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October 30, 2017

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

And to the attached service list

Dear Sirs and Mesdames

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

Please find attached hereto the Endorsement and Order of Justice Myers granted this morning.

Yours very truly



William Harvey Jones

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(Short title of proceeding)

Oct 30/17

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Oct 30/17

I am satisfied that the SSP process was carried out fairly and with integrity. The process yielded sufficient information to justify a conclusion that FPIV has been obtained in a value-maximizing manner.

I am not in a position to rule that no levy is exigible on the BCE distribution. It might well be the case but absent further evidence or consent of the OLB, this cannot be determined ex parte.

If the confidential bid info is released, the amount of the later bid required will be revised upwards. Briefing is required to meet the Starr Chl. Std.

[Signature]

Motion Record

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Lawyer for the DEBTOR/APPLICANT





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

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

THE HONOURABLE

JUSTICE

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MONDAY, THE 30th

DAY OF OCTOBER, 2017

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

APPROVAL AND VESTING ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Company**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Company and Amvic Inc. (the "**Purchaser**") dated October 17, 2017 and appended to the Confidential Brief (the "**Confidential Brief**") of Albert Gelman Inc. in its capacity as proposal trustee (the "**Proposal Trustee**"), the Supplement to the Confidential Brief of the Proposal Trustee (the "**Supplement**") and vesting in the Purchaser the Company's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING (i) the affidavit of John Cipressi sworn October 23, 2017 (the "**Cipressi Affidavit**"), (ii) the fourth report of the Proposal Trustee (the "**Fourth Report**"), and the Confidential Brief and on hearing the submissions of counsel for the Company, the Proposal Trustee, the Purchaser and Business Development Bank of Canada ("**BDC**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Helga Fairhurst sworn October 25, 2017 filed:

APPROVAL OF SALE AND VESTING OF ASSETS

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution of the Sale Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company, in consultation with the Proposal Trustee may deem necessary. The Company is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Closing Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated June 14, 2017 and the Order of the Honourable Justice Penny dated July 31, 2017; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Closing Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority

as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, and for greater certainty, no person, including, but not limited to the Canada Revenue Agency ("**CRA**"), shall have any recourse, notwithstanding the BDC Payment (as defined herein), against the Purchaser and the Purchased Assets in respect of the Claims and the Encumbrances.

4. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee file with the Court a copy of the Closing Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to its past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy (including any deemed assignment in bankruptcy resulting from these proceedings) made in respect of the Company;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer

at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ADMINISTRATIVE MATTERS

7. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee contained therein (including the Confidential Brief, the Supplement, and the activities of the Proposal Trustee contained therein) be and are hereby approved.

8. **THIS COURT ORDERS** that the Confidential Brief and the Supplement be and are hereby sealed until the earlier of; (i) the closing date of the Sale Agreement; or (ii) further Order of the Court;

9. **THIS COURT ORDERS** that the Proposal Trustee Charge (as defined in the Order of the Honourable Justice Hainey dated June 14, 2017), as amended by the Order of the Honourable Justice Penney dated July 31, 2017 (the "**July 31 Order**"), be and is hereby further amended by increasing the maximum amount of the charge to \$200,000 (the "**Professional Charge Amount**").

10. **THIS COURT ORDERS** that notwithstanding paragraph 9 above and the July 31 Order, \$50,000 of the Charge Amount shall be subordinate to any proven deemed trust claims advanced by CRA.

DISTRIBUTION

11. **THIS COURT ORDERS** that the Purchaser is directed to pay to BDC an amount equal to the BDC Indebtedness (as defined in the Fourth Report) as of the date of payment (the "**BDC Payment**"). The BDC Payment shall be deducted from the purchase price payable to the Debtor on closing and shall constitute a payment pursuant to BDC's rights under the *Personal Property Security Act* (Ontario) and shall be paid from proceeds of the Sale Transaction that are related to the Owned Assets (as that term is defined in the Fourth Report).

M 12. **THIS COURT ORDERS** that levy prescribed under section 147 and 60(4) of the *Bankruptcy and Insolvency Act* does not apply to the BDC Payment and the Proposal Trustee shall not be required to remit same. ✓ M

13. **THIS COURT ORDERS** that the BDC Payment shall be subject to a reimbursement agreement to be in a form acceptable to the Company, BDC and the Proposal Trustee and said reimbursement agreement shall be enforceable by any trustee in bankruptcy that may be appointed over the Company.

14. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized to distribute the portion of the Net Proceeds secured by the Proposal Trustee Charge to satisfy the unpaid accounts of the Proposal Trustee, its counsel and counsel to the Company up to the maximum amount of \$150,000 (the "**Professional Fee Payment**"), said funds not to be considered Net Proceeds as that term is defined in paragraph 3 of this Order.

15. **THIS COURT ORDERS** that no payment shall be made in to the Proposal Trustee, its counsel and counsel to the Company in excess of the Professional Fee Payment until such time as the CRA has completed its audit and finally determined the amount owing in respect of any deemed trust claims.

16. **THIS COURT ORDERS** that to the extent that the accounts in questions have not been reviewed and/or taxed, the Professional Fee Payment remains subject to review and/or taxation as required under the *Bankruptcy and Insolvency Act*

17. **THIS COURT ORDERS** that after the BDC Payment and the Professional Fee Payment, the balance of the funds received on account of the Purchased Assets shall be held by the Proposal Trustee in trust pending further Order of the Court.

FOREIGN RECOGNITION

18. **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.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be "RJ-2".

Schedule A – Form of Closing Certificate

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

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE
TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

CLOSING CERTIFICATE

RECITALS

A. On _____ Albert Gelman Inc. was appointed as the proposal trustee (the "Proposal Trustee") of Forte EPS Solutions Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated _____, the Court approved the agreement of purchase and sale made as of _____ (the "Sale Agreement") between the Debtor and Amvic Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Order of the Honourable Justice _____ dated _____ (the "Approval Order"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ____ of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the transaction as contemplated in the Sale Agreement has been completed to the satisfaction of the Debtor.

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

THE PROPOSAL TRUSTEE has been advised by the Debtor of the following:

1. The Purchaser has paid and the Debtor has received the Purchase Price for the Purchased Assets as provided for in the Sale Agreement and the Approval Order;

2. The conditions to Closing as set out in section ____ of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Debtor in consultation with the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on _____.

ALBERT GELMAN INC. in its capacity as
Proposal Trustee of FORTE EPS SOLUTIONS
INC. and not in its personal capacity

Per: _____

Name:

Title:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE
IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at **TORONTO**

ORDER

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