

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 12TH  
 )  
MR. JUSTICE KOEHNEN ) DAY OF FEBRUARY, 2021

B E T W E E N:

*(Court Seal)*

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

**ORDER  
[Substitution of Receiver and Approval of Sale Process]**

THIS MOTION, made by Morgan & Partners Inc. (“MPI” or the “Receiver”), Court appointed receiver of certain assets and undertakings of 1635536 Ontario Inc. O/A Versitec Marine & Industrial and Versitec Marine USA Inc. (collectively, the “Debtors”), for substitution of the Receiver and approval of a sales and marketing process in respect of the assets of the Debtor,

together with related relief, was heard this day by a Judge of the Commercial List via zoom videoconference.

ON READING the First Report of the Receiver dated [February 5, 2021](#) (the “First Report”) and the Preliminary Report of the Substitute Receiver dated February 9, 2021 (the “Preliminary Report”), BDO Canada Limited (the “Substitute Receiver”), and on hearing counsel for the Receiver, the proposed Substitute Receiver and the Applicant creditor, and on hearing the submissions of the lawyer(s) for the parties,

1. THIS COURT ORDERS that that the time for service and filing of the moving party’s motion record is 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 activities of the Receiver, as set out in the First Report, are hereby approved, save and except for the Receiver’s activities in relation to the litigation settlements described in the First Report and any payments made by the Debtors or authorized by the Receiver during the period of the Receiver’s appointment or in relation to the litigation settlements.

3. THIS COURT ORDERS that the Receiver is hereby immediately discharged from any and all active duties as Receiver of the undertakings, property and assets of the Debtor, provided however that notwithstanding such discharge, the Receiver is required to prepare an interim statement of receipts and disbursements for the Court, in respect of its portion of the administration of the within receivership through February 12, 2021 (the “Receiver’s Interim R&D”), to be delivered to the Substitute Receiver as soon as practicable, who shall file the same with the Court as part of its future reporting to the Court; and, such discharge shall not relieve the Receiver of its

obligation to cooperate with the Substitute Receiver, including but not limited to (a) transferring all Property of the Debtors to the Substitute Receiver (including but not limited to all tangible and intangible assets, real property, undertakings, books and records, and accounts, as well as functional control of the same); and (b) providing such additional details or support in respect of the Receiver's Interim R&D as required or requested by the Substitute Receiver; and (c) providing such further assistance to the Substitute Receiver as the Substitute Receiver may reasonably request, provided that in so acting, any out-of-pocket costs incurred by the Receiver shall be a cost of the receivership estate.

4. THIS COURT ORDERS that the Substitute Receiver is hereby appointed in substitution of the Receiver and the Order of Gilmore J. dated March 9, 2020 (the "Receiver Appointment Order") is hereby amended and replaced with the Order attached hereto as Schedule "A" (the "Substitute Receiver Appointment Order") to reflect such substitution provided that, and for greater certainty, unless the Substitute Receiver expressly exercises its authority to do so, the Substitute Receiver shall not be obligated to take control of nor operate the business of the Debtors and will proceed to conduct the SISP (as defined in the Preliminary Report and as approved hereby).

5. THIS COURT ORDERS AND DIRECTS, for clarity, that the priorities of approved fees and expenses of the Receiver and Substitute Receiver under the Receiver's Charge, shall be as follows:

- (a) The approved expenses and disbursements of the Receiver shall rank first in priority under the Receiver's Charge;

(b) The approved expenses and disbursements of the Substitute Receiver shall rank second in priority under the Receiver's Charge; and

(c) The approved fees of the Receiver and Substitute Receiver shall rank equally and on a *parri passu* basis under the Receiver's Charge, subordinate to the expenses and disbursements of the Receiver and Substitute Receiver as set out above.

6. THIS COURT ORDERS AND DIRECTS that the Substitute Receiver is hereby authorized to conduct the SISP (as defined in the Preliminary Report) and to market and sell the assets of the Debtors in accordance with same, subject to the Court's approval of the terms of any such sale.

7. THIS COURT ORDERS that this Order is effective from today's date and is not required to be entered.



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(Signature of judge, officer or registrar)



Schedule "A"

LIQUID CAPITAL EXCHANGE CORP.

Applicant

-and- 1635536 ONTARIO INC. O/A VERSITEC MARINE &  
INDUSTRIAL et al.  
Respondents

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

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PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

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Lawyers for the Applicant, Liquid Capital Exchange Corp.

RCP-E 4C (May 1, 2016)