

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 27th
)
JUSTICE CONWAY) DAY OF APRIL, 2022
)

B E T W E E N:

LIQUID CAPITAL EXCHANGE CORP.

Applicant

- and -

1635536 ONTARIO INC. O/A VERSITEC MARINE & INDUSTRIAL, VERSITEC MARINE HOLDINGS INC., VERSITEC MARINE USA INC., DAVID TAYLOR, REUBEN KARY BYRD and DAVID CARPENTER

Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited., in its capacity as the Court-appointed receiver (the “Receiver”) of the lands and premises known as 518 King St., Port Colborne, Ontario and having Property Identification Number (PIN) 64147-0114 (the “Real Property”) owned by David Taylor (the “Debtor”) for an order approving the sale transaction (the “Transaction”) contemplated by a purchase and sale agreement (the “Sale Agreement”) between the Receiver and James Christopher Smith (the “Purchaser”) dated March 31, 2022 and accepted April 5, 2022, and appended to the fifth Report of the Receiver dated April 18, 2022 (the “Report”) and the confidential appendices thereto (the “Confidential Appendices”), and vesting in the Purchaser the

Debtors' rights, title and interests in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario by "Zoom" videoconference.

ON READING the Report, the Confidential Appendices, and the Supplement to the Fifth Report of the Receiver, dated April 22, 2022 to the Report (the "Supplement") and on hearing the submissions of counsel for the Receiver and such other counsel or other persons as appearing as recorded on the attendance slip, no one appearing for any other person on the service list although properly served as appears from the affidavits of Amanda Adamo sworn April 19 and 22, 2022, filed:

1. THIS COURT ORDERS that the time for service and filing of the Report, the Confidential Appendices, the Supplement and the motion record in respect of this motion is hereby abridged and validated so that this motion is properly returnable today and dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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, including but not limited to the Real Property, to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Exhibit "A" hereto (the "Receiver's Certificate"), all of the Debtors' rights, title and interests in and to the Purchased Assets, including but not limited to the Real Property, 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 Cavanagh dated January 24, 2022 as

amended and restated ; 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; and (iii) those Claims listed on Exhibit “C” hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Exhibit “D” hereto) 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.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Real Property identified in Exhibit “B” hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Exhibit “C” hereto.

5. 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 shall stand in the place and stead of the Purchased Asset, and that from and after the delivery of the Receiver's 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.

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

7. 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 either of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of either of the Debtors.

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 either of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, 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.

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

9. THIS COURT ORDERS that the Confidential Appendices are hereby sealed pending completion of the Transaction or further order of this Court

10. THIS COURT ORDERS that this order is effective from today's date and is enforceable without the need for entry and filing.



Exhibit A – Form of Receiver’s Certificate

Court File No. CV-20-00637427-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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Applicant

- and -

**1635536 ONTARIO INC. O/A VERSITEC MARINE & INDUSTRIAL, VERSITEC
MARINE HOLDINGS INC., VERSITEC MARINE USA INC., DAVID TAYLOR,
REUBEN KARY BYRD and DAVID CARPENTER**

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated January 24, 2022, BDO Canada Limited was appointed as the receiver (the “Receiver”) of the lands and premises known as 518 King St., Port Colborne, Ontario and having Property Identification Number (PIN) 64147-0114 (the “Real Property”) owned by David Taylor.

B. Pursuant to an Order of the Court dated April 27, 2022, the Court approved the purchase and sale agreement dated March 31, 2022 and accepted April 5, 2022 (the “Sale Agreement”) between the Receiver and James Christopher Smith (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtors’ rights, title and interests in and to the Purchased Asset, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Asset; (ii) that the conditions to Closing set out in the Sale Agreement have been

satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

THIS CERTIFICATE was delivered by the Receiver at <*> on <*>, 2022.

BDO CANADA LIMITED, solely in its capacity as Court-appointed Receiver of the lands and premises known as 518 King St., Port Colborne, Ontario and having Property Identification Number (PIN) 64147-0114 owned by David Taylor. and not in any personal, corporate or other capacity

Per: _____

Name:

Title:

Exhibit B – Real Property

Municipal Address: 518 King St., Port Colborne, Ontario

Legal Description: PIN 64147-0114 (LT)

PT BLK F PL 775 W/S VICTORIA ST & PT LT 1 PL 777, PTS 1
& 2 59R5190 EXCEPT PT 1, 59R11601 & PT 1, 59R14873; T/W
RO525634; CITY OF PORT COLBORNE

Exhibit C – Claims to be deleted and expunged from title to Real Property

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
SN453042	Nov 24, 2015	Transfer	\$292,490	Stewart James Melanson	David Taylor
SN453043	Nov 24, 2015	Charge	\$235,000	David Taylor	Golden Horseshoe Investment Inc.
SN572732	Nov 21, 2018	Charge	\$125,000	David Taylor	Stevan Orvitz
SN587591	May 3, 2019	Charge	\$300,000	David Taylor	Liquid Capital Exchange Corp
SN593701	July 2, 2019	Lien	\$65,392	Her Majesty The Queen In Right Of Canada As Represented By The Minister Of National Revenue	
SN661075	Feb 10, 2021	Transfer Of Charge		Golden Horseshoe Investment Inc.	Stevan Orvitz
SN669720	Apr 16, 2021	Transfer Of Charge		Stevan Orvitz	Ra-Tech CAD Services Inc.
SN710500	Jan 26, 2022	APL Court Order		Ontario Superior Court of Justice	BDO Canada Limited

**Exhibit D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

SPECIFIC PERMITTED ENCUMBRANCES / REGISTRATIONS

Nil.

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
RO436081	Sept 21, 1985	Bylaw			
59R5190	Feb 13, 1987	Plan Reference			

GENERAL PERMITTED ENCUMBRANCES

1. Any municipal by-laws or regulations affecting the Real Property or its use and any other municipal land use instruments including without limitation, official plans and zoning and building by-laws, as well as decisions of the committee of adjustment or any other competent authority permitting variances therefrom, and all applicable building codes;
2. Registered agreements with any municipal, provincial or federal governments or authorities and any public utilities or private suppliers of services, including without limitation, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements; provided same have been complied with or security has been posted to ensure compliance and completion as evidenced by a letter from the relevant authority or regulated utility;
3. Any unregistered easement, right-of-way, agreements or other unregistered interest of claims not disclosed by registered title provided same does not materially impact the Purchaser's intended use of the Purchased Assets;
4. Any encroachments or other discrepancies that might be revealed by an up-to-date plan of survey of the Real Property;
5. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Real Property or any part thereof, or materially impair the value thereof;
6. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute; and
7. The following exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*: paragraphs 7, 8, 9, 10, 12 and 14.

LIQUID CAPITAL EXCHANGE CORP. -and-

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Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceedings commenced at TORONTO

APPROVAL AND VESTING ORDER

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