. The only material unsecured Eastway liabilities of which the Receiver is aware of, are as follows:

- i) customer deposits assumed in the Arnprior transaction, which as noted earlier in this Second Report such liabilities have been substantially reduced due to the pending completion of two of the three Arnprior Contracts for which customer deposits had been paid to AFTC;
- ii) its monthly lease obligations for both premises (all current);
- iii) an agreement to pay a 10% surcharge to a critical supplier on account of a debt owed by the predecessor company Eastway911, such surcharge being added to all Eastway orders until the old debt is repaid.

77. Upon the requested amendment to the Appointment Order being made, the Receiver will issue statutory notices to all creditors as required under sections 245(1) and 246(1) of the BIA.

INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

78. The Receiver took control of the Company's bank accounts and all receipts and disbursements are being paid through the Company account, with the exception of monies that were paid to the Receiver by customers who agreed to prepay for parts and materials to complete their contracts, as described earlier in this Second Report.

The Receiver has prepared two Interim Statements of Receipts and Disbursements, one specific to its trust account for handling the Pre-Payments, attached hereto as **Appendix "G"** (the "**Trust Account R&D**"), and a second for all of the receipts and disbursements which have been transacted through the Eastway operating account that is controlled by the Receiver, attached hereto as **Appendix "H"** (the "**Interim R&D**").

MARKETING OF ASSETS BY THE RECEIVER

79. The Appointment Order provides that the Receiver is authorized:

- 3(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- 3(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

80. The results of the Receiver's initial efforts to evaluate and market the assets of the Debtor are set out below.

Asset Appraisal

81. To evaluate the fixed assets of Eastway (primarily machinery, equipment and vehicles) the Receiver obtained an appraisal from Rideau Auctions Inc. ("**Rideau**").

82. A copy of the Rideau appraisal dated September 15, 2017 is included as **Exhibit "A" to the Confidential Appendix** to this Second Report.

Confidential Information Memorandum

83. The Receiver prepared a one page "teaser" document and distributed it to various parties in the industry, including direct competitors and other truck manufacturers, as well as equipment dealers/liquidators. A copy of the teaser is attached as **Appendix "F"** to this Second Report.

84. The teaser specifically indicated that preference would be given to those prospective purchasers which had interest in continuing the operations and offering employment to the current employees.

85. The teaser requested interested parties to contact the Receiver and to execute a confidentiality agreement to obtain a copy of a Confidential Information Memorandum (the “CIM”). A copy of the CIM is included as **Exhibit “B” to the Confidential Appendix** to this Second Report.

86. The Receiver required the execution of a confidentiality agreement given the inclusion of copies of municipal contracts.

87. Employee information was not included in the CIM, but was made available upon request, at the Receiver’s discretion, to those who expressed interest in offering continuing employment.

88. Twelve (12) confidentiality agreements were signed and the CIM was distributed accordingly to the requesting parties.

89. The Receiver held meetings, discussions and site visits with interested parties. One offer was received by the CIM deadline of September 22, 2017, but it was not in accordance with the terms and conditions of the CIM. Furthermore it contained conditions in favour of a third party which the Receiver was not in a position to negotiate or deal with, and accordingly the offer was rejected.

90. The Receiver afforded the offering party the opportunity to re-submit an offer in accordance with the CIM by October 6, later extended to October 11, 2017 and is awaiting receipt of same.

TAX MATTERS

Corporations Tax

91. Eastway's taxation year end is December 31st, which means its corporate tax return was due on June 30, 2017.

92. While the losses incurred by Eastway in its first fiscal year are significant and therefore there is no expectation of any corporate tax liability, the non-compliance in the corporate tax account means that any HST refunds due to Eastway will be held by Canada Revenue Agency ("CRA") until such non-compliance is rectified.

93. Subsequent to its appointment, the Receiver contacted Eastway's external accountant in early July to make arrangements for the completion and filing of the federal income tax return.

94. The Receiver executed an engagement letter on behalf of the Debtor for same and expects the tax return to be completed and filed shortly.

Harmonized Sale Tax (HST)

95. On July 14, 2017, the Receiver first became aware of a written request from CRA to the Company dated April 12, 2017, requesting the examination of GST/HST returns filed by the Company for the quarterly periods of March 11 to June 30, 2016, and for December 1 to December 31, 2016.

96. Also on July 14, 2017, the Receiver became aware of a subsequent letter to the Company dated May 17, 2017, advising that due to the Company's failure to respond to its

previous request for information, CRA intended to reduce Input Tax Credits (ITCs) claimed on each of those returns, to zero.

97. The Company does not appear to have taken any steps to respond to CRA's requests, and this failure to respond caused Eastway to not receive refunds totalling \$33,636.

98. The Receiver contacted CRA to seek additional time to respond and was advised that the review period had been closed; however the disallowed ITCs could be claimed by Eastway on a subsequent return.

99. Upon contacting CRA, the Receiver was advised that the quarterly return for June 30, 2017, was also flagged for review and until it was responded to a further refund of \$34,272 would also be withheld.

100. The Receiver has prepared and submitted all of the necessary documentation to respond to CRA's requests for information for all periods under review, and it is expected that all refunds due to Eastway will be received in the next 30 days.

Employee Deductions at Source

101. Payroll is processed via a third party service provider which attend to all remittances, and there are no indications of any unpaid amounts.

102. Notwithstanding that, the Receiver will be requesting a payroll trust exam be conducted by CRA in the near future.

PROFESSIONAL FEES

103. In its first motion returnable July 11, 2017, the Receiver advised this Honourable Court that it was utilizing the services of Regent Law LLP of Ottawa, who also acts for the Applicant DaVinci. In addition to being cost effective, the Receiver is of the view there is no conflict or controversy which would have precluded Regent Law from acting for the Receiver on the return that motion or preclude Regent Law from acting for the Receiver on the return of this motion in Ottawa.

104. The Receiver also utilizes the services of Spark LLP of Toronto, who provided the independent legal opinion on the DaVinci Security.

105. The Receiver seeks to have its accounts and those of both of its legal counsel approved by this Court as follows:

106. For the period of June 21, 2017 to September 30, 2017, the Receiver's fees and disbursements (inclusive of all applicable taxes) total \$72,803.85, which includes professional fees of the Receiver of \$57,600 plus disbursements of \$6,852.98 and HST of \$8,350.87. The Receiver's detailed accounts and the affidavit of Robert Link regarding its fees and disbursements are appended hereto as **Appendix "I"**.

107. For the period of June 23, 2017 to October 18, 2017, the fees and disbursements of the Receiver's Motion counsel, Regent Law LLP (inclusive of all applicable taxes) total \$12,480.85, which includes professional fees of \$11,045.00 up to and including the attendance of this motion, plus HST of \$1,435.85. Motion Counsel's detailed accounts and

the affidavit of Ryan Flewelling dated October 12, 2017 regarding its fees and disbursements are appended hereto as **Appendix “J”**.

108. For the period of July 17, 2017 to October 10, 2017, the fees and disbursements of the Receiver’s Independent legal counsel, Spark LLP (inclusive of all applicable taxes) total \$4,225.90, which consists of \$3,172.00 in fees, \$575.10 in disbursements, and \$478.80 in HST. Counsel’s detailed accounts and the affidavit of Sanjay Kutty dated October 10, 2017 regarding its fees and disbursements are appended hereto as **Appendix “K”**.

SUMMARY AND RECOMMENDATIONS

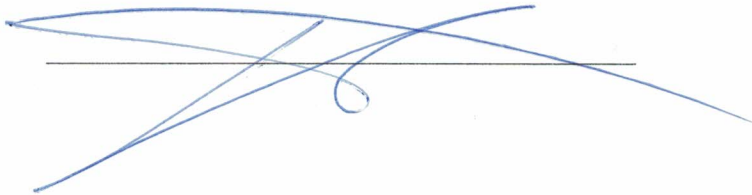
109. For the reasons set out in this Second Report, the Receiver respectfully requests that this Honourable Court issue an Order:

- (a) amending the Appointment Order to:
 - (i) delete any and/or all references to “Interim” and appointing Link & Associates Inc. as Receiver and Receiver/Manager of the Debtor’s property over which the interim receiver was appointed, within the meaning of subsection 243(2) of the BIA in a form to be attached to the draft amending order; and
 - (ii) expand the Receiver’s powers to include authorization for the Receiver to file an assignment in bankruptcy for the Debtor, if deemed necessary and advisable, and to act as Trustee of the bankrupt estate in a form to be attached to the draft amending order;

- (b) Approving this Second Report and the actions, activities, conduct and findings of the Receiver and its counsel as described in this Second Report;
- (c) Approving the Receiver's Interim Statement of Receipts and Disbursements as at October 10, 2017 for both its Trust Account and the Eastway Operating Account;
- (d) Sealing the Confidential Appendix and its exhibits as requested herein;
- (e) Authorizing the Receiver to make payments to DaVinci up to the amount of its secured debt, when in the discretion of the Receiver it has sufficient surplus funds to do so;
- (f) Approving the fees and disbursements of the Receiver and both of its counsel as submitted.

All of which is respectfully submitted this 11th day of October, 2017.

LINK & ASSOCIATES INC.
Court-Appointed Interim Receiver of
9584358 Canada Ltd. o/a Eastway Fire and Rescue
and not in its personal or corporate capacity

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be 'LINK & ASSOCIATES INC.'.

APPENDIX 'A'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)

FRI DAY, THE 22^d

JUSTICE C. MACLEOD)

DAY OF JUNE, 2017

IN THE MATTER OF AN ANTICIPATED APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security Act*, R.S.O. c. P.10

BETWEEN:

**DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND**

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

ORDER APPOINTING INTERIM RECEIVER

THIS MOTION, made by the Applicant Davinci Capital Partners Inc. in its capacity as trustee of Davinci Capital Private Debt Fund (the "**Applicant**") for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing Link & Associates Inc. as Interim Receiver (the "**Receiver**") without security, of all the assets, undertakings and properties of 9584358 Canada Ltd. o/a Eastway Fire and Rescue (the "**Debtor**") was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Application dated June 22, 2017, the Affidavit of Wayne Ehgoetz sworn June 22, 2017, the consent of Link & Associates Inc. to act as the Interim Receiver and on hearing the submissions of Counsel for the Applicant, no on appearing for the Respondent although duly served with the Notice of Application as evidence by an affidavit of service, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 47 (1) of the BIA and section 101 of the CJA, in respect of the Debtor, Link & Associates Inc. is hereby appointed Receiver, without security, of all of the Debtor's assets, undertakings and properties of every nature and kind whatsoever, and wherever located, including all proceeds thereof, acquired for, or used in relation to a business carried on by the Debtor (collective the "**Property**"), until the earlier of:

- a. the taking of possession by a receiver, within the meaning of subsection 243(2) of the BIA, of the Debtor's property over which the interim receiver was appointed,
- b. the taking of possession by a trustee of the Debtor's property over which the interim receiver was appointed, or
- c. the expiry of 30 days after the day on which the interim receiver was appointed or of any period specified by the court

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security

personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtpr, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect the receivables now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (f) to settle, extend or compromise any indebtedness owing to the Debtor with respect to the Property;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating

such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding ~~\$250,000~~ ^(\$100,000), provided that the aggregate consideration for all such transactions does not exceed ~~\$750,000~~; and ~~\$~~ ^{\$}500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Eastway;

(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may

not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing

in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

RECEIVER TO HOLD FUNDS

11. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid upon further Order of this Court or on consent of the Applicants.

EMPLOYEES

12. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

13. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, to a maximum of \$100,000.00, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

17. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

18. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

19. **THIS COURT ORDERS** that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true

copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

20. **THIS COURT ORDERS** that the Applicants, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.

GENERAL

21. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

22. **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.

23. **THIS COURT ORDERS that** the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

24. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, as provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to

be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine or may be agreed between the parties.

25. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Applicants and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SEALING OF COURT DOCUMENTS

26. **THIS COURT ORDERS** that the Application Record be sealed and not form part of the public record until such further order of the Court.

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ON/LE	JUN 23 2017
DOCUMENT #	<u>GH1</u>
IN BOOK NO. 73-13	
AU REGISTRE NO. 73-13	



MR. JUSTICE C. MACLEOD

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and- **9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE**
Respondents

Court File No. **17-33088**

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

ORDER APPOINTING INTERIM RECEIVER

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel: 613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)

APPENDIX 'B'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

**FIRST REPORT OF THE INTERIM RECEIVER
LINK & ASSOCIATES INC.**

July 6, 2017

INDEX OF APPENDICES

- A. Order Appointing Interim Receiver dated June 23, 2017
- B. Affidavit of Wayne Ehgoetz dated June 22, 2017
- C. Supplementary Affidavit of Wayne Ehgoetz dated June 23, 2017
- D. Demand Letter to Michael Cappy and Gibraltar Management Services dated June 30, 2017 with email and fax delivery receipts

INTRODUCTION

1. This is the first report (the “**First Report**”) of Link & Associates Inc., filed in its capacity as the Court-Appointed Interim Receiver (in such capacity, the “**Receiver**”) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue (“**Eastway**” or the “**Debtor**”).
2. The Receiver was appointed pursuant to the Order of the Honourable Mr. Justice Macleod of the Ontario Superior Court of Justice (the “**Court**”) dated June 23, 2017 (the “**Appointment Order**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.

Purpose of this First Report

3. The purpose of this First Report is to seek from this Honourable Court:
 - (a) an order extending the appointment of the Receiver for a further 90 days, to October 23, 2017.
 - (b) an order directing Michael Cappy and/or Gibraltar Management Services to repay the sum of \$17,463.55 United States Dollars to the Receiver, to be held pending a further determination of rights to said funds by this Honourable Court;
 - (c) an order prohibiting Michael Cappy and/or Gibraltar Management Services from directly or indirectly interfering with the operation of the Company’s website, email and servers and directing Michael Cappy and/or Gibraltar Management Services to provide all necessary

cooperation to transfer the Company's domain name eastwayfireandrescuevehicles.com and website and server backups to the Receiver;

- (d) an order accepting the First Report and approving the actions, activities, conduct and findings of the Receiver as described therein; and
- (e) such further and other relief as to this Honourable Court may seem just and appropriate.

Notice to Reader

4. In preparing this First Report and making the comments herein the Receiver has relied upon information prepared or provided by the Debtor and information from other third-party sources (collectively, the “**Information**”). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by various third parties or has been obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

5. Unless otherwise stated, all dollar amounts set out in this First Report are expressed in Canadian dollars.

BACKGROUND

6. Eastway is a federally incorporated company that operates its business out of leased premises located at 100 Industrial Avenue, Units B and C, Carleton Place, Ontario, (the “**Carleton Place Premises**”). Eastway is in the business of designing and manufacturing “built-to-order” pumper trucks, tanker trucks, and rescue, wildlands and hazmat vehicles.

7. In December 2014 Eastway Emergency Vehicles Inc. (“**EEVI**”) was acquired by Michael Cappy (“**Cappy**”) and re-branded as Eastway911 Emergency Vehicles Ltd. (“**Eastway911**”).

8. In November, 2015 Eastway911 ceased production when the landlord (and former owner of EEVI) locked the doors for non-payment of rent.

9. On January 3, 2016 Eastway 911 filed a Notice of Intention to Make a Proposal and through a Court-approved stalking horse bid process, 9584358 Canada Ltd. acquired the assets of Eastway911 on or about March 18, 2016.

10. On May 25, 2017, Eastway acquired certain assets of competitor Arnprior Fire Trucks Corp. (“**Arnprior**”) from Plaintree Systems Inc. for nominal cash consideration and assumption of certain liabilities, including an agreement to lease the Arnprior premises (the “**Arnprior Premises**”) for one year.

11. The assets purchased from Arnprior included the rights to five (5) contracts to build rescue vehicles for various municipalities in Canada and the United States, in various stages of completion. The assumed liabilities include customer deposits associated with these contracts.

DaVinci Loan to Eastway

12. On or about March 15, 2016, Eastway entered into a loan agreement with DaVinci for working capital and term loan facilities totalling \$1.9 million. The purpose of the loans was to provide Eastway with funds to acquire the operating assets of EEVI and to provide working capital to finance the day to day operations of Eastway.

13. The Receiver understands that Cappy is the sole or majority shareholder of Eastway and the personal guarantor (up to \$1 million) of the indebtedness of Eastway to DaVinci under the provisions of the loan agreement between DaVinci and Eastway.

14. The loan advances from DaVinci to Eastway have been continuously increasing and are presently in the range of \$3.8 million.

15. In January 2017, Mr. Terry Kruk (“**Kruk**”) was appointed by DaVinci to monitor the Eastway loan, which included attendances at the Carleton Place Premises.

16. Kruk’s role evolved into more of an interim CFO role for a period of time, until recently when his signing authority and electronic access to the bank accounts were revoked by Cappy, thereby removing visibility of the Company’s financial position to DaVinci.

17. Efforts by DaVinci to regularize the loan in a forbearance agreement were not successful.

18. Further background information regarding the dispute between DaVinci and Cappy is more fully documented in the Application Record and specifically the affidavit of Wayne Ehgoetz (“**Ehgoetz**”) dated June 22, 2017 and the supplementary affidavit of Ehgoetz dated June 23, 2017, copies of which are attached hereto as **Appendix “B”** and **Appendix “C”**, respectively.

Appointment of Interim Receiver

19. The relationship between Cappy and DaVinci continued to deteriorate, resulting in DaVinci bringing an application for the appointment of the Receiver.

20. The Receiver was appointed on Friday, June 23, 2017, such appointment to be for a period of 30 days or further order of the Court.

ACTIVITIES OF THE RECEIVER

21. In accordance with the provisions of the Order, the Receiver immediately contacted the Bank of Nova Scotia (Carleton Place branch) (“**BNS**”) on June 23, 2017 to serve the Appointment Order and freeze the accounts.

22. On June 26, 2017 the Receiver met with the BNS to commence the process of changing signing authorities and on-line banking access such that the bank accounts will be under the control of the Receiver.

23. The Receiver attended at the Company's two business premises in Carleton Place and Arnprior, Ontario on June 26 and 27, 2017 to meet with key employees, review the status of jobs in progress, and commence its review and evaluation of financial position and operational issues.

24. Given his familiarity with the business and its employees, and his accounting and finance background, the Receiver has designated Kruk as the manager of the day-to-day business operations.

25. It is evident that the very recent acquisition of Arnprior will require a much more in-depth evaluation of the viability of the business going forward, and determination and implementation of the steps required to integrate Eastway and Arnprior, which will extend beyond the Receiver's initial 30 day mandate.

Outgoing Wire Payments on Return Date of Motion

26. The Receiver has identified three (3) payments totalling \$17,463.55 USD made from the Company's US Dollar bank account at Bank of Nova Scotia between 7:03 a.m. and 7:08 a.m. EST on June 23, 2017, such payments being made by wire transfer to Gibraltar Management Services ("**Gibraltar**") and electronically authorized by Cappy.

27. The Receiver understands that Gibraltar is a US-based company owned and/or controlled by Cappy. The payments made to Gibraltar equate to approximately \$23,000 CAD.

28. A wire payment of \$4,000 was also made to a law firm from the Company's CAD Dollar bank account at Bank of Nova Scotia on June 22, 2017.

29. The total of these payments on the eve, and morning, of the return of the motion is approximately \$27,000.

30. According to DaVinci, it agreed to provide additional working capital based upon specific funding requests from Eastway. At the time of the application for the appointment of the Receiver, the rent for the Arnprior Premises was 3 months in arrears, a total of \$26,950.50 and DaVinci had provided funding to pay same.

31. DaVinci had also providing funding for critical supplier payments for the completion of a fire truck, and such payment was not made.

32. The foregoing payments diverted funds away from the Company which had been loaned by DaVinci for the purpose of paying the rent and key suppliers.

33. On June 30, 2017, the Receiver wrote to Cappy and Gibraltar and demanded the return of these funds. A copy of the Receiver's demand, along with email and fax delivery confirmation receipts, are attached as **Appendix "D"**.

34. Subsequent to its appointment, the Receiver arranged for the payment of the rent arrears for the Arnprior Premises on June 28, 2017.

Servers and Website

35. According to an email from Cappy to Ehgoetz dated June 19, 2017 which is contained within the affidavit of Ehgoetz dated June 22, 2017, Cappy states that as part of a proposed deal between him and DaVinci:

“The company’s website and server backups would be immediately removed from Gibraltar’s accounts and servers”

36. The Receiver believes it is appropriate and necessary to obtain an order prohibiting Michael Cappy and/or Gibraltar Management Services from directly or indirectly interfering with the operation of the Company’s website, email and servers and directing them to provide all necessary cooperation to transfer the Company’s domain name eastwayfireandrescuevehicles.com and website and server backups to the Receiver.

37. The Receiver notes that the Company’s website is no longer accessible.

ASSETS OF THE DEBTOR

38. The assets of the Debtor consist primarily of contracts, work in progress, and a quantity of materials inventory and equipment.

39. The Receiver is currently evaluating the economic feasibility of each of the five (5) contracts included in the assets purchased from Arnprior.

40. The Company has one truck nearing completion which will generate \$267,000 and is also in advanced discussions with a municipality in Southwest Ontario to sell one demo pumper truck and one demo mini-rescue vehicle for a total of approximately \$670,000.

41. The ability to sell the demo vehicles in the near terms will be key to generating cash flow for the continued operation of the business.

FINANCIAL POSITION

42. The nature of the Eastway business model is that it generally requires the customer to pay in full upon delivery of a completed vehicle, which means it must carry the costs of a build and overheads for several months until completion, although in certain instances partial deposits are paid, and/or the customer purchases the chassis.

43. The Company does not currently have sufficient contract volume to be profitable. Without sufficient contracts, there is excessive downtime and inefficiencies, and a large amount of fixed and variable overheads draining cash flow; such shortfalls to date have been covered primarily via additional DaVinci loan advances.

44. Since the date of the Appointment Order, DaVinci has continued to fund the critical operating expenses of the Company.

45. The Receiver is in the process of preparing an updated cash flow forecast and viability assessment and will report on same in its next report to Court.

SECURITY AND LEGAL OPINION

46. Security was granted by Eastway to DaVinci in the form of a General Security Agreement dated March 15, 2016 (the “**GSA**”), as well as a share pledge and a personal guarantee from Cappy. The GSA was registered pursuant to the *Personal Property Security Act* (“**PPSA**”) on March 18, 2016.

47. The Receiver has retained the law firm of Spark LLP to provide an independent legal opinion on the security held by DaVinci and will file a copy of the legal opinion in its next report to Court.

SUMMARY AND RECOMMENDATIONS

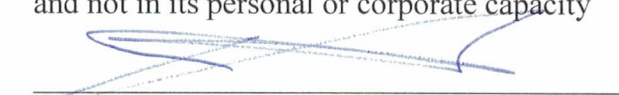
48. Given the recent acquisition of the assets of Arnprior and the need to integrate two different operations, premises, and employees, and the amount of additional funding potentially needed, and lack of lender confidence in ownership, the oversight of the Receiver is necessary and should continue.

49. The Receiver recommends an extension of its mandate for a period of 90 days from the original expiry date in the Appointment Order.

All of which is respectfully submitted this 6th day of July, 2017.

LINK & ASSOCIATES INC.

Court-Appointed Interim Receiver of
9584358 Canada Ltd. o/a Eastway Fire and Rescue
and not in its personal or corporate capacity



Robert Link, CIRP
Licensed Insolvency Trustee

APPENDIX 'C'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MACLEOD

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)
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TUESDAY, THE 11th
DAY OF JULY, 2017

IN THE MATTER OF AN APPLICATION

pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am.,
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security
Act*, R.S.O. c. P.10

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

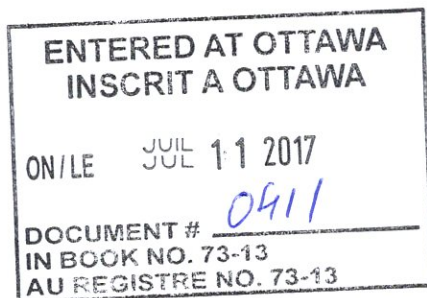
ORDER

THIS MOTION, made by Link & Associates Inc. (the "**Receiver**") in its capacity as Interim Receiver of the Respondent 9584358 Canada Ltd. o/a Eastway Fire and Rescue ("**Eastway**") for an Order extending the duration of the interim receivership pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), and for such further and other relief as set out in the Notice of Motion dated July 6, 2017, was heard this day at 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the First Report of the Receiver dated July 6, 2017 (the "**First Report**"), and on hearing the submissions of counsel for Receiver and the Respondent,

1. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion and the First 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 First Report is hereby accepted and approved and the Receiver's activities as set out in the First Report be and are hereby approved.
3. **THIS COURT ORDERS** that the duration of the Receiver's appointment as set out in paragraph 2 of the June 23, 2017 Order appointing it as Interim Receiver (the "**Appointment Order**") is hereby extended for a further ninety (90) days to October 23, 2017, inclusive.
4. **THIS COURT ORDERS** and hereby directs Mr. Michael Cappy ("**Cappy**") to deliver to the Receiver \$17,463.55 USD (the "**Funds**") forthwith, which the Receiver shall hold in trust pending this Court's final determination of rights to said Funds.
5. **THIS COURT ORDERS** and hereby directs Cappy to refrain from directly or indirectly interfering with the operation of the Eastway's website, email and servers and to provide all necessary cooperation to the Receiver to transfer the Eastway' domain name eastwayfireandrescuevehicles.com, website and server backups to the Receiver.


MR. JUSTICE C. MACLEOD



DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and- **9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE**
Respondents

Court File No...17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
OTTAWA

ORDER

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalfe Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel:613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E4C (July 1, 2007)

APPENDIX 'D'

Robert Link

From: Ryan Flewelling <ryan.flewelling@regentlaw.ca>
Sent: Thursday, August 10, 2017 11:29 AM
To: mlc@cappy.it
Cc: Jason Dutrizac; Robert Link; Stephanie Laverdiere
Subject: receivership of 9584358 Canada Ltd. o/a Eastway Fire and Rescue
Attachments: Order - Justice MacLeod 2017.07.11.pdf

Mr. Cappy,

Please find attached a copy of an Order of the Ontario Superior Court of Justice requiring you to deliver \$17,463.55 USD to Link & Associates Ltd., the court appointed receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue. The order Order also directs you to refrain from directly or indirectly interfering with Eastway's website and servers and to cooperate with the receiver to transfer the domain name eastwayfireandrescuevehicles.com to the receiver.

Please govern yourself according to the terms of the Order. I have copied Rob Link of Link & Associates on this e-mail so that you will have his contact info to arrange the transfer of funds and domain name.

Yours very truly,

Ryan E. Flewelling, B.A., LL.B.
Partner



Ottawa | 150 Metcalfe St., Suite 1401
Ottawa, ON K2P 1P1
T | 613.319.9997 ext. 208
D | 613.778.8613
F | 416.943.6270
E | ryan.flewelling@regentlaw.ca

Toronto | 372 Bay St., Suite 901
Toronto, ON M5H 2W9
T | 416.840.8991
F | 416.943.6270

APPENDIX 'E'



Sanjay Kutty
d: 416.639.2153
e: sanjay@spark.law

DELIVERED BY EMAIL to rlink@linkassociates.com

July 31, 2017

Mr. Robert Link
Link & Associates Inc.
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, Ontario
M5K 1G8

Dear Mr. Link:

re: 9584358 Canada Ltd. o/a Eastway Fire and Rescue (the “Debtor”) – Security Opinion

This letter follows your request for a review of the security registered against the Debtor and the Debtor’s assets and undertaking, in view of your appointment, as Interim Receiver of the Debtor, pursuant to the Order of Justice Macleod dated July 11, 2017.

The Debtor, according to the searches we have conducted under the *Personal Property Security Act* (the “PPSA”) and other databases, has two secured creditors: (a) Spartan Motors USA, Inc. (“Spartan”); and (b) Davinci Capital Private Debt Fund (“Davinci”), and there appear to be no other PPSA registrations against the Debtor in any event.

Standard Assumptions and Qualifications

In rendering our opinion concerning the registered security, we have made the following standard assumptions:

- Original copies of all documents were in fact signed by the person named therein;
- The security documents are enforceable against the debtor named therein in accordance with their written terms;
- Any addresses in financing statements or financing change statements are correct;

169 King Street East, 3rd Floor | Toronto, Ontario M5A 1J4 | Office: 416.639.2150 | Fax: 647.490.4888 |
www.spark.law

- Unless otherwise stated, the security documents were delivered by the debtor named therein on the date stated therein;
- In the case of execution of a document by an individual, that the debtor's name is correctly stated;
- Where we have been provided with a copy of a verification statement or have relied on a search pursuant to any provincial Personal Property Security Act (the "PPSA"), with respect to a registration, rather than the financing statement or financing change statement to which it relates, we have assumed that the relevant financing statement or financing change statement was properly executed by or on behalf of the secured party; and
- That verification statements were provided to each debtor within twenty days of registration unless waived in writing by the debtor.

Corporate History

9584358 Canada Ltd. was incorporated on January 14, 2016. Wilson Watters is the only director listed on the Corporation Profile. 9584358 Canada Ltd. has the following business names registered: (i) Eastway Fire and Rescue Vehicles; (ii) Arnprior Fire Trucks; (iii) Almonte Fire Group. We understand that on May 25, 2017, the Debtor signed an agreement to purchase certain assets from Arnprior Fire Trucks Corp. (the "Arnprior Transaction") and closed the Arnprior Transaction on or about June 6, 2017.

Spartan PPSA Registration

On September 25, 2015, Spartan registered a security interest under the PPSA against Arnprior Fire Trucks Corp. in respect of Inventory, Equipment, Accounts, and Other with the General Collateral Description as follows: "All chassis manufactured or produced by secured party and sold to debtor, including, but not limited to any and all additions permanently affixed to such chassis which shall be deemed an...". On May 31, 2017 the PPSA indicates that the security interest was transferred to be against the Debtor and on June 1, 2017, it was subsequently transferred back to Arnprior Fire Trucks Corp. as the business debtor. It is unclear why the registration was assigned from and then back to Arnprior Fire Trucks Corp. within a 24-hour period.

We understand from you that the debt to Spartan secured by the Spartan PPSA registration has been paid in full, and the Debtor is not possession of any chassis manufactured or produced by Spartan. Given this information, it is not necessary for us to consider the implications, if any, of the unusual nature of this registration any further. Should matters change, please advise so that we can consider this issue in greater detail.

Davinci Capital Private Debt Fund

Davinci entered into a Loan Agreement with the Debtor and Michael Cappy (the majority shareholder of the debtor) ("Cappy") dated March 15, 2016. The loan is secured with a General Security Agreement dated March 15, 2016 (the "GSA"), which is registered under the PPSA. Collateral agreements to the loan are a Guarantee between Davinci and Cappy dated March 15, 2016, a Share Pledge Agreement between Davinci and Cappy dated March 16, 2016 and a Promissory Note between Davinci and the Debtor dated March 18, 2016.

The Loan Agreement which we reviewed was the signed agreement attached to the affidavit of Wayne Ehgoetz filed in support of the application to appoint you as Interim Receiver (the "Affidavit"). We were also provided with an unsigned version which appears to be the same document. In both versions, most of the schedules are blank so our opinion is based on the assumption that the schedules are intentionally blank. If this assumption is not correct, this may materially affect our opinion.

The version of the GSA which we reviewed was also the one attached to the affidavit of Wayne Ehgoetz.

Davinci registered its security interest under the PPSA in the amount of \$1,600,000 on March 18, 2016, in respect of Inventory, Equipment, Accounts and Other with the General Collateral Description as follows: "Secured in accordance with the Security Agreement dated March 15, 2016 and the Promissory Note dated March 18, 2016."

Miscellaneous Matters

Bank Act, Bankruptcy, and Execution searches (for the region of Ottawa-Carleton) are clear for the Debtor and Cappy as of the date of the search.

A draft Forbearance Agreement (which we understand from the Affidavit was and remains unsigned) was attached to the application record, which referenced guarantee agreements between Davinci and Cappy dated December 2, 2014, July 2016 and August 2016. We understand that these documents may not have been executed, and in any event, we have not been provided with copies of these documents and accordingly have not included in this opinion any analysis of these documents or their implications on the security interests registered against the Debtor. Should you wish a review of these documents, please provide them to us.

We note that the amounts owed to Davinci by the Debtor are listed in the application record as \$3,736,151. This is in excess of the \$1,900,000 value of the credit facilities provided by the Loan Agreement and the \$1,600,000 amount set out in the PPSA registration (this latter fact has no impact on the validity or enforceability of the security interest).

The application record also references a UCC filing in the State of Kentucky against Michael Cappy in relation to security for the March 16, 2016 Share Pledge Agreement. We have not been instructed to retain US counsel to investigate this further but would be happy to do so on request.

Opinion

In our opinion, Davinci Capital Private Debt Fund has a good and valid first-ranking security interest over the personal property, assets, and undertakings of the Debtor. As mentioned, we understand that the Debtor is not in possession of any Spartan manufactured or produced chassis and/or all debts to Spartan have been fully paid, and in light of that information it has been unnecessary for us to consider the effect, if any, of the Spartan PPSA registration.

We trust that this is satisfactory. Please feel free to contact us should you have any questions or comments.

Yours very truly,

SPARK LLP

A handwritten signature in blue ink, appearing to read "Sanjay Kutty", is written over the printed name.

per: Sanjay Kutty

APPENDIX 'F'



REQUEST FOR OFFERS TO PURCHASE THE ASSETS OF

9584358 CANADA LTD. o/a
EASTWAY FIRE AND RESCUE VEHICLES

DEADLINE FOR OFFERS: September 22, 2017

Link & Associates Inc.

Receivers + Trustees

**LINK & ASSOCIATES INC.
Court-Appointed Interim Receiver of
9584358 Canada Ltd. o/a
Eastway Fire and Rescue Vehicles**

77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, Ontario
M5K 1G8

www.linkassociates.ca

Link & Associates Inc.
Receivers + Trustees

Background

On June 23, 2017, Link & Associates Inc. was appointed as the Court-Appointed Interim Receiver (the “Receiver”) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles (“Eastway”).

The Receiver is soliciting offers for the purchase of the assets of Eastway.

Eastway is a designer and manufacturer of built-to-order firetrucks and rescue vehicles serving municipalities in Canada and the United States.

Eastway acquired the assets of Eastway911 Emergency Vehicles Ltd. in March, 2016. Eastway subsequently acquired certain assets of Arnprior Fire Trucks Corp. (“AFTC”) in May, 2017 for nominal cash consideration and assumption of certain liabilities. Eastway also offered employment to the former AFTC employees and entered into a lease for the former AFTC premises located in Arnprior, Ontario where the majority of manufacturing and assembly takes place.

Eastway has a second leased location in Carleton Place, Ontario, which since the AFTC transaction has served primarily as an administrative office and houses secondary fabrication facilities.

Sales Process

The assets of Eastway being offered for sale include, but are not limited to, shop machinery and equipment, parts and materials inventory, computers and office equipment, three (3) service and shop vehicles, two (2) firetruck trade-ins, certain work-in-process and customer contracts, trade names and intellectual property. Customer contracts and leased premises will require the purchaser to assume certain associated liabilities.

Copies of all contracts and lease agreements will be provided to prospective purchasers as part of a confidential information memorandum (the “CIM”). Interested parties may obtain their copy of the CIM by contacting the Receiver and executing a confidentiality agreement. To request your copy of the CIM, please submit a request via email with the subject line “Eastway Request for CIM” to rlink@linkassociates.ca along with your complete contact information.

Preference will be given to those parties with an interest in continuing the operations and offering employment to the current employees.

Offers must be submitted to the Receiver at its Toronto office by September 22, 2017 at 5:00 p.m. EST. The CIM includes the required form of offer and terms and conditions of sale.

This document has been prepared by the Receiver for general information only. The Receiver makes no representations or warranties, expressed or implied, as to the accuracy or completeness of any information contained herein. Interested parties are responsible for conducting their own independent due diligence at their sole expense.

Tel. 416.862.7785 Fax. 416.862.2136
enquiries@linkassociates.ca

77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

APPENDIX 'G'

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
Interim Receiver's Interim Statement of Receipts and Disbursements
For the period of August 14 to October 10, 2017

RECEIVER'S TRUST ACCOUNT

Opened August 14, 2017

Receipts

Advances from Customer re Contract AF16-049	\$	124,300.00
Advances from Customer re Contract AF16-057		145,720.00
Total Receipts	\$	270,020.00

Disbursements

Transfer to Eastway Operating Account re Contract AF16-049		90,354.61
Transfer to Eastway Operating Account re AF16-057		81,992.78
Total Disbursements	\$	172,347.39

Excess of Receipts over Disbursements	\$	97,672.61
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CLOSING CASH POSITION as at October 10, 2017	\$	97,672.61
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APPENDIX 'H'

9584358 Canada Ltd. o/a Eastway Fire and Rescue Vehicles
Interim Receiver's Interim Statement of Receipts and Disbursements
For the period of June 23, 2017 to October 10, 2017

	Currency	
	CAD	USD
EASTWAY OPERATING ACCOUNT		
Opening Bank Balance	\$ 42,629.76	\$ 2,735.38
Receipts		
Advances from Secured Creditor	\$ 420,659.21	\$ -
Customer Deposit - Demo Pumper	230,000.00	-
Customer Deposit - Rescue Truck	70,000.00	-
Collection of balance of Purchase Price - Rescue Truck	116,930.25	-
Advances from Receiver's Trust Account**	172,347.39	-
Collection of Accounts Receivable	49,921.02	-
Transfer to/from CAD/USD	-	155,704.18
Total Receipts	\$ 1,059,857.87	\$ 155,704.18
Disbursements		
Transfer to/from CAD/USD	198,169.52	
Repayment of Secured Creditor Advances	259,109.18	
Rent - Carleton Place	21,357.00	-
Utilities - Carleton Place	1,841.82	-
Rent and Utilities - Amprior	44,917.50	-
Payroll	207,589.61	-
Employee Benefits	15,187.20	
WS&IB	9,469.67	
Office Supplies and Miscellaneous	5,543.91	-
Employee expenses	17,192.42	
Purchase of Ford Chassis - Rescue Truck	64,432.77	-
Purchase of Parts and Materials Demo Pumper and Rescue Truck	11,029.52	23,003.67
Purchase of Parts and Materials Contract AF049	12,021.91	55,456.29
Purchase of Parts and Materials Contract AF057	12,418.37	29,351.64
Purchase of Parts and Materials - Pumper/Tanker	10,574.60	6,650.16
Purchase of Parts and Materials - Other	1,345.98	11,691.81
Shop Supplies	19,154.40	
Freight and Courier	1,087.37	-
Insurance	10,757.40	-
Phone and Internet	3,871.83	-
Software Licenses and IT services	10,420.68	-
Licenses and Business Taxes	4,129.02	-
Bookeeping/Accounting/Tax	314.66	-
Repairs and Maintenance	79.10	-
Bank Charges and Fees	1,655.08	112.50
Prepaid VISA	9,000.00	
Other Misc	399.09	-
Interim Receiver's Fees and Disbursements	43,554.67	-
HST on Interim Receiver's Fees and Disbursements	5,640.57	-
Legal Fees	-	-
HST on Legal Fees	-	-
Total Disbursements	\$ 1,002,264.85	\$ 126,266.07
Excess of Receipts over Disbursements	\$ 57,593.02	29,438.11
CLOSING CASH POSITION	\$ 100,222.78	\$ 32,173.49

APPENDIX 'T'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

**AFFIDAVIT OF ROBERT G. LINK
SWORN OCTOBER 11, 2017**

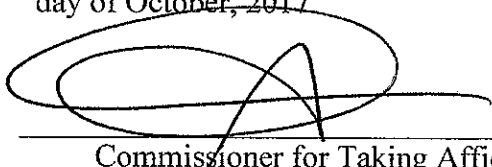
I, Robert G. Link, of the Town of Georgina, in the Province of Ontario, MAKE OATH

AND SAY:

1. I am the President of Link & Associates Inc., in its capacity as Court-Appointed Interim Receiver, without security (the "**Receiver**") of all of the assets, undertakings and properties of 9584358 Canada Ltd. (the "**Debtor**") pursuant to an Order of the Honourable Mr. Justice Macleod dated June 23, 2017 (the "**Appointment Order**") and, as such, have knowledge of the matters contained in this affidavit.

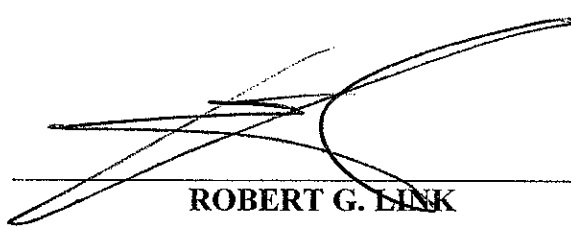
2. Details of the Receiver's activities from the date of the Appointment Order up to and including September 30, 2017 are provided in the First Report of the Receiver to Court dated October 11, 2017.
3. Attached hereto and marked as **Exhibit "A"** are true copies of the accounts rendered by the Receiver for the period of June 23, 2017 to September 30, 2017 (the "**Accounts Approval Period**") totaling \$72,803.85, which includes professional fees of the Receiver of \$57,600 plus disbursements of \$6,852.98 and HST of \$8,350.87.
4. A total of 180 hours were expended by the Receiver in the Accounts Approval Period in performing services in its capacity as Receiver pursuant to the Appointment Order, which equates to an average hourly rate of \$320.
5. The hourly billing rates outlined in Exhibit "A" are normal average hourly rates charged by Link & Associates Inc., for services rendered in relation to engagements similar to its engagement as Receiver. These accounts accurately reflect the services provided by the Receiver in this matter.

SWORN BEFORE ME at the Town of Georgina, in the Province of Ontario this 11 day of October, 2017



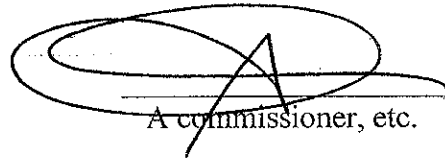
Commissioner for Taking Affidavits
(or as may be)

ZOFIA WIKTORJA MORRIS



ROBERT G. LINK

This is Exhibit "A" to the Affidavit of
Robert G. Link sworn October 11, 2017



A commissioner, etc.

ZOFIA WIKTORIA MORRIS

Link & Associates Inc.
Receivers + Trustees

July 31, 2017

9584358 Canada Ltd. o/a Eastway Fire and Rescue
100 Industrial Avenue, Building 4, Unit C
Carleton Place, Ontario
K7C.3T2

Invoice #1105

*** INVOICE ***

Re: Interim Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue

To: Professional services rendered in our capacity as Court Appointed Interim Receiver for the period of June 23 to July 31, 2017, as detailed in the attached timedockets.

Our Fee:	70 hours	\$ 28,000.00
Plus: Travel Time	33 hours	included
Less: Courtesy Reduction		\$ (5,600.00)
Subtotal		\$ 22,400.00
HST @ 13%		2,912.00
Subtotal Fee:		\$ 25,312.00
Disbursements:		
Hotel		\$ 1,199.87
Mileage		1,782.00
Parking		18.00
Meals		452.56
HST on Disbursements		438.53
Subtotal Disbursements		\$ 3,890.96
TOTAL DUE:		\$ 29,202.96

	Hours	Hourly Rate	Total
Robert Link, CIRP, LIT	70.00	\$400	28,000.00
TOTAL	70.00		\$ 28,000.00

HST #81903 2178

Tel: 416.862.7785 Fax: 416.862.2136
enquiries@linkassociates.ca
77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario, Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

Receivership (Interim) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue
Robert Link - Time Docket
For the billing period of June 23 to July 31, 2017

<u>June 23, 2017</u>	0.5	Travel
Tel and email WE; obtain order, tel and email BNS re freeze.		
<u>June 26, 2017</u>	6.5	4.0
Travel to Carleton Place; attend bank for meeting; attend CP premises; attend Arnprior premises; all tel and email.		
<u>June 27, 2017</u>	4.0	4.0
Attend premises; meetings w/ employees; meeting w/ bank; all tel and email various. Travel to Toronto.		
<u>June 28, 2017</u>	0.5	
Tel and email TK, WE, memo update; tel inquiry ULC.		
<u>June 29, 2017</u>	1.5	
Tel conf Kruk; Review Arnprior agreements; tel J Rosekat re legal opinion; tel and email Spartan re Woolwich chassis; t/f WE.		
<u>June 30, 2017</u>	0.5	
Letter to Cappy re: demand for return of funds.		
<u>July 4, 2017</u>	2.0	
Drafting first court report; tel and emails t/f Kruk; resend copy of court order to CRA insolvency intake centre.		
<u>July 5, 2017</u>	7.0	
Continue drafting first court report and evaluation of viability and cash flow needs; email J Rosekat re independent security opinion; numerous tel and email Kruk; numerous emails t/f Fiewelling; emails w/ Kooiman; emails Ehgoetz; emails bookkeeper and external accountant; tel fr D Watson; email Cappy re minute book.		
<u>July 6, 2017</u>	3.5	
Finalize court report; tel M Smith re contracts.		
<u>July 7, 2017</u>	1.0	
Update memo to DaVinci; numerous tel and emails Ehgoetz/Kruk; emails Kooiman; email BNS.		
<u>July 10, 2017</u>	2.5	
Tel and email Kooiman; tel email Carswell and Smith; tel and email Kruk and Ehgoetz; email t/f ext accountant; email BNS; review draft contracts for two customers.		
<u>July 11, 2017</u>	2.0	4.0
Travel to Ottawa, attend court for extension motion; mtg Kruk.		
<u>July 12, 2017</u>	5.0	
Meeting w/ Kooiman; attend Arnprior; mtg Smith and Kruk; mtg NG Chief and deputy chief;		
<u>July 13, 2017</u>	1.0	4.0
Travel Toronto; emails Kooiman and tel/email Kruk; email NG chief re next steps.		

<u>July 14, 2017</u>		0.5	
Email Ehgoetz; tel and email Kruk, Kooiman; draft agenda for meeting with DaVinci.			
<u>July 17, 2017</u>		1.0	
Tel and email Kruk, Kooiman; review Kruk cash flow; tel Benedict @Hogansburg-Akwesasne.			
<u>July 18, 2017</u>		1.0	
Numerous tel and email Kruk, Kooiman, Joy, Smith; tel Irwin.			
<u>July 19, 2017</u>		4.5	4.0
Travel to Ottawa; meeting/teleconference with Irwin/Kruk and Goren; tel and email Woolwich FD Chief.			
<u>July 20, 2017</u>		9.0	1.0
Travel to North Grenville, mtg w/ Chief, Dep Chief, Town CAO, legal; post meeting email re documents and proposal to go-forward; tel and email Kruk, C Joy; review Welland contracts, email DaVinci w/ update; email JK; tel and email insurer re addition of named insured; tel CRA; tel B Benedict re Akwesasne build, email proposal re same; email t/f Spartan general counsel; email counsel re PPSA amendments; all other tel and email incidental.			
<u>July 21, 2017</u>		2.0	4.0
Email reply legal counsel NG; Attend Carleton Place; mtg w/ Kooiman; bank deposit re Welland; deal w/ insurer re named insured; emails Akwesasne and NG; emails t/f Smith; tel and emails counsel re subcontract agreement, security registrations; email Spartan general counsel; travel Toronto.			
<u>July 24, 2017</u>		1.0	
Emails Smith, Watson; review cost to complete on NG and Akwesasne, prepare schedules; prepare and email minutes of July 19th conference call/mtg to DaVinci.			
<u>July 26, 2017</u>		7.0	4.0
Travel Toronto to Arnprior, mtg w/ Akwesasne; meeting w/ D Watson; dealing with insurance issues; ongoing mtgs w/ Kruk, Smith, Hutton; tel Harvard; tel Tay Valley; all other tel and email incidental.			
<u>July 27, 2017</u>		2.0	4.0
Attend at Carleton Place; tel and email re NG contract; attend MTO office to deal with ownerships, service plate; corr insurer re extension of coverages.			
<u>July 28, 2017</u>		4.0	
Email memo to lender and counsel re contracts and builds, several detailed emails to customers and counsel re same; Tel J Goren; tel T Kruk; numerous emails Smith, compile docs for new contracts.			
<u>July 31, 2017</u>		0.5	
Tel Kruk and Ehgoetz, email Kooiman, email insurer; email customer re contract.			
TOTAL		70.0	33.0

Link & Associates Inc.
Receivers + Trustees

9584358 Canada Ltd. o/a Eastway Fire and Rescue
 100 Industrial Avenue, Building 4, Unit C
 Carleton Place, Ontario
 K7C 3T2

Invoice #1110

*** INVOICE ***

Re: Interim Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue

To: Professional services rendered in our capacity as Court Appointed Interim Receiver for the period of August 1 to August 31, 2017, as detailed in the attached timedockets.

Our Fee:		\$ 20,000.00
Plus: Travel Time	28 hours	included
Less: Courtesy Reduction		\$ (4,000.00)
Subtotal Fee:		\$ 16,000.00
Plus: HST @ 13%		2,080.00
Total Fee		\$ 18,080.00
Taxable Disbursements:		
Hotel		\$ 400.40
Mileage		1,080.00
Parking		5.31
Meals		164.53
Non Taxable Disbursements:		
MTO searches/ownerships		52.00
Subtotal Disbursements		\$ 1,702.24
Plus: HST on Disbursements		\$ 210.04
Total Disbursements		\$ 1,912.28
TOTAL DUE:		\$ 19,992.28

	Hours	Hourly Rate	Total
Robert Link, CIRP, LIT	50.00	\$400	20,000.00
TOTAL	50.00		\$ 20,000.00

HST #81903 2178

Tel: 416.862.7785 Fax: 416.862.2136
 enquiries@linkassociates.ca

77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

Receivership (Interim) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue Robert Link - Time Docket For the billing period of August 1 to August 31, 2017
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<u>August 1, 2017</u>	1.0	Travel
Deal w/ employee termination; draft amended contract for NG.		
<u>August 2, 2017</u>	1.0	
Deal w/ numerous admin matters, contract issues, interim repayment to lender.		
<u>August 3, 2017</u>	3.5	4.0
Travel to CP meet w/ Kooiman deal with termination and transition; draft amended contracts for NG and AKW; emails Smith.		
<u>August 4, 2017</u>	2.0	4.0
Attend CP, deal w/ counsel for NG re final contract; tel and email Harvard; mtg w/ Joy re R&D and PO approvals; emails Smith re various build issues; tel J Goren re status.		
<u>August 8, 2017</u>	2.0	
Corr insurer; corr accountant; revisions to draft contracts.		
<u>August 9, 2017</u>	2.0	4.0
Tel insurance broker; finalize draft completion agreements for NG and AKW; corr external accountant.		
<u>August 10, 2017</u>	2.5	
Corr w/ Chief NG and AKW, approval for agreements, deal w/ funding mechanism, purchasing and employee issues, commission structure; approve and issues invoices for pre-payments re NG and AKW; work on HST audit; review paint quotes; corr Tay Valley.		
<u>August 11, 2017</u>	2.0	4.0
Corr North Grenville and Akwesasne re signed agreements and deposits; corr Spartan; banking issues; prepare R&D reporting template.		
<u>August 14, 2017</u>	2.5	
Meeting w/ DaVinci; tel and fax CRA re closed audit periods, additional review for June 30 period.		
<u>August 15, 2017</u>	2.0	
Corr Harvard; Corr Beckwith; Corr Akwesasne; review purchasing and quotes; lengthy tel Kooiman, exchange of emails; deal w/ tenancy issues at Plaintree; corr insurer; corr re paint options at Cavanagh.		
<u>August 16, 2017</u>	2.0	
Review sales pipeline; HST audit matters; deal w/ commission discrepancies; status of trade-in pumper; request updated asset listing; purchasing issues; corr Cavanagh; all other tel and email.		
<u>August 17, 2017</u>	2.0	
Corr Chief at Woolwich; assembling docs and prepare correspondence to CRA for first period under audit; email Saunders; corr Akwesasne; purchasing approvals, employee issues.		
<u>August 18, 2017</u>	0.5	
Corr M Cavanagh, arrange meeting; deal w/ bank re returned wire transfer; work on HST audit reply.		

August 21, 2017

2.5

Assemble docs for second HST audit, fax CRA re same; prepare and distribute teaser doc; email Fogarty; tel fr Goren; deal w/ A&B Ford.

August 22, 2017

2.5 4.0

Travel from TO to CP, meet w/ Cavanagh; meet w/ staff, deal w/ purchasing, supplier inquiries, and other admin matters; tel and emails Smith re ULC and builds.

August 23, 2017

0.5

Corr Beckwith; deal w/ ULC issues; corr interested parties;

August 24, 2017

2.0 4.0

Meetings in Arnnprior; meeting with Township of Beckwith; corr prospective buyers; corr Kooiman; cash flow prep; prep teaser; travel TO.

August 25, 2017

7.5

Update receiver website re seeking offers; deal w/ Carswell commission; Draft CIM and Confidentiality Agreement; issue teaser to prospective buyers; deal w/ insurer; deal with purchasing; corr Grenville.

August 28, 2017

2.0

Deal w/ temp layoffs, suppliers, operational and purchasing issues; tel and email counsel for Pilot Point, Alaska.

August 29, 2017

2.0

Edits to CIM; deal w/ counsel to PP Alaska township re truck at premises; corr Salewski; trf funds from trust; tel Fogarty; all operational matters.

August 30, 2017

4.5 4.0

Travel to Woolwich, mtg w/ Chief and township; numerous tel and email re operational and financial matters, purchasing; deal w/ potential buyers; conf call counsel and applicant; corr Salewski; corr Hale; corr Hasbra; corr IT consultant re server needs; all other tel and email incidental to file.

August 31, 2017

1.5

Approve supplier payments; corr insurer re confirmation of coverage; negotiation with suppliers; corr Woolwich; corr Salewski; all other tel and email.

TOTAL	50.0	28.0
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Link & Associates Inc.
Receivers + Trustees

9584358 Canada Ltd. o/a Eastway Fire and Rescue
100 Industrial Avenue, Building 4, Unit C
Carleton Place, Ontario
K7C 3T2

Invoice #1111

INVOICE

Re: Interim Receiver of 9584358 Canada Ltd. o/a Eastway Fire and Rescue

To: Professional services rendered in our capacity as Court Appointed Interim Receiver for the period of September 1 to September 30, 2017, as detailed in the attached timedockets.

Our Fee:		\$ 24,000.00
Plus: Travel Time	16 hours	included
Less: Courtesy Reduction		\$ (4,800.00)
Subtotal Fee:		\$ 19,200.00
Plus: HST @ 13%		2,496.00
Total Fee		\$ 21,696.00
Taxable Disbursements:		
Hotel		\$ 629.34
Mileage		891.00
Meals		145.97
Non Taxable Disbursements:		
MTO searches/ownerships		32.00
Subtotal Disbursements		\$ 1,698.31
Plus: HST on Disbursements		\$ 214.30
Total Disbursements		\$ 1,912.61
TOTAL DUE:		\$ 23,608.61

	Hours	Hourly Rate	Total
Robert Link, CIRP, LIT	60.00	\$400	24,000.00
TOTAL	60.00		\$ 24,000.00

HST #81903 2178

Tel: 416.862.7785 Fax: 416.862.2136
enquiries@linkassociates.ca

77 King Street West, Suite 3000, P.O. Box 95, TD Centre North Tower, Toronto, Ontario Canada M5K 1G8

The firm of Link & Associates Inc. is a Licensed Insolvency Trustee

Receivership (Interim) of 9584358 Canada Ltd. o/a Eastway Fire and Rescue
Robert Link - Time Docket
For the billing period of September 1 to September 30, 2017

<u>September 1, 2017</u>	2.0	Travel
Deal w/ marketing of assets; all operational and purchasing oversight; email update DaVinci; all tel and		
<u>September 5, 2017</u>	2.0	
Deal w/ requests for CIM; tel and email prospective buyers; operational and purchasing matters; all tel and email.		
<u>September 6, 2017</u>	2.0	
Deal w/ further requests for CIM; emails accountant; tel Hutton; employee issues; tel and email prospective buyers.		
<u>September 7, 2017</u>	7.5	4.0
Travel to Arnprior to meet w/ prospective buyer; meetings w/ Smith and Hutton; meeting w/ Plaintiff; discussions with interested parties, signed CA's and issuing CIMs; all related tel and email.		
<u>September 8, 2017</u>	3.5	4.0
Attend CP, review and approve PO's; tel CAO Laurentian; National Safety mark and ULC issues; deal w/ scheduling prospective buyers; arrange appraisal; meeting w/ external accountant to review T2 income tax return and scope of engagement; all related tel and email.		
<u>September 11, 2017</u>	2.0	4.0
Attend CP premises, meet w/ prospective purchaser; admin matters.		
<u>September 12, 2017</u>	7.5	
Attend Arnprior for meeting with appraiser; all activities, all sales process, production issues, purchasing and approvals; corr MTO re exemption number, Spartan chassis docs, corr customs broker.		
<u>September 13, 2017</u>	4.5	4.0
Attend CP; deal w/ purchasing, sales process inquiries, banking, issues re title transfers to buyers; corr from Tay Valley; all other tel and email.		
<u>September 14, 2017</u>	3.0	
Dealing w/ ULC audit prep, purchasing, AKW build upgrades, banking, potential sale of Pierce, attend MTO re RIN address and ownerships, all other tel and email.		
<u>September 15, 2017</u>	3.0	
Corr Smith re NVIS; corr DaVinci re funding and update; deal w/ CNL; review M Mills contract status; update interim R&D; receive and review appraisal.		
<u>September 18, 2017</u>	3.0	
Trust account reconciliation; PO approvals; arrangements for Mini delivery, A&B payment; corr Hale re surcharge calculations, review same; tel prospective buyer, arrange on-site access for viewing.		

September 19, 2017

Corr Smith re ULC; all tel and email re PO's and admin and purchasing matters.

1.0

September 20, 2017

Deal w/ Carswell re Welland docs, title transfer and delivery, invoicing; corr accountant re engagement letter; review funding requests and PO's; email Regent re booking court date; review Beckwith; review service business; corr prospective buyers; trust account transfers; deal w/ AKW CCO approval; all tel and

5.0

September 21, 2017

Corr A&B confirm payment; email from/to JK re making an offer; corr from Harvard and form of release; corr Hale re discrepancy, resolve same.

1.0

September 22, 2017

Re-draft Harvard release and forward; confirm CCO with AKW and process; approve PO's and expenses; tel and email prospective buyer; review offers and proposals received and consider same.

3.0

September 25, 2017

Confirm court date; receive CCO from AKW; all employee, purchasing matters; Carswell re Mini delivery.

1.0

September 26, 2017

All matters dealing w/ Mini delivery, numerous tel and email w/ Chief, Carswell, Hutton and agree on plan to rectify issues; emails DaVinci; all other tel and email.

3.0

September 27, 2017

Deal w/ suppliers and purchasing; deal w/ Mini issues w/ Carswell and Hutton; MTO exemption letter; funding; corr AKW; follow up w/ insurer; tel conf DaVinci; deal w/ offers.

2.0

September 28, 2017

Corr Harvard and Plaintree; tel re prospective buyers; review A/R and corr w/ customers; PO approvals; corr DaVinci re funding and cash flows.

1.5

September 29, 2017

Meeting lender; conf call counsel and lender; update interim R&D; PO approvals; all tel and email.

2.5

TOTAL

60.0 16.0

DAVINCI CAPITAL PARTNERS INC., in its capacity as trustee
of DAVINCI CAPITAL PRIVATE DEBT FUND
Applicant

-and-

9584358 CANADA LTD. o/a Eastway Fire and Rescue
Respondents

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**AFFIDAVIT OF ROBERT G. LINK
SWORN OCTOBER 11, 2017**

SPARK LLP
169 King Street East, Third Floor
Toronto, ON M5A 1J4

Jeff Rosekat LSUC No. 43352Q
jeff@spark.law
Tel: 416.639.2151
Fax: 647.490.4888

Lawyers for the Court-Appointed Receiver
Link & Associates Inc.

APPENDIX 'J'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE

Respondent

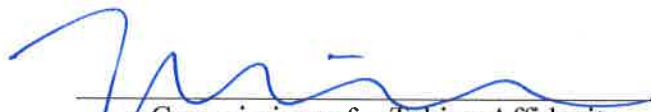
**AFFIDAVIT OF RYAN FLEWELLING
(SWORN OCTOBER 12, 2017)**

I, Ryan Flewelling, of the City of Ottawa in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a lawyer at Regent Law Professional Corporation (“**Regent Law**”), the lawyers for the Applicant and litigation counsel for Link & Associates Inc., in its capacity as Court-Appointed Interim Receiver, without security (the “**Receiver**”) of all of the assets, undertakings and properties of 9584358 Canada Ltd. (the “**Debtor**”) pursuant to an Order of the Honourable Mr. Justice Macleod dated June 23, 2017 (the “**Appointment Order**”) and, as such, have knowledge of the matters contained in this affidavit.
2. Attached hereto and marked as **Exhibit “A”** are true copies of the accounts rendered by Regent Law in its capacity as litigation counsel for the Receiver for the period of June 23, 2017 to October 18, 2017 (the “**Accounts Approval Period**”) totaling \$12,480.85, which includes professional fees of \$11,045 and HST of \$1,435.85.

3. A total of 37.2 hours were expended by Regent Law in the Accounts Approval Period in performing services in its capacity as litigation counsel for the Receiver pursuant to the Appointment Order, which equates to an average hourly rate of \$297.
4. The hourly billing rates outlined in **Exhibit "A"** are normal average hourly rates charged by Regent Law for services rendered in relation to engagements similar to its engagement as litigation counsel to Receivers. These accounts accurately reflect the services provided by Regent Law in this matter.

SWORN BEFORE ME at the City of
Ottawa, in the Province of Ontario this 12th
day of October, 2017



Commissioner for Taking Affidavits
(or as may be)



RYAN FLEWELLING

EXHIBIT "A"

**This is Exhibit "A" referred to in the
affidavit of:**

Ryan Flewelling

**Sworn before me, this 12th day of
October, 2017.**



A Commissioner for Taking Affidavits

August 25, 2017

GST/HST No.839114139

Via Email
rlink@linkassociates.ca

Mr. Robert Link
77 King Street West, Suite 300, TD Centre
Toronto, ON M5K 1G8

RE: Eastway Receivership

To our fee for professional services rendered for the period of July 1, 2017 to August 24, 2017, more particularly described as follows:

Telephone conversations with Interim Receiver; internal office discussions, meetings, emails and telephone conversations regarding file strategy; file review; preparation of court materials including Notice of Motion, draft Order and review and revisions to the Report of the Interim Receiver; preparation for and attendance at motion for extension of appointment; emails from and to Interim Receiver regarding interim payments and review of law; emails from and to Interim Receiver regarding existing contracts and instructions regarding new contracts; review of contracts and review of law; and preparation of new contracts.

Detailed time sheets attached.

OUR FEE:

Jason Dutrizac	14.0 hrs @ \$350	\$ 4,900.00
R. Flewelling	8.7 hrs @ \$350	3,045.00
J. Fogarty	1.8 hrs @ \$750	1,350.00

TOTAL FEE: \$ 9,295.00

Less discount **(\$3,295.00)**

TOTAL FEE: \$ 6,000.00

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f 416.943.6270

OTTAWA
150 Metcalfe St., Suite 1401
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t 613.319.9997
f 416.943.6270

Please refer to next page

www.regentlaw.ca

HST @ 13% \$ 780.00

TOTAL: \$ 6,780.00

Add disbursements:

Valdon Enterprises Legal Services: \$ 66.95

Photocopies: \$ 208.80

Total: \$ 275.75

TOTAL FEES AND DISBURSEMENTS: \$7,055.75



Justin R. Fogarty

Link & Associates LLP



Created by Michele Krush (Regent Law Professional Corporation)

Projects for client Link & Associates Inc.

Users All

Time interval 07/01/2017 – 08/24/2017

Total	24 hrs 36 min
Jason Dutrizac	14 hrs
Attend	13 hrs 30 min
07/04/2017 10:00 – 11:15	1 hrs 15 min
R. Link and R. Flewelling regarding return of motion; review file material; email to R. Flewelling regarding direction for Notice of Motion, draft Order and procedure; email to opposing counsel	
07/05/2017 08:15 – 09:45	1 hrs 30 min
R. Flewelling regarding Notice of Motion re Interim Receivership; review and revise Notice of Motion; emails from R. Flewelling and trial coordinator; discussion with R. Flewelling regarding Minute Book and letter to lawyer for Eastway; emails from R. Flewelling and P. Ostroff regarding Minute Book; email from R. Link	
07/06/2017 09:00 – 10:45	1 hrs 45 min
and to R. Link regarding update; discussion with R. Flewelling; review draft Report and email to R. Flewelling with suggested changes; review and revise Notice of Motion and draft Order and email to R. Flewelling; organize court materials for service; instructions to R. Onley; emails from and to R. Link regarding report and hearing	
07/07/2017 10:00 – 10:15	15 min
and to R. Link and R. Flewelling; emails to and from trial coordinator regarding filing of court materials; instructions to Stephanie L.; call with J. Goren and M. Irwin	
07/21/2017 10:45 – 13:45	3 hrs
R. Link; telephone conversation with R. Link and R. Flewelling; emails to and from A. Basta regarding PPSA; email from R. Link with AFTC subcontract; review subcontract, contract and prepare opinion; conference call with J. Fogarty and W. Ehgoetz; email to R. Link	
07/24/2017 14:15 – 14:30	15 min
R. Link and from counsel for Greenville regarding truck order and termination of contract	
07/28/2017 13:00 – 16:00	3 hrs
R. Link regarding contracts; prepare and revise contracts; email from R. Link regarding opinion on interim payments and powers of Interim Receiver; email regarding powers and liability of Interim Receiver; research law re interim payments and email to R. Link	
07/31/2017 08:00 – 08:30	30 min
R. Link and J. Fogarty; emails to and from R. Flewelling	
08/01/2017 08:00 – 10:00	2 hrs

North Grenville contract; emails to and from R. Link

Email from 30 min

08/09/2017 09:45 – 10:00 15 min

R. Flewelling regarding engagement with Link and Associates; review orders and reports; discussion with R. Flewelling

08/10/2017 11:00 – 11:15 15 min

and to R. Flewelling regarding service of Order; email from R. Flewelling

Justin Fogarty 1 hrs 51 min

Conference Call 1 hrs 15 min

07/21/2017 30 min

with J. Dutrizac and W. Ehgoetz

07/31/2017 30 min

with J. Dutrizac and R. Link

08/04/2017 15 min

with J. Goren, M. Irwin & R. Flewelling

Email from 24 min

07/04/2017 24 min

R. Flewelling and R. Link re motion

Email to 12 min

08/01/2017 12 min

R. Flewelling and telephone discussion with same re payments on credit facility

Ryan Flewelling 8 hrs 45 min

Attend 8 hrs 15 min

07/04/2017 24 min

E-mails with J. Fogarty and R. Link re motion to extend receivership

07/05/2017 30 min

Draft application materials and confer with J. Dutrizac re same

07/05/2017 18 min

E-mails with court and opposing counsel re return of motion

07/05/2017 30 min

E-mails with R. Link re shares of Eastway and Interim Receiver's First Report

07/05/2017 12 min

Review 2016 Closing Agenda for information on lawyer for Eastway on that transaction; e-mail to P. Ostroff, lawyer for Eastway in 2016, requesting copy of minute book

07/06/2017	45 min
Review/comment on draft First Report from Link; e-mails with R. Link re draft Report	
07/06/2017	3 hrs
Draft motion materials for return of receivership application	
07/06/2017 09:45 – 10:00	15 min
E-mails with R. Link and former solicitor for Eastway regarding whereabouts of Eastway minute book	
07/21/2017	12 min
E-mail from R. Link re amending client's PPSA registration	
07/21/2017	12 min
Telephone call with R. Link and J. Dutrizac re Amprior subcontract	
07/31/2017	1 hrs
E-mails with J. Dutrizac and R. Link re Grenville and Akwesasne contracts; telephone call with R. Link; e-mail to J. Dutrizac, J. Fogarty and R. Link re second report and converting to s. 244 receivership	
08/01/2017	12 min
Email from and telephone call with J. Fogarty re possible payments on credit facility	
08/03/2017	6 min
Telephone call with R. Link re: completion of outstanding contracts	
08/04/2017	15 min
Teleconference with J. Fogarty, J. Goren and M. Irwin re completing contracts and going forward	
08/04/2017	24 min
Review new draft of North Grenville contract for R. Link; e-mails with R. Link	
Telephone conversation with	30 min
08/10/2017	15 min
Telephone conversation with R. Link re order requiring M. Cappy to return funds	
08/10/2017	15 min
Confer with J. Dutrizac re terms of order requiring M. Cappy to repay funds; e-mail to M. Cappy attaching copy of order and demanding repayment to receiver	

Total

24 hrs 36 min



October 11, 2017

GST/HST No.839114139

Via Email

rlink@linkassociates.ca

Mr. Robert Link
77 King Street West, Suite 300, TD Centre
Toronto, ON M5K 1G8

RE: Eastway Receivership

To our fee for professional services rendered to Link & Associates Inc. in its capacity as Interim Receiver of 9584358 Canada Ltd. from August 25 to October 11, 2017, described as follows:

Correspondence with the Receiver and Applicant by email; conference calls with the parties; telephone conversations with the Receiver regarding strategy and next steps; file review and management; preparation of motion materials including review and revision of the Second Report, Notice of Motion and draft Order.

Detailed time sheets attached.

OUR FEE:

Jason Dutrizac	11.2 hrs @ \$350	\$ 3,920.00
J. Fogarty	1.5 hrs @ \$750	1,125.00

TOTAL FEE:		<u>\$ 5,045.00</u>
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HST @ 13%		\$ 655.85
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TOTAL DUE AND OWING:		<u>\$ 5,700.85</u>
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A handwritten signature in black ink, appearing to read 'Justin R. Fogarty', is written over a light blue horizontal line.

Justin R. Fogarty

TORONTO
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f 416.943.6270

OTTAWA
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t 613.319.9997
f 416.943.6270

www.regentlaw.ca

Link & Associates five



Created by Michele Krush (Regent Law Professional Corporation)

Projects for client Link & Associates Inc.
Users All
Time interval 08/25/2017 – 10/18/2017

Total	12 hrs 48 min
Jason Dutrizac	11 hrs 15 min
Attend	2 hrs 15 min
09/20/2017 13:30 – 13:45	15 min
R. Link re next steps and request for court dates; email to trial coordinator; emails from J. Fogarty	
10/18/2017	2 hrs
Preparation for and attend Motion	
Call	1 hrs 30 min
09/26/2017 17:00 – 17:45	45 min
with J. Fogarty regarding next steps; emails to and from trial coordinator; call with client regarding strategy and next steps	
09/27/2017 12:00 – 12:15	15 min
with J. Fogarty regarding update and next steps; email to Stephanie L regarding meeting	
09/29/2017 12:30 – 13:00	30 min
with J. Fogarty; call with R. Link and Davinci re update and next steps	
Email from	5 hrs 30 min
09/21/2017 12:00 – 12:15	15 min
and to trial coordinator re dates; email to J. Fogarty	
09/25/2017 09:45 – 10:00	15 min
and to client re dates; emails to and from trial coordinator	
10/11/2017 07:30 – 12:30	5 hrs
R. Link re blackline; review Second Report and prepare blackline; telephone conversation with R. Link.; emails to and from A. Fogarty re accounts; draft affidavit of R. Flewelling; email to R. Flewelling and J. Fogarty; draft and revise Amending Order; emails to and from R. Link; draft Notice of Motion	
Email to	2 hrs
10/10/2017 09:30 – 11:30	2 hrs
and from R. Link regarding motion and draft report; telephone conversation with R. Link; email from R. Link and review	

revised draft Report; emails to and from R. Link

Justin Fogarty

1 hrs 33 min

Call

15 min

09/27/2017

15 min

with J. Dutrizac re update

Conference Call

1 hrs 6 min

09/26/2017

36 min

with J. Dutrizac re next steps and call with client re strategy and next steps

09/29/2017

30 min

with R. Link and J. Dutrizac re update

Email from

6 min

09/21/2017

6 min

J. Dutrizac

Email to

6 min

09/20/2017

6 min

J. Dutrizac re instructions

Total

12 hrs 48 min

DAVINCI CAPITAL PARTNERS INC., in its capacity as trustee
of DAVINCI CAPITAL PRIVATE DEBT FUND
Applicant

-and-

9584358 CANADA LTD. o/a Eastway Fire and Rescue

Respondents

Court File No. 17-73088

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF RYAN FLEWELLING
SWORN OCTOBER 12, 2017**

REGENT LAW PROFESSIONAL CORPORATION
1401 – 150 Metcalfe St.
Ottawa, ON K2P 1P1

Jason Dutrizac LSUC No. 50004T
Jason.dutrizac@regentlaw.ca

Tel: 613.319.9998
Fax: 613.903.6002

Lawyers for the Interim Receiver

APPENDIX 'K'

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF AN ANTICIPATED APPLICATION
pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as am., section
101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and the *Personal Property Security Act*, R.S.O.
c. P.10

BETWEEN:

DAVINCI CAPITAL PARTNERS INC. IN ITS CAPACITY AS TRUSTEE OF
DAVINCI CAPITAL PRIVATE DEBT FUND

Applicant

-and-

9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE

Respondent

FEE AFFIDAVIT

I, SANJAY KUTTY, of the City of Toronto, in the Province of Ontario, HEREBY MAKE
OATH AND SAY:

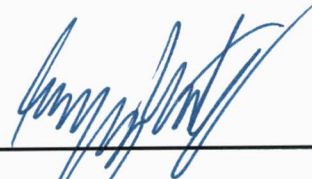
1. I am a partner at the law firm Spark LLP, independent counsel for Link & Associates Inc. (the "Receiver") in this matter. My partner, Jeff Rosekat, has primary carriage of this matter. I am aware of the conduct of this matter and I have knowledge of the administration herein.
2. Attached to this affidavit as *Exhibit "A"* are copies of the two accounts Spark LLP has rendered in the period ending October 10, 2017. The accounts are for a total of \$4,225.90, which consists of \$3,172.00 in fees, \$575.10 in disbursements, and \$478.80 in HST.

3. Spark LLP has not received, and does not hope or expect to receive, and no promises have been made that we will receive any remuneration or compensation other than the amounts claimed herein.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 10th day of October, 2017.



Jeff Rosekat (LSUC# 43352Q), a commissioner for taking oaths, etc.



Sanjay Kutty



Spark LLP

169 King Street East, 3rd Floor
Toronto, Ontario, M5A 1J4

o: 416.639.2150

f: 647.490.4888

www.spark.law

This is Exhibit "A" to the affidavit

of Sanjay Kutty sworn

October 11th, 2017

[Signature]
A Commissioner for taking oaths, etc.

August 18, 2017

Link & Associates Inc.
77 King Street West, Suite 3000, PO Box 95
TD Centre North Tower
Toronto, Ontario
M5K 1G8
Attention:

File #: 0145
Inv #: 331

RE: Eastway Fire and Rescue

DATE	DESCRIPTION	HOURS	LAWYER
Jul-17-17	Performing corporate and PPSA searches; reviewing loan agreements.	1.50	SK
Jul-18-17	Reviewing and summarizing search results.	0.70	SK
Jul-19-17	Reviewing search results; discussion with J. Rosekat re. search results; drafting security opinion.	1.70	SK
Jul-21-17	Review and revise security opinion; telephone call with R. Link; review searches; consider implications of odd one-day registration	0.60	JR
	Totals	4.50	2,340.00
	Total GST/HST on Fees		304.20

DISBURSEMENTS

Jul-17-17	Michael Cappy - PPSA Search (service fee)	12.00
	Michael Cappy - PPSA Search (gov't fee)*	8.00
	almonite fire - PPSA search (service fee)	40.00
	almonite fire - PPSA search (gov't fee)*	8.00
	arnprior fire - PPSA search (service fee)	12.00
	arnprior fire - PPSA search (gov't fee)*	8.00
	eastway fire rescue - PPSA search (service fee)	40.00

	eastway fire rescue - PPSA search (gov't fee)*	8.00
	Arnprior Fire Truck Corp. - Nationwide name search	1.00
	3126223 Nationwide name search	1.00
	9584358 Canada Ltd. - Nationwide name search	1.00
	9584358 Canada Ltd - Corp File search (service fee)	12.50
	9584358 Canada Ltd - Corp File search (gov't fee)*	8.00
	Eastway fire and rescue vehicles - PPSA search (service fee)	40.50
	Eastway fire and rescue vehicles - PPSA search (gov't fee)*	8.00
	9584358 Canada Ltd. - Corp Profile / Bank Act / Bankruptcy / Writs / PPSA searches (service fee)	207.25
	9584358 Canada Ltd. - Corp Profile / Bank Act / Bankruptcy / Writs / PPSA searches (gov't fee)*	8.00
Jul-18-17	Michael Cappy - Writs and Bankruptcy search	82.75
Jul-19-17	9584358 Canada Ltd. o/a eastway fire and rescue - PPSA search (service fee)	40.00
	9584358 Canada Ltd. o/a eastway fire and rescue - PPSA search (gov't fee)*	8.00
	PPSA Search 9584358 Canada Ltd.	21.10
	Total Disbursements	<u>\$575.10</u>
	Total GST/HST on Disbursements	66.44
	Total Fee & Disbursements	<u>3,285.74</u>
	Balance Now Due	<u>3,285.74</u>

FEE SUMMARY

Lawyer	Hours	Rate	Fees
Sanjay Kutty	3.90	520.00	2,028.00
Jeff Rosekat	0.60	520.00	312.00

GST/HST Number 782662894 RT0001

Total GST/HST 370.64



Spark LLP

169 King Street East, 3rd Floor
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o: 416.639.2150

f: 647.490.4888

www.spark.law

Link & Associates Inc.
77 King Street West, Suite 3000, PO Box 95
TD Centre North Tower
Toronto, Ontario
M5K 1G8
Attention:

October 11, 2017

File #: 0145
Inv #: 370

RE: Eastway Fire and Rescue

DATE	DESCRIPTION	HOURS	LAWYER
Aug-21-17	Review draft "teaser" and emails between R. Link and applicant's counsel	0.30	JR
Sep-25-17	Discussion with R. Link regarding upcoming motion and issues to be addressed;	0.40	JR
Oct-10-17	Review draft report; telephone call with R. Link regarding same;	0.90	JR
	Totals	1.60	832.00
	Total GST/HST on Fees		108.16
	Total Disbursements		\$0.00
	Total Fee & Disbursements		940.16
	Balance Now Due		940.16

FEE SUMMARY

Lawyer	Hours	Rate	Fees
Jeff Rosekat	1.60	520.00	832.00

GST/HST Number 782662894 RT0001

Total GST/HST 108.16

DAVINCI CAPITAL PARTNERS INC., et al.
Applicant

-and- 9584358 CANADA LTD. o/a EASTWAY FIRE AND RESCUE
Respondent

Court File No. CV-17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
OTTAWA

FEE AFFIDAVIT

SPARK LLP
169 King Street East, Third Floor
Toronto, ON M5A 1J4

Jeff Rosekat LSUC No. 43352Q
jeff@spark.law
Tel: 416.639.2151
Fax: 647.490.4888

Lawyers for the Receiver,
Link & Associates

DAVINCI CAPITAL PARTNERS INC. et al
Applicants

-and- **9584358 CANADA INC. o/a EASTWAY FIRE AND RESCUE**
Respondents

Court File No.17-73088

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

MOTION RECORD OF THE APPLICANT

REGENT LAW PROFESSIONAL CORPORATION
1401-150
Metcalf Street
Ottawa, ON
K2P 1P1

Justin R. Fogarty, LSUC # 29488G
Jason Dutrizac, LSUC #50004T
Ryan E. Flewelling, LSUC #49009W

Tel:613.319.9997
Fax: 416.943.6270

Lawyers for the Applicant

RCP-E 4C (July 1, 2007)