

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

FOURTH REPORT OF THE PROPOSAL TRUSTEE
MAY 22, 2024

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INTRODUCTION

1. This Report is mainly about a proposed distribution of funds, realization on Remaining Assets (herein defined) and transition issues. The distribution of funds arises primarily from a sale transaction of the Companies' (herein defined) dealership and real estate assets. The proposed recipients of the distributions are the Companies' primary Secured Creditors (herein defined). The distribution is intended to occur during proposal proceedings. Before making the proposed distributions, certain actual or anticipated costs and reserves or holdbacks must be taken into account. These amounts include professional costs, operating costs, completion costs, court-ordered priority charges, certain government claims and transition costs. The transition costs arise in this case because there is the possibility of deemed bankruptcies if proposals are not filed by the requested extended time in which to file proposals.
2. By way of background, on December 22, 2023 (the "**Filing Date**"), OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**"), and OEM Automotive Holdings Inc. ("**Holdings**", collectively with Solutions and Cornwall, the "**Companies**") each filed a Notice of Intention to Make a Proposal ("**NOI(s)**") pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). BDO Canada Limited ("**BDO**"), a Licensed Insolvency Trustee, was named proposal trustee (the "**Proposal Trustee**") in each of the Companies' proposal proceedings (collectively, the "**Proposal Proceedings**").
3. On January 11, 2024, the Proposal Trustee prepared a report (the "**First Report**") to the Ontario Superior Court of Justice (the "**Court**") in advance of the Companies' motion (the "**Motion**") to Justice Kaufman on January 17, 2024. A copy of the First Report without appendices is attached hereto as **Appendix "A"**.
4. On January 17, 2024, the Court issued an order (the "**Initial Order**") to grant the following material relief:
 - (a) the administrative consolidation of the three NOI proceedings;
 - (b) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (c) approval of the First Report of the Proposal Trustee dated January 11, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the First Report;
 - (d) approval of a Sale and Investment Solicitation Process (the "**SISP**"), to be administered by the Proposal Trustee;

- (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP and also to mitigate a dispute among shareholders;
- (f) approval of interim financing in the amount of \$500,000, funded by the Companies' senior secured lender, Bank of Montreal ("**BMO**"), along with an interim financing charge (the "**DIP Charge**") to secure the Companies' obligations under the interim financing facility ("**Interim Financing Loan**");
- (g) approval of the Proposal Trustee's engagement of Dealer Solutions North America Inc. (the "**Sales Agent**") to assist with the implementation of the SISP;
- (h) an administrative charge in the amount of \$400,000 to secure payment of the Proposal Trustee, Sales Agent, and other key insolvency professionals (the "**Admin. Charge**"); and
- (i) a directors' charge in the amount of \$100,000 to secure the Companies obligation to indemnify the directors and officers for post-filing liabilities that may arise (the "**D&O Charge**", and together with the DIP Charge and Admin. Charge, the "**Charges**").

A copy of the Initial Order and its Endorsement is attached hereto as **Appendix "B"** and **Appendix "C"** respectively.

5. On February 21, 2024, the Proposal Trustee prepared a report (the "**Second Report**") to the Court in advance of the Companies' motion (the "**Motion**") to Justice Bell on February 27, 2024. A copy of the Second Report without appendices is attached hereto as **Appendix "D"**.
6. On February 27, 2024, the Court issued an order (the "**Second Order**") to grant the following material relief:
 - (a) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including April 14, 2024;
 - (b) approval of the Second Report of the Proposal Trustee dated February 21, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the Second Report; and
 - (c) approval of the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report.

A copy of the Second Order and its Endorsement is attached hereto as **Appendix "E"** and **Appendix "F"** respectively.

7. On March 27, 2024, the Proposal Trustee prepared a report (the “**Third Report**”) and a confidential supplementary report (the “**Confidential Supplementary Report**”) to the Court in advance of the Proposal Trustee’s motion (the “**Sale Motion**”) to Justice Kershman on April 3, 2024. A copy of the Third Report without appendices and Confidential Supplementary Report without appendices is attached hereto as **Appendix “G”** and **Appendix “H”** respectively.
8. On April 3, 2024, the Court issued two (2) orders (the “**Ancillary Order**” and the approval and vesting order (the “**AVO Order**”) to grant the following material relief:

Ancillary Order

- (a) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including May 29, 2024;
- (b) approval of the Third Report of the Proposal Trustee dated March 27, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the Third Report; and
- (c) approval of the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report.

AVO Order

- (a) approving the sale transaction (the “**Transaction**”) including the agreement of purchase and sale between the Proposal Trustee, as vendor and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) for the business assets (the “**Dealership Purchaser**”) and Mrak Holdings Inc. for the real property (the “**Real Estate Purchaser**”, as purchasers (together the “**Purchaser(s)**”), dated March 27, 2024 (the “**Sale Agreement**”), and authorizing and directing the Proposal Trustee to execute such documents and take such additional steps as are necessary to complete the Transaction;
- (b) upon completion of the Transaction (as evidenced by the Proposal Trustee filing a certificate certifying the same, the “**Proposal Trustee’s Certificate**”), vesting the Purchased Assets (as defined in the Sale Agreement), free and clear of all liens, charges, security interests and other encumbrances (other than such permitted encumbrances as may be described in the order) in the respective Purchasers; and
- (c) sealing the Confidential Supplementary Report.

A copy of the Ancillary Order, AVO Order and the Endorsement is attached hereto as **Appendix “I”**, **Appendix “J”** and **Appendix “K”** respectively.

9. Given the Proposal Trustee’s enhanced powers granted in the Initial Order with regards to the SISF, and the power to “exercise any rights of the Companies”, this motion and the relief being sought is brought forward by the Proposal Trustee and its counsel. As such, this motion will not be relying on an affidavit of the Companies (Ms. Caroline Bourret, “**Ms. Bourret**”) in support of the relief sought in the proposed orders. Notwithstanding, the Proposal Trustee understands that the Companies support the relief herein and that Companies’ counsel will be attending this motion.

PURPOSE

10. The purpose of this fourth report of the Proposal Trustee (the “**Fourth Report**”) is to:
 - (a) provide this Court with certain information pertaining to the Proposal Proceedings, including:
 - (i) an update on the Companies’ operations since the date of the Third Report;
 - (ii) an update on the Proposal Trustee’s activities since the Third Report;
 - (iii) an update on the Transaction, including the Sale Agreement and the Companies’ remaining asset (excluded assets) realization plan;
 - (iv) the Companies’ actual cash flow results for the 8-weeks ended May 17, 2024, versus the same budgeted period as outlined in the Companies’ cash flow forecasts for the period March 25, 2024, to May 26, 2024 (the “**Revised Cash Flow Period**”), separately for each of the Companies (the “**Revised Cash Flow Forecasts**”). Copies of the Revised Cash Flow Forecasts are attached hereto as **Appendix “L”**;
 - (v) an overview of the Companies’ 5-week cash flow forecasts, for the period May 20, 2024 to June 21, 2024, combined for the Companies (the “**Final Cash Flow Forecast**”). Copy of the Final Cash Flow Forecast is attached hereto as **Appendix “M”**;
 - (vi) the Companies’ reported receipts and disbursements from the Filing Date to May 15, 2024 (the “**Final R&D Period**”);
 - (vii) fees and disbursements of the Proposal Trustee and its counsel; and

- (viii) the Proposal Trustee's estimate of accrued and unpaid obligations as of the date of this Fourth Report (together, the **"Accrued Obligations"**), the Charges, the Proposal Trustee's estimate of the operating costs and reserves required to complete these Proposal Proceedings and the funding of the bankruptcy proceedings (the **"Remaining Costs"**).
- (b) The Proposal Trustee is also requesting the following relief from the Court (the **"May 28 Motion"**):
- (i) approving this Fourth Report, including the actions and activities of the Proposal Trustee set out herein;
 - (ii) extending the time in which the Companies may file proposals to June 21, 2024 (since the current expiry date is May 29, 2024);
 - (iii) approving the Proposal Trustee's final statement of receipts and disbursements (the **"Final R&D"**) included in the Fourth Report;
 - (iv) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fourth Report and the fee affidavits appended to the Fourth Report (the **"Fee Affidavits"**);
 - (v) approving the fees and disbursements of the Proposal Trustee and its counsel estimated not to exceed \$158,932 (exclusive of HST) for the completion of the Remaining Matters (herein defined) in connection with these Proposal Proceedings;
 - (vi) authorizing BDO to act as trustee in bankruptcy (the **"Trustee"**), a licensed insolvency trustee, of the Companies upon the deemed bankruptcies of the Companies pursuant to the BIA (the **"Deemed Bankruptcies"**);
 - (vii) authorizing the Trustee, upon or after the Deemed Bankruptcies of the Companies, to administer the bankruptcy estates of Holdings and Cornwall as a single bankruptcy estate;
 - (viii) authorizing and directing the Proposal Trustee during the Proposal Proceedings to make an interim distribution (the **"Interim Distribution(s)"**) to fully pay the Bank of Montreal (**"BMO"**); to fully pay Glenn Joseph MacDonell (**"MacDonell"**); and to partly pay Christina Grant (**"Ms. Grant"**), 1921534 Ontario Ltd. (**"192"**), Seaway Toyota (1990) Inc. (**"Seaway Toyota"**), together with Ms. Grant and 192, the **"192"**

Lenders") and/or 11678833 Canada Inc. ("**116**", collectively with the 192 Lenders, "**GrantCo**"), in the amounts set out in this Fourth Report, from the available or remaining net proceeds from the Transaction and other ancillary asset realizations;

- (ix) authorizing the Proposal Trustee during the Proposal Proceedings to make any subsequent distributions (the "**Subsequent Distributions**") to BMO, MacDonell or GrantCo (the "**Secured Creditors**") if the Companies are still indebted to the Secured Creditors after the Interim Distributions, as the Proposal Trustee determines appropriate, without further order of this Court, provided the Subsequent Distributions to the respective Secured Creditors are limited to the outstanding amount of their respective provable secured claim against the Companies, including all interest and costs, subject to and with the Proposal Trustee maintaining sufficient reserves or holdbacks to satisfy the Accrued Obligations, the Charges and the Remaining Costs (collectively, the "**Outstanding Disbursements**");
- (x) authorizing the Companies and/or Proposal Trustee during the Proposal Proceedings to pay the Outstanding Disbursements from the available cash on hand, and any subsequent cash receipts, without further approval of this Court;
- (xi) Declaring that, in the event of and notwithstanding the deemed bankruptcies of the Companies, the Interim Distributions, any Subsequent Distributions, Holdbacks and payment of Outstanding Disbursements made during the Proposal Proceedings, shall be binding on any licensed insolvency trustee of the Companies; and
- (xii) Declaring that, upon the full payment or satisfaction of the outstanding debt, liability or obligations secured by the Charges or if there is no debt, liability or obligations secured by the Charges, the termination, release and discharge of the Charges without any further act or formality.

11. All materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc> (the "**Proposal Trustee's Websites**").

TERMS OF REFERENCE

12. In preparing this Fourth Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in the First Report and Third Report in respect of the Cash Flow Forecasts and Revised Cash Flow Forecasts, respectively:
 - (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the Information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
13. Future oriented financial information referred to in this Fourth Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
14. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this Fourth Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES' OPERATIONS

16. Since the Third Report, the Management of the Companies have focused on maintaining operations and assisting the Proposal Trustee with transition items associated with the Transaction. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees to minimize disruption to the operations. As of the date of this Fourth Report, the Companies have transitioned their business operations to the Purchaser without significant disruption or issues.

PROPOSAL TRUSTEE'S ACTIVITIES

17. Since the date of the Third Report, the Proposal Trustee has been engaged in the following activities:
- (a) attended the Proposal Trustee's motion, which occurred on April 3, 2024;
 - (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee's Website;
 - (c) engaged with its legal counsel, Fogler, Rubinoff LLP ("**Fogler**"), regarding matters related to these Proposal Proceedings and Transaction;
 - (d) monitored the Companies' receipts and disbursements on a weekly basis;
 - (e) participated in various calls with the Companies' external accounting/finance consultants regarding the status of the Companies' books and records;
 - (f) assisted the Companies in various human resource matters and addressed other employee questions regarding the Proposal Proceedings;
 - (g) continued to monitor the Companies' vehicle sales and repayments to ensure vehicle proceeds were remitted to BMO in accordance with the terms of the Interim Financing Loan;
 - (h) multiple follow-ups with Management regarding an employee vehicle purchase and other vehicle sales where sale proceeds were not collected from the customers;
 - (i) assistance to the Companies with stakeholder communications, including responding to calls, e-mails, and letters received from creditors and other parties in an effort to maintain supplier relationships and minimize service disruptions;
 - (j) participated in and facilitated various discussions with Volkswagen Canada ("**VW**") and its legal counsel;

- (k) participated in and facilitated various discussions with Volkswagen Financial Services (“VWFS”);
- (l) corresponded with shareholders and/or their respective legal counsels;
- (m) reviewed the Companies’ actual cash receipts and disbursements and variances to budget for the same time period as outlined in the Revised Cash Flow Forecasts;
- (n) various correspondence with BMO regarding the reporting as outlined in the Interim Financing Loan term sheet and assisted the Companies with interim funding requests;
- (o) reviewed of the Secured Creditors security documents and security opinions prepared by Fogler;
- (p) assisted in the completion of the Transaction, including:
 - (i) various correspondence with the Purchaser and Sales Agent to plan for transition and action items required leading up to the completion of the Transaction;
 - (ii) assisted the Purchaser with various information requests required for transition purposes;
 - (iii) worked with the Purchaser and Management to maintain key supplier relationships and ensure continued supply post close;
 - (iv) assisted the Purchaser in expediting closing items such as obtaining its business licenses, Ontario Motor Vehicle Industry Council (“OMVIC”) approval, VW approval, etc.;
 - (v) reviewed the Purchaser’s employment contract and assessed it versus the terms of the Sale Agreement;
 - (vi) assisted the Purchaser in organizing employee interviews and finalizing the new employment contract;
 - (vii) worked with the Purchaser and the Companies to ensure there were no payroll interruptions to the employees;
 - (viii) worked closely with Volkswagen Canada to: slow down parts and vehicle shipments, finalize the warranty claims receivables amount, close out pending vehicle receivables, fix billing issues on certain vehicles, etc.;

- (ix) worked with the Companies to ensure vehicle liens outstanding were paid out, system backups were performed, and any ancillary Purchaser's requests were fulfilled;
 - (x) worked with the Purchaser to create a count and valuation mythology for the Companies' parts, and used vehicles inventories;
 - (xi) worked with VWFS on the new vehicle inventory count, conducted analysis of inventory value based on compiled new vehicle invoiced costs, and created working papers for valuation purposes;
 - (xii) worked with the Purchaser and VWFS to allocate vehicle purchase price payable by the respective parties and created reconciliation worksheet for the Purchaser and VWFS to review;
 - (xiii) worked with the Purchaser, the Companies, and VWFS to finalize the final Purchase Price;
 - (xiv) assisted the Purchaser with information technology ("IT") needs to minimize operation disruptions during the transition;
 - (xv) initiated a system back of the Companies' IT environment;
 - (xvi) initiated a new environmental remediation assessment; and
 - (xvii) provided updates to BMO regarding the Transaction.
- (q) assisted the Purchaser and the Companies in transition services needed and determining purchase price adjustments needed due to asset cut-off issues, including:
- (i) drafting the transition services agreement;
 - (ii) worked with VW to determine parts delivered to the Purchaser but billed to the Companies;
 - (iii) assisted the Purchaser in identifying deposits received by the Companies for vehicles not yet sold;
 - (iv) assisted the Purchaser in identifying vehicles purchased but subject to an existing sale agreement with customers where the cash may have already been received by the Companies; and
 - (v) created a purchase price adjustments tracker for the Purchaser and Management.

- (r) assisted the Companies in various matters after the completion of the Transaction and the collection of the remaining assets not purchased in the Transaction, including:
- (i) assisted Management to track down outstanding vendor invoices;
 - (ii) assisted Management in various treasury functions;
 - (iii) engaged in various correspondence with the Purchaser to assist Management in solving IT set-up issues;
 - (iv) assisted the Companies in submitting warranty claims to VW and requested an extension from VW for submitting the respective claims on behalf of the Companies;
 - (v) corresponded with VWFS and assisted the Companies in submitting outstanding paperwork needed by VWFS to finance customer vehicles sales;
 - (vi) corresponded with VW to finalize trade assistance amount given on a vehicle trade-in;
 - (vii) facilitated correspondence on behalf of VWFS with BMO on vehicle chatteling issues;
 - (viii) assisted Management in determining employee receivables outstanding;
 - (ix) worked with Management to produce bill of sales for remaining vehicles sold to Ms. Caroline Bourret;
 - (x) worked with Management to produce collection letters for vehicles sold but sale proceeds not yet collected;
 - (xi) assisted Management in cancelling insurance, utilities, and other services no longer required;
 - (xii) assisted Management in various human resource functions;
 - (xiii) assisted Management in determining harmonized sales tax (“HST”) obligations/refunds;
 - (xiv) paid Sales Agent invoices;
 - (xv) prepared Fourth Report; and

- (s) attended to other matters pertaining to the administration of these Proposal Proceedings.

18. The Proposal Trustee is requesting approval of this Fourth Report and the activities of the Proposal Trustee described herein.

THE TRANSACTION & REMAINING ASSETS REALIZATION PLAN

19. On April 30th, 2024, the remaining purchase price amount of approximately \$7.715 million (the total purchase price, including of the deposit previously received, of ~\$8.58 million for the Purchased Assets) was received by the Proposal Trustee, all conditions with regards to the Sale Agreement were satisfied and the Proposal Trustee issued the Proposal Trustee's Certificate to close the Transaction. Significant work was required by the Proposal Trustee, with limited assistance from Management, to close the Transaction and meet the conditions as outlined in the Sale Agreement. A copy of the Sale Agreement is attached hereto as **Appendix "N"**.
20. Capitalized terms used in this section that are not defined shall have the meanings as defined in the Sale Agreement.
21. The remainder of the Companies' assets not included in the Sale Agreement (the **"Remaining Assets"**), included the following:
- (a) warranty claims with VW with a book value of approximately \$157,000;
 - (b) vehicles accounts receivables (**"AR"**) with regards to three (3) vehicles sold for ~\$75,000 but the sale proceeds were not collected by Management (the **"Vehicle AR"**);
 - (c) vehicles purchased in the amount of approximately \$30,000 by Ms. Bourret;
 - (d) the leased tractor to be bought out for approximately \$12,000 by Ms. Bourret to extinguish the reserve provided for DLL's (herein defined) secured claim; and
 - (e) Litigation claim cited as *Grant et al v. Seaway Auto Group Inc. et al*, 2023 ONSC 3873 (CanLII) with Cameron Grant (**"Mr. Grant"**), 116 and Christopher Grant as the applicants and Seaway Auto Group Inc. (**"Seaway Auto"**), Solutions and Caroline Bourret as the respondents and the related outstanding judgments against Mr. Grant, 116 and Christopher Grant (collectively the **"Grants"**) in the approximate amounts of \$573,000 in favour of Seaway Auto and Solutions and \$102,000 in favour of Caroline Bourret plus pre-judgment and post-judgment interest, costs, disbursements, fees and expenses (the **"Litigation Claim"**).

Generally, the Litigation Claim stems from certain arbitral awards against the Grants and/or 116 in favour of Solutions and/or Seaway Auto that were upheld or not set aside by the respective court. The arbitrator generally found that the Grants and/or 116 wrongfully interfered with the operations of the Volkswagen dealership by various obstructive acts and thereby failed to act in the best interests of the business; contravened the applicable shareholders agreement; breached their fiduciary duties; and breached their duty of care as directors. A copy of the Writ of Seizure and Sale and the related decision with regards to the Litigation Claim is attached hereto as **Appendix “O”**.

22. The Proposal Trustee has previously outlined that the Companies’ books and records (the “Books”) are significantly out of date (February/March 2023), and despite numerous requests of Management to update them, the Books remain incomplete. The Proposal Trustee is working with Management to submit warranty claims with VW, working with the Companies’ accounting personnel to calculate and file pre-filing excise/harmonized sales tax returns, and updating non-vehicle AR listings (including employee AR).
23. The Proposal Trustee with the assistance of Ms. Bourret will continue to realize on the Remaining Assets for the benefit of the respective estates and Secured Creditors to the extent that they are not repaid. Should Management not take the required actions to monetize these assets, the Proposal Trustee will use its enhanced power as provided for in the Initial Order to collect on the same. Any potential HST refunds (including the post filing amounts), depending on the timing of CRA’s audit and the receipt of any refunds, will either be dealt with in these Proposal Proceedings or in bankruptcy proceedings if the Companies fail to file proposals under the BIA.

REVISED CASH FLOW PROJECTIONS

24. The Proposal Trustee has reviewed the actual cash flow from operations for the eight-week period ending May 17, 2024, through monitoring the banking activities of the Companies.
25. The Companies’ actual cash flow from operations for the eight-week period ending May 17, 2024, exceeded the corresponding Revised Cash Flow Forecasts amounts for that same period by approximately \$377,511.
 - (a) This positive variance is largely due to:
 - (i) -\$243,096 - decrease in BMO floor plan payment of approximately \$160,589 due to increased vehicle trade-ins being added to the floor plan, and decrease in curtailments of approximately \$82,506;

- (ii) ~\$97,523 - professional fees of approximately \$36,573, and DIP Charge interest and fees of approximately \$25,000, HST remittance of approximately \$23,450, and \$12,500 of contingency, which are timing differences expected to reverse in the coming weeks;
- (iii) ~\$34,200 - insurance instalment not yet paid, as Proposal Trustee is currently working with the insurance broker to adjust the policy for the assets and operations sold as part of the Transaction;
- (iv) ~\$15,010 - HST collected/paid on receipts and disbursements;
- (v) ~\$70,068 - increase in parts and service sales, due to higher collections from warranty submissions to VW; and
- (vi) ~\$43,979 - decrease in parts purchases in anticipation of closing the Transaction.

(b) The positive variance is offset by:

- (i) ~\$94,717 - increase in lien payouts on vehicle trade-ins; and
- (ii) ~\$31,561 - lower than anticipated vehicle sales.

26. A summary of the variance analysis regarding the same are attached hereto as **Appendix “P”**. Consistent with the Revised Cash Flow Forecasts, \$500,000 (the maximum has been advanced) has been advanced to the Companies from the Interim Financing Loan to date.

- (a) The Companies made a total payment of \$6,324.71 payment to Tire Discounter Group, Distribution Stox, Miller Hughes Ford Lincoln, and Seaway Hyundai. These are related to amounts owing prior to the Filing Date. The Proposal Trustee advised Management that due to the stay of proceedings that these payments should not be made.

FINAL CASH FLOW PROJECTIONS

- 27. The Companies, with the assistance of the Proposal Trustee, have prepared the Final Cash Flow Forecast for the purpose of projecting the Companies’ liquidity needs from May 20, 2024 to June 21, 2024.
- 28. The Final Cash Flow Forecast indicate that the Companies will have sufficient liquidity to get to June 21, 2024, given the on-going asset realization efforts and the remaining sale proceeds from the Transaction.

29. Based on the Proposal Trustee's review of the Final Cash Flow Forecast, there were no material assumptions which seem unreasonable in the present circumstances.

COMPANIES' AND PROPOSAL TRUSTEE'S RECEIPTS AND DISBURSEMENTS

30. The Companies' statement of receipts and disbursements for the period from the Filing Date to May 17, 2024 (the "Final R&D") is summarized as follows:

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE COMPANIES FOR THE PERIOD DECEMBER 22, 2023 TO MAY 17, 2024					
	Solutions	Cornwall	Holdings	Estate	Total
Receipts					
Opening Cash Balance	184,654	24,177	34,848	-	243,678
Asset Sale Proceeds	-	-	-	8,578,452	8,578,452
Vehicle Sales	2,820,486	-	-	-	2,820,486
To/(From) Intercompany (Includes Rent)	(25,746)	9,498	16,248	-	-
Parts & Service Sales	876,375	-	-	-	876,375
Other Revenue	74,576	-	-	-	74,576
Interim Financing Charge	500,000	-	-	-	500,000
Interest on Sale Proceeds	-	-	-	21,501	21,501
HST Collected	490,287	3,911	5,752	-	499,950
Total Receipts	4,920,632	37,587	56,848	8,599,953	13,615,019
Disbursements					
Vehicle Purchases and Lien Payouts	(352,888)	-	-	-	(352,888)
Parts Purchases	(360,270)	-	-	-	(360,270)
Payroll (Including Taxes and Benefits)	(524,165)	-	-	-	(524,165)
Sales Agent Fee	(22,500)	-	-	(158,044)	(180,544)
Vendor Payments	(188,948)	-	-	-	(188,948)
Othe Expenses	(24,488)	-	-	-	(24,488)
Utilities Expenses	(8,975)	(289)	(579)	-	(9,843)
Insurance Payments	(42,824)	-	-	-	(42,824)
Proposal Trustee & its Counsel's Fees	(409,364)	-	-	-	(409,364)
Restructuring Costs	(106,296)	-	-	-	(106,296)
BMO Floor Plan Payments, Curtailments, and Interest	(2,433,766)	-	-	-	(2,433,766)
BMO Goodwill Loan (Interest)	(55,640)	-	-	-	(55,640)
BMO Mortgage Principal and Interest Payment	-	(17,101)	(31,758)	-	(48,859)
Property Taxes	-	(7,341)	(13,906)	-	(21,247)
HST Paid	(365,260)	(114)	(75)	(20,546)	(385,995)
Total Disbursements	(4,895,382)	(24,845)	(46,319)	(178,590)	(5,145,136)
Net Cash Flow	25,249	12,742	10,529	8,421,363	8,469,883

(a) as detailed in the table above, the Companies had total receipts of \$13,615,019 between the Filing Date and May 17, 2024, the majority of receipts comes from asset sale proceeds from the Transaction, which was deposited into the Proposal Trustee's trust account (the "Estate"), and vehicle sales, parts/service sales and funding from the Interim Financing Loan which were deposited into the Companies' bank accounts;

- (b) total disbursements over the same period were \$5,145,136, the majority of which relate to BMO floor plan repayments corresponding to vehicle sales, payroll, professional fees, vehicle purchases, lien payouts, and parts purchases; and
- (c) the Proposal Trustee notes an overpayment of ~\$25,425 was paid to Sales Agent in error, which the Sales Agent has agreed to refund to the Proposal Trustee.

CREDITORS

Secured Claims

Bank of Montreal

31. BMO established certain credit facilities in favour of the Companies:

- (a) five (5) facilities in favour of Solutions in a maximum aggregate principal amount of (CAD) \$6,413,640;
- (b) a term loan in favour of Holdings in the amount of (CAD) \$1,040,000;
- (c) a term loan in the amount of (CAD) \$560,000 in favour of Cornwall; and
- (d) corporate MasterCard.

(collectively, the “**BMO Credit Agreements**”).

32. BMO holds, among other things, a general security interest against all of the Companies’ assets which has been registered under the *Personal Property Security Act* (Ontario) (the “**PPSA**”).

33. In connection with the BMO Credit Agreements, the Companies and others granted various additional security, including collateral mortgages and general assignment of rents against the real property in favour of BMO, and guarantees including a limited guarantee from Seaway Toyota (1990) Inc., a body shop entity owned by the Grant family, and a joint and several limited guarantee from Ms. Bourret and Mr. Grant.

34. Attached as **Appendix “Q”** are copies of PPSA searches as of March 24, 2024 (before the completion of the Transaction) in relation to the personal property of Solutions, Holdings and Cornwall, and copies of the parcel or land titles searches as of April 23, 2024 (before the completion of the Transaction) in relation to the real property of Holdings and Cornwall.

35. Attached as **Appendix “R”** is a copy of the opinion letter from counsel of the Proposal Trustee regarding BMO’s loan and security documents in this matter before the completion of the Transaction. Subject to the customary qualifications, assumptions and limitations included therein, Fogler is of the opinion that BMO’s security under Ontario Law is valid and enforceable in accordance with their terms.

36. BMO was the first-ranking secured creditor of the Companies before the closing of the Transaction.
37. Proposal Trustee's counsel has been advised by BMO that the outstanding indebtedness is \$6,413,640.

Glenn Joseph MacDonell

38. Pursuant to a vendor takeback with Glenn Joseph MacDonell dated November 12, 2019 (the "VTB"), MacDonell advanced \$1,000,000 to Holdings and Cornwall to purchase the premises on Pitt Street in Cornwall, Ontario. In connection with the VTB, the Companies granted various security documents in favour of MacDonell. Cornwall and Holdings both granted collateral mortgages in the amount of the funds advanced.
39. Attached as **Appendix "S"** is a copy of the opinion letter from counsel of the Proposal Trustee regarding MacDonell's loan and security documents in this matter. Subject to the customary qualifications, assumptions and limitations included therein, Fogler is of the opinion that MacDonell's security under Ontario Law is valid and enforceable in accordance with their terms.
40. The VTB mortgage or mortgages of MacDonell in relation to the real property of Holdings and Cornwall was second-ranking or subordinate to BMO's first-ranking mortgage or mortgages in the real property, before the closing of the Transaction.
41. Proposal Trustee's counsel has been advised by MacDonell that the current balance owing under the VTB is exactly \$1 million.

Various Related Party Loans

42. The Proposal Trustee understands that the 192 Lenders provided a loan to 116 in the principal amount of \$1,800,000 as per a loan agreement dated November 8, 2019 ("**First Loan**"). The amounts owed by 116 to the 192 Lenders were guaranteed by Seaway Auto and the Companies and secured by these companies by general security agreements each dated November 8, 2019. 116 lent the funds to Seaway Auto, as borrower, pursuant to the terms of a loan and option agreement dated November 8, 2019 (the "**Second Loan**") for the initial purchase transaction associated with Cornwall Volkswagen dealership. Seaway Auto obligations to 116 were also guaranteed by unlimited guarantees from the Companies and secured by separate security agreements from each of the Companies.
43. Attached as **Appendix "T"** is a copy of the opinion letter from counsel of the Proposal Trustee regarding 192's and 116's loan and security documents respectively in relation to the First Loan and Second Loan before the closing of the Transaction. Subject to the customary

qualifications, assumptions and limitations included therein, Fogler is of the opinion that 192's and 116's security under Ontario Law is valid and enforceable in accordance with their terms.

44. Attached as **Appendix "U"** is a copy of 192's and 116's payout letter from their lawyer regarding the outstanding indebtedness of the Companies to 192 and 116 respectively under the First Loan and Second Loan. As per the payout letter dated May 16, 2024, the current amount outstanding to discharge the primary obligations of 116 to the 192 Lenders under the First Loan, the primary obligations of Seaway Auto to 116 under the Second Loan, and the guaranteed and secured obligations of the Companies under the First and/or Second Loan, is approximately \$983,247.
45. We understand that the Companies and Ms. Bourret take issue with the amounts alleged to be outstanding to the 192 Lenders, 116, GrantCo, or members of GrantCo, given the outstanding Litigation Claim and related judgments, noted above, against Mr. Grant, 116 and Christopher Grant, in the current approximate amount of \$643,957 (inclusive of costs and interest) that is owed to Solutions and Seaway Auto (this amount excludes amounts owed to Ms. Bourret in excess of \$100,000). Given this potential set-off claim of the Companies, the Proposal Trustee is not currently including this potential set-off amount in its proposed interim distribution to GrantCo. For distribution purposes, the Proposal Trustee has offset this amount for a total outstanding secured claim of approximately \$340,000 owing to GrantCo (the **"Revised GrantCo Amount"**). It is currently not anticipated that the Companies remaining net asset realizations will exceed the Revised GrantCo Amount and as such do not believe it is necessary for the respective parties to dispute these possible set-offs at this time. Should the Companies' final net realizations exceed the Revised GrantCo Amount, then the Proposal Trustee will hold these funds in its accounts in trust and seek further direction of the Court regarding distribution of the same.
46. As set out below, the proposed Interim Distribution to GrantCo at this time is approximately \$98,450.
47. As discussed below, before making any distributions to the Secured Creditors, the Proposal Trustee will maintain sufficient Holdbacks (herein defined) to satisfy the Outstanding Disbursements (i.e., the super-priority Charges; Accrued Obligations and the Remaining Costs).

Equipment Loan

48. De Lage Landen Financial Services Canada Inc. ("**DLL**") has a registered security interest in the tractor purchased by Solutions. We understand that Ms. Bourret will payout or provide the funds to the Solutions to pay out, the remainder of financing owed to DLL and take ownership of the tractor personally.

Priority Claims

49. The Secured Creditor's security is subject to prior charges and security interests or claims in respect of the Property, which include or may include:

- (a) the Admin. Charge - as at the date of this Fourth Report, the Proposal and its counsel have received payment for certain of their fees and disbursements incurred as part of Proposal Proceedings and paid from the Companies operations/Interim Financing Loan. The remaining accrued and outstanding fees and disbursements of the Proposal Trustee for the period of March 23, 2024, to March 16, 2024, totals \$174,273.53 (inclusive of applicable taxes) and its legal counsel for the period March 26, 2024, to May 15, 2024, total \$66,794.47 (inclusive of applicable taxes). In addition, given the Remaining Matters still to be completed in the Proposal Proceedings, the litigious nature of the Companies' stakeholders and Management's continue challenges in realizing on the Remaining Assets, the Proposal Trustee and its counsel have estimated remaining fees and disbursements for the Remaining Matters (the **"Remaining Fees & Disbursements"**) may exhaust the remainder in the amount of \$158,932 of the Admin. Charge. As such, the Proposed Trustee proposes to reserve for the currently outstanding fees noted above and the Remaining Fees & Disbursements the full amount of the Admin. Charge;
- (b) the DIP Charge - the Companies were authorized to borrow up to \$500,000, as it considered necessary or desirable. As of the date of this Fourth Report, the Companies have made borrowings of the full \$500,000, as evidenced by various funding requests/certificates. The Proposal Trustee intends to fully repay the Interim Financing Loan (to extinguish the DIP Charge) as outlined in the proposed distribution schedule (plus its fee and accrued interest) prior to the May 28 Motion;
- (c) the D&O Charge - the Companies were granted a \$100,000 charge on the Companies' assets to mitigate potential directors and officer exposure after the Filing Date. As of the date of this Fourth Report, is it anticipated that the Companies final payroll(s) may be covered by this charge should there be no remaining funds to pay them and as such the Proposal Trustee proposed to reserve for the full amount of the D&O Charge;
- (d) Deemed trust claims - a) the Companies use an external payroll provider and as such are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll

processing, which will continue in the ordinary course. As discussed below, the Proposal Trustee intends to reserve certain amounts in anticipation of the final CRA payroll trust review; b) the Proposal Trustee also understands that a large installment was made to CRA prior to the Filing Date related to a potential HST amounts owed by Solutions. Given the state of the Companies books and records, it is unknown what pre-filing HST, if any, may be owing. Post-filing amounts have been kept current by the Companies and all amounts of HST if owed have been paid.

- (e) Statutory claims pursuant to the BIA (the “**BIA Claims**”) - the Proposal Trustee is not aware of any amounts owing to employees that would have priority over the Secured Lenders, pursuant to section 81.3 and/or 81.5 of the BIA; and
- (f) Outstanding municipal taxes of the municipality - all property tax amounts owed with regards to the real property owned by Holdings and Cornwall were paid and settled in the statement of adjustments with regards to the Transaction.

Unsecured Creditors

50. As previously outlined, the Companies books and records have not been updated since early 2023, including the respective monthly bank reconciliations. As a result, Ms. Bourret resorted to paying vendor accounts, as invoices were presented, via pre-authorized debit or electronic funds transfers (limited, if any outstanding cheques) and utilized the Companies’ bank statements as a ledger to track who has been paid. This is not an appropriate or adequate form of bookkeeping. The Companies, with the assistance of the Proposal Trustee, attempted to reconstruct an accounts payable ledger as at December 22, 2023, with \$250 place holders for unknown vendor balances, to insure the potential creditors, subject to the Proposal Proceedings received notice.

51. It is expected that the Companies’ Secured Creditors will experience a shortfall on their security and as such it is anticipated that no funds will be available to the Companies’ unsecured creditors.

PROPOSED DISTRIBUTIONS TO BMO, MACDONELL, AND GRANTCO

52. Subject to this Court’s approval, the following summarizes how the funds in the Companies/Proposal Trustee’s possession is to be allocated for interim distributions to the Companies’ Secured Creditors:

PROJECTED FUNDS FOR DISTRIBUTION AS AT MAY 17, 2024			
	Solutions	Holdings/Cornwall	Total
Net Cash Balance as per Final R&D	5,337,542	3,132,341	8,469,883
Less: Interim Financing Charge Principal, Fees, and Interest	(374,820)	(160,637)	(535,457)
Plus: Remaining Vehicle Financing from Volkswagen Credit	93,149	-	93,149
Cash Available before Holdbacks/Reserves	5,055,872	2,971,704	8,027,575
Less: Holdbacks			
Reserve for Tractor Payout	(12,000)	-	(12,000)
Reserve for Purchase Price Adjustment	(35,000)	(15,000)	(50,000)
Reserve for Trust Claims	(35,000)	(15,000)	(50,000)
Reserve for Bankruptcy Costs	(35,000)	(15,000)	(50,000)
Professional Fees/Admin. Charge	(280,000)	(120,000)	(400,000)
Priority Claims/D&O Charge	(70,000)	(30,000)	(100,000)
Net Cash Available for Interim Distribution	4,588,872	2,776,704	7,365,575
Interim Distribution to BMO			
Mortgage Facilities	-	(1,381,669)	(1,381,669)
Goodwill Facility	(1,544,910)	-	(1,544,910)
Vehicle Floor Line Facilities	(3,237,828)	-	(3,237,828)
Other Fees & Credit Card Repayment	(71,903)	(30,816)	(102,719)
Total Interim Distributions to BMO	(4,854,640)	(1,412,485)	(6,267,125)
Application of BMO Cross Collateralization Provisions	265,769	(265,769)	-
Anticipated (Shortfall)/Excess Funds Available	-	1,098,450	1,098,450
Interim Distribution to MacDonell	-	(1,000,000)	(1,000,000)
Anticipated (Shortfall)/Excess Funds Available	-	98,450	98,450
Interim Distribution to Grantco	-	(98,450)	(98,450)
Estimated Net Cash after Interim Distributions	-	-	-

- (a) as per the Final F&D, the Companies net cash balance available for distribution is \$8,469,883. As discussed, prior in the report, the Proposal Trustee intends to repay the Interim Financing Loan, including its associated interest and fees. In addition, the Proposal Trustee is expecting funds to be received by the Companies from VWFS which is to be used to repay BMO's associated floor line facility amounts;
- (b) the Proposal Trustee proposes to holdback certain funds (the "Holdbacks") to provide for the following:
- (i) \$12,000 secured claim of DLL associated with the tractor that is to be bought out by Ms. Bourret;
 - (ii) \$50,000 as a reserve for purchase price adjustment to address cut-off issues associated with the Sale Agreement;
 - (iii) \$50,000 as a reserve for any trust claims that may result from CRA's final payroll audit and for any section 81.3 and 81.5 of the BIA amounts that may rank in priority to the Secured Creditors;

- (iv) \$50,000 as a reserve for funding remaining operating costs including the Remaining Matters associated with the Proposal Proceedings or the bankruptcy proceedings to realize on the Remaining Assets and/or complete any statutory requirements. Note: in addition to this reserve, the Companies' will fund a \$50,000 retainer to the Trustee prior to the May 28 Motion to cover their anticipated fees and disbursements associated with the bankruptcy proceedings;
 - (v) \$400,000 in support of the Admin. Charge (approximately \$241,068 of professional fees remain outstanding as of the date of the Fourth Report and will be covered by this amount plus the Remaining Fees & Disbursements associated with the Proposal Proceedings); and
 - (vi) \$100,000 in support of the D&O Charge for any post-filing obligations that may impact the Companies' director (payroll, HST, etc.).
- (c) The cash available less Holdbacks, will be approximately \$7,365,575 and the Proposal Trustee proposes to make the following Interim Distribution to the Secured Creditors if approved by the Court, including:
- (i) BMO and Macdonell to pay off their respective outstanding amount in full; and
 - (ii) ~\$98,450 (plus any remaining amounts out of the Holdbacks if not fully utilized and additional net realizations on the Remaining Asset on any Subsequent Distribution during the Proposal Proceedings) to up to the amount of Revised GrantCo Amount.
- (d) the Proposal Trustee is of the view that, in order to maximize efficiency, it is appropriate, in addition to seeking approval of the Interim Distributions, to seek the Court's approval to make any Subsequent Distributions during the Proposal Proceedings to the Secured Creditors with additional proceeds from realization of Remaining Assets if the Companies are still indebted to the Secured Creditors after the Initial Distributions, as the Proposal Trustee determines appropriate, without further order of this Court, provided the Subsequent Distributions to the respective Secured Creditors are limited to the outstanding amount of their respective provable secured claim against the Companies, including all interest and costs; and

- (e) the Proposal Trustee respectfully requests that the Court authorize the Interim Distributions and any Subsequent Distributions during the Proposal Proceedings to the Secured Creditors as the Proposal Trustee determines appropriate.

REMAINING MATTERS TO BE COMPLETED IN THESE PROCEEDINGS

53. If this Court grants the orders requested herein, the Proposal Trustee will have completed its duties, statutory or otherwise, except for the following (the “**Remaining Matters**”):

- (a) attendance at the May 28 Motion and preparation regarding the same;
- (b) paying the Interim Distributions to the Secured Creditors;
- (c) processing and paying the Outstanding Disbursements;
- (d) working with Management to complete and file HST returns (pre and post filing returns);
- (e) working with Management to realize on Remaining Assets;
- (f) working with the Purchasers to remove the Companies’ Remaining Assets off premises;
- (g) assisting Management in finalizing employee ROEs, T4s and the final payroll;
- (h) completing the purchase price adjustment calculation for the Transaction;
- (i) finalizing and executing the transition services agreement;
- (j) applying for taxation and discharge; and
- (k) transferring assets and duties to the Trustee.

APPROVAL OF THE PROPOSAL TRUSTEE’S FEES AND DISBURSEMENTS

54. The Proposal Trustee and its legal counsel, Fogler, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.

55. The Proposal Trustee and Fogler have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the period from March 23, 2024 to May 16, 2024, and the interim fees and disbursements for Fogler for the period from March 26, 2024 to May 15, 2024.

56. The total interim fees and disbursements of the Proposal Trustee for the period of March 23, 2024 to March 16, 2024 total \$174,273.53, including fees in the amount of \$151,853, disbursements in the amount of \$2,371.36, and HST in the amount of \$20,049.17, as more

particularly described in the affidavit of Clark Lonergan sworn May 21, 2024 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “V”**.

57. The total interim fees and disbursements of Fogler principally from, March 26, 2024 to May 15, 2024, total \$66,794.47, including fees in the amount of \$58,052.60, disbursements in the amount of \$1,063.30, and HST in the amount of \$7,678.57, as more particularly described in the affidavit of Scott Venton sworn May 15, 2024 (the “**Venton Fee Affidavit**”), a copy of which is attached hereto as **Appendix “W”**.
58. The Proposal Trustee also requests the approval of the Remaining Fees & Disbursements of the Proposal Trustee and its counsel estimated not to exceed \$158,932 (exclusive of HST) for the Remaining Matters;
59. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fee Affidavits and for the Remaining Matters, are reasonable in the circumstances and have been validly incurred in accordance with Proposal Proceedings or estimated for the Remaining Matters. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and that of its counsel, as set out in this Fourth Report.

BANKRUPTCY PROCEEDINGS

BDO as Trustee in the Event of Deemed Bankruptcies

60. Under the Initial Order, the Proposal Trustee is not prevented from subsequently acting as trustee in bankruptcy of the Companies or their property.
61. Given BDO's background, knowledge and experience as Proposal Trustee of the Companies, it makes economic sense for BDO to act as the Trustee of the Companies if they are deemed bankrupt.

Procedural Consolidation of Cornwall and Holdings

62. Cornwall and Holdings are part of a single business enterprise and BDO seeks an order, upon their deemed bankruptcies, consolidating their bankruptcy estates on a procedural basis.
63. Cornwall and Holdings are related and are part of or were part of the same united business enterprise of the Companies. There are common or identical directors, management, books and records and senior lenders (BMO & MacDonnell). Cornwall owned the Body Shop Property and Holdings owned the Dealership Property. They are generally land holding companies. They have common creditors and were integrated or part of the same VW dealership. They were part of the same Transaction, with their Real Property being sold to the respective

Purchaser pursuant to the Sale Agreement and AVO. The Real Estate Purchaser provided one purchase price for both parcels.

64. The procedural consolidation of the possible bankrupt estates of Cornwall and Holdings will not prejudice creditors but rather will benefit them as a result of the cost savings of having to deal with a single bankrupt estate instead of two (2) on procedural matters (i.e., one meeting of creditors, one proof of claim, etc.). Avoiding the duplication of procedural steps will save costs.
65. The proposed consolidation of the possible, deemed bankruptcy estates of Cornwall and Holdings is purely administrative in nature. It is not proposed that the creditor pools for each of Cornwall and Holdings be mixed or substantively consolidated - all such parties shall continue to hold distinct claims and rights against the individual estates of Cornwall and Holdings (and each of the Companies, for that matter), which will be addressed in accordance with the law.

Deemed Bankruptcies of the Companies

66. Given the possible deemed bankruptcies of the Companies and for greater certainty, the Proposal Trustee is requesting that the Court declare or order that the Interim Distributions, any Subsequent Distributions, Holdbacks and payment of Outstanding Disbursements shall be binding on any licensed insolvency trustee/Trustee in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall they constitute nor be deemed to be a fraudulent preference, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation
67. Under the Initial Order, the Charges and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not be limited or impaired in any way by the deemed bankruptcies of the Companies. However, upon the full payment of the Charges or if there is no debt owing the respective Chargees in relation to the Charges, the Proposal Trustee is requesting that the Court declare or order the termination, release and discharge of the Charges without any further act or formality.

PROPOSED STAY EXTENSION

68. The current stay of proceedings will expire on May 29, 2024 (the "**Stay Period**").
69. The Proposal Trustee, with the support of the Companies, seeks an extension of time for the Companies to have the option to file proposals to and including June 21, 2024 (the "**Proposed**

Stay Extension"). The Proposed Stay Extension will provide the Companies with the option to file proposals by that date and will allow the Proposal Trustee to pay or reserve the Interim Distributions, any Subsequent Distributions, the Outstanding Disbursements and the Holdbacks.

70. It is the Proposal Trustee's view, based on the Final Cash Flow Forecast, that the Companies will have sufficient liquidity to satisfy post filing obligations as they come due during the Proposed Stay Extension.
71. Based on the information presently available, the Proposal Trustee believes that the Companies' creditors will not be materially prejudiced by the Proposed Stay Extension. The proposed extension is only for a short period, namely about three (3) weeks. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

CONCLUSION AND RECOMMENDATIONS

72. The Proposal Trustee confirms that the Companies have acted and continue to act in good faith and with due diligence.
73. For the reasons stated in this Fourth Report, the Proposal Trustee supports the relief sought in connection with the May 28, 2024, motion. The Proposal Trustee respectfully submits to the Court this, its Fourth Report.
74. We understand that the Companies are in support of the relief sought in connection with the May 28, 2024, motion as well.

All of which is respectfully submitted this 22nd day of May, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Fourth Report of the Proposal Trustee
Appendix “A”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

FIRST REPORT OF THE PROPOSAL TRUSTEE
January 11, 2024

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- Appendix C - Companies' Initial Cash Flow projections for the period ended March 31, 2024
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- Appendix E - Initial Cash Flow Variance Analysis for the 2-week period ending January, 7, 2024
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- Appendix G - Sales and Investment Solicitation Process
- Appendix H - Sales Agent Agreement dated January 9, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”). Copies of the respective certificates of filing of a Notice of Intention to Make a Proposal (the “**Certificates of Filing**”) issued by the Office to the Superintendent of Bankruptcy (the “**OSB**”) are attached hereto as **Appendix “A”**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the “**First Report**”) is to advise the Court with respect to:
 - (a) an overview of the Companies;
 - (b) background on the circumstances leading to the Companies’ decision to commence the Proposal Proceedings;
 - (c) the Companies’ creditors;
 - (d) the Companies’ operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - (e) the Proposal Trustee’s activities since its appointment;
 - (f) an overview of the Companies’ 16-week cash flow forecasts, inclusive of the Initial Cash Flows (herein defined), for the period December 22, 2023 to April 14, 2024 (the “**Cash Flow Period**”), separately for each of the Companies (the “**Cash Flow Forecasts**”) projections and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - (g) the Companies’ motion to seek an order (the “**Proposed Order**”) to:
 - (i) administratively consolidating the estates or Proposal Proceedings of the Companies;
 - (ii) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;

- (iii) approving the First Report, and approving the activities of the Proposal Trustee described in the First Report;
- (iv) approving the sale and investment solicitation process (the “**SISP**”), and authorizing the Proposal Trustee to conduct the SISP;
- (v) authorizing and approving the engagement of Dealer Solutions North America Inc. (“**DSMA**” or the “**Sales Agent**”) to assist with the implementation of the SISP;
- (vi) enhancing certain powers of the Proposal Trustee;
- (vii) authorizing the Companies to enter into an interim financing term sheet with the Bank of Montreal (“**BMO**”) dated on or about January 8, 2024, as interim lender (the “**Interim Financing Term Sheet**”); and
- (viii) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (each herein defined).

(h) the Proposal Trustee’s recommendations on the relief being sought by the Companies.

3. The Proposal Trustee understands that the Companies will be relying on the affidavit of Ms. Caroline Bourret (“**Ms. Bourret**”) sworn January 9, 2024 (the “**Bourret Affidavit**”) in support of the relief sought in the Proposed Order.
4. The Bourret Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc>; www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-cornwall-inc; www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-holdings-inc (the “**Proposal Trustee’s Websites**”).

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies

(“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in this First Report in respect of the Cash Flow Forecasts:

- (a) The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
6. Future oriented financial information referred to in this First Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
7. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this First Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE COMPANIES

9. This First Report should be read in conjunction with the Bourret Affidavit for additional background and financial information with respect to the Companies. Any terms not expressly defined herein are otherwise defined in the Bourret Affidavit.
10. OEM Automotive Solutions Inc. is a privately held corporation, federally incorporated company, pursuant to the *Canada Business Corporations Act*, R.S.C, 1985 c. (the “**CBCA**”) on February 1, 2014. Solutions operates as a Volkswagen dealership in Cornwall, Ontario, servicing the City of Cornwall and South-Eastern Ontario, providing sales, leasing and repair services in respect of new and used Volkswagen vehicles, as well as other used original

equipment manufacturers (“**OEM(s)**”) trade-in used vehicles. Solutions employees twenty-five (25) non-unionized employees.

11. OEM Automotive Cornwall Inc. is a privately held corporation, federally incorporated company pursuant to the CBCA on August 21, 2019. Cornwall operates as a real estate holding company which owns the real property, located at 628 Pitt Street, Cornwall, Ontario (the “**Body Shop Property**”) which Solutions operates as an automotive body shop from.
12. OEM Automotive Holdings Inc. is a privately held corporation, federally incorporated company, pursuant to the CBCA on June 5, 2019. Holdings operates as a real estate holding company which owns the real property, located at 632 Pitt Street, Cornwall, Ontario (the “**Dealership Property**”, together with the Body Shop Property, the “**Real Property**”) which Solutions operates the Cornwall Volkswagen dealership from.
13. The Companies are related, share management, back-office and accounting functions, and have the same directors. All business activities are managed through Solutions.
14. The Companies purchased the pre-existing retail Volkswagen dealership located in Cornwall, Ontario in or around November 2019. In need of a potential investor for the acquisition, Ms. Bourret partnered with Mr. Cameron Grant (“**Mr. Grant**”), whose family operated a body shop which had a pre-existing relationship Cornwall Volkswagen, for the purchase.
15. The Companies are each wholly owned subsidiaries of Seaway Auto Group Inc. (“**Seaway**”). Seaway shareholders include Ms. Bourret (51%) and 11678833 Canada Inc. (“**116 Canada**”) (49%), which is beneficially owned by Mr. Grant and his family.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

16. According to the Bourret Affidavit, the business relationship between Mr. Grant, Grant’s family and herself was strained from the beginning, with disputes among the shareholders culminating in certain claims and counterclaims made in proceedings filed in the Ontario Superior Court of Justice, which ultimately resulted in judgement and costs rendered against Mr. Grant, his brother and 116 Canada (the “**Shareholder Dispute**”). These awarded judgments have not been satisfied to date.
17. The Shareholder Dispute, coupled with the lingering effects of the COVID-19 pandemic (OEM parts and vehicles supply shortages), the loss of key management resources and the current higher interest rate market conditions significantly impacted Ms. Bourret’s ability to adequately manage and operate the Volkswagen dealership. As a result of these factors, the Companies faced a critical cash shortage in late 2023, resulting in limited liquidity, if any and greater than \$600,000 in sold in violation (“**SIV(s)**”) vehicles owing to the Company’s senior

secured creditor, BMO, who is owed more than \$5 million currently. Generally, a SIV amount arises when a dealership sells a vehicle, which is financed, and uses the sales proceeds to fund business operations versus paying back the vehicle floor line financing facility as required.

18. Additionally, given the loss of the Companies' finance and service department personnel, its books and records remain significantly out of date, with 2022 year-end financials not closed and the 2023 monthly financials and bank reconciliations not updated since early 2023.
19. BMO requested that Ms. Bourret and/or Mr. Grant inject funds immediately to cure the significant SIV balance and to provide sufficient capital for the Companies to continue to operate as a going concern. Ms. Bourret and Mr. Grant indicated that they did not possess the necessary liquid funds and/or even if they did, that they would not inject funds into the Companies given their current financial position.
20. As a result of the financial and operational challenges faced by the Companies, further negatively impacted by the on-going Shareholder Dispute, BMO made formal demand for repayment and notice of intention to enforce security on December 13, 2023. The Companies were unable to issue full repayment in response to BMO's demand and as a result are insolvent.
21. Following discussions with BMO, the Proposal Trustee and counsel, the shareholders agreed that these Proposal Proceedings, funded by BMO as interim lender, would be a preferred means by which to pursue a sale and/or restructuring under the BIA to preserve and realize value for all stakeholders.
22. On December 22, 2023, the Companies commenced the Proposal Proceedings under the BIA for the purpose of, among other things, creating stability for the Companies to regularize business and to permit the Proposal Trustee to conduct a SISP for the marketing and sale of the Companies' business as a going-concern in whole or in part, or to seek an investment in the Companies' business.

CREDITORS

Secured Claims

Bank of Montreal

23. BMO established certain credit facilities in favour of the Companies:
 - (a) five (5) facilities in favour of Solutions in a maximum aggregate principal amount of (CAD) \$6,413,640;

- (b) a term loan in favour of Holdings in the amount of (CAD) \$1,040,000;
- (c) a term loan in the amount of (CAD) \$560,000 in favour of Cornwall; and
- (d) corporate MasterCard.

(collectively, the “**BMO Credit Agreements**”).

- 24. BMO holds, among other things, a general security interest against all of the Companies’ assets which has been registered under the *Personal Property Security Act* (Ontario) (the “**PPSA**”). As of the date of this First Report, the Companies are indebted to BMO in the approximate amount of \$5.1 million.
- 25. In connection with the BMO Credit Agreements, the Companies and others granted various additional security, including collateral mortgages and general assignment of rents against the Real Property in favour of BMO, and guarantees including a limited guarantee from Seaway Toyota (1990) Inc. (the “**Grants Seaway**”), a body shop entity owned by the Grant family, and a joint and several limited guarantee from Ms. Bourret and Mr. Grant.

Glenn Joseph MacDonell

- 26. Pursuant to a vendor takeback with Glenn Joseph MacDonell (“**MacDonell**”) dated November 12, 2019 (the “**VTB**”), MacDonell advanced \$1,000,000 to Holdings and Cornwall to purchase the premises on Pitt Street in Cornwall. In connection with the VTB, the Companies granted various security documents in favour of MacDonnell. Cornwall and Holdings both granted collateral mortgages in the amount of the funds advanced. The Proposal Trustee understands that the VTB is subordinate to BMO.
- 27. The parcel search, appended to the Bourret Affidavit, for the real property owned by Holdings and the real property owned by Cornwall reflect that BMO holds the first-ranking mortgage security against both of the properties.

Various Related Party Loans

- 28. The Proposal Trustee understands that various loans related to Ms. Christina Grant, 1921534 Ontario Ltd., and Grant Seaways were provided to 116 Canada in the amount of \$1,800,000 and in turn, 116 Canada lent the funds to Seaway for the initial purchase transaction associated with the purchase of the Cornwall VW. Various guarantee, indemnity, assign and postponement agreements by certain or all of the parties, were executed regarding the same. Further details regarding these amounts can be found in the Bourret Affidavit.
- 29. In addition to the foregoing, such parties as disclosed in the searches appended to the Bourret Affidavit have registered security interests against one or more of the Companies. The

Proposal Trustee understands that the security held by BMO, ranks first in priority over all of the Companies' personal property, other than in respect to any priority claims that may exist in law.

Equipment Loan

30. De Lage Landen Financial Services Canada Inc. has a registered security interest in the tractor purchased by Solutions.
31. The Proposal Trustee has not obtained an independent, written opinion from its legal counsel, Fogler, Rubinooff LLP ("**Fogler**"), with respect to the validity and enforceability of the BMO Credit Agreements and/or the other secured debts and their related security documents noted above, as there is no pressing need to do so at this time and incur the associated costs.

Government Remittances and Municipal Property Taxes

32. The Companies use an external payroll provider and as such are current with all government remittances for source deductions, save and except for source deductions accrued and accruing in respect of standard payroll processing, which will continue in the ordinary course.
33. The Proposal Trustee understands that a large installment was made to the Canada Revenue Agency (the "**CRA**") related to a potential harmonized sales tax (the "**HST**") amounts owed. Given the state of the Companies books and records, it is unknown what pre-filing HST, if any, may be owing.
34. The Proposal Trustee understands that Holdings and Cornwall are current with their respective property tax instalments.

Unsecured Creditors

35. As previously outlined, the Companies books and records have not been updated since early 2023, including the respective monthly bank reconciliations. As a result, Ms. Bourret resorted to paying vendor accounts, as invoices were presented, via pre-authorized debit or electronic funds transfers (limited, if any outstanding cheques) and utilized the Companies' bank statements as a ledger to track who has been paid. This is not an appropriate or adequate form of bookkeeping. The Companies, with the assistance of the Proposal Trustee, attempted to reconstruct an accounts payable ledger as at December 22, 2023, with \$250 place holders for unknown vendor balances, to insure the potential creditors, subject to the Proposal Proceedings received notice. Each affidavit of mailing and the associated creditor package for each of the Companies is attached hereto as **Appendix "B"**.

UPDATE ON THE COMPANIES' ACTIVITIES

36. Since the Filing Date, the Companies have been taking steps and focusing on stabilizing operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this First Report, the Companies have maintained their business operations without significant disruption or issues.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

37. The Proposal Trustee established the Proposal Trustee's Websites for these Proposal Proceedings. All court documents and certain other relevant documents have and will continue to be posted as they are made available.
38. In accordance with its obligations under the BIA, the Proposal Trustee prepared and sent a notice on December 27, 2023, which includes information about the Proposal Proceedings, to all known creditors, based on the contact information of such known creditors who have a claim against the Companies of more than \$250, by prepaid ordinary mail and email where unknown.
39. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Companies in the preparation of their respective cash-flow projections and related assumptions for the 14-week period ending March 31, 2024, together with management's report on the cash-flow projection (the "Initial Cash Flows"). Copies of the Initial Cash Flows are attached hereto as **Appendix "C"**.
40. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Initial Cash Flows, and assessed their reasonableness.
41. The Proposal Trustee also completed statutory forms and e-filed such reports with the OSB.
42. Furthermore, since the issuance of the Certificates of Filing, the Proposal Trustee, among other things, has:
- (a) participated in various calls with the Companies' external accounting/finance consultants to gain a better understanding of the Companies' books and records, 2022 financial statement audit, current treasury functions, payroll, etc.;
 - (b) participated in various meetings with the Companies' sales manager and Ms. Bourret to understand vehicles sales, dealer trades, used vehicle purchases, used vehicle auction sales, etc.;
 - (c) created and updated the Companies' outstanding SIV balance;

- (d) assisted the Companies with stakeholder communications;
 - (e) responded to calls, e-mails and letters received from creditors and other parties with respect to the Proposal Proceedings;
 - (f) participated in various discussions with Volkswagen Canada (“VW”) and its legal counsel;
 - (g) created the SISP procedures and timelines;
 - (h) responded to multiple calls and emails from Mr. Grant’s representatives and/or his counsel;
 - (i) participated in various discussions with the Companies and certain stakeholders in connection with the engagement of the Sales Agent, marketing plan and timelines associated with the SISP;
 - (j) created a weekly monitoring protocol with the Companies in order for the Proposal Trustee to be able to review and report on the Companies’ weekly cash receipts and disbursements; and
 - (k) reviewed the Companies’ actual receipts and disbursement.
43. Prepared this First Report, including reviewing the Companies’ assets and operations in, reviewing various financial reports, appraisals and valuations and other related analysis.

CASH FLOW PROJECTIONS

44. Based on the Proposal Trustee’s review of the Initial Cash Flows, there were no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee’s reports on the Initial Cash Flows (the “**Trustee’s Report on Cash-Flow Statement(s)**”) are attached hereto as **Appendix “D”**.
45. The Initial Cash Flows indicated that the Companies had sufficient liquidity to get to March 31, 2024, if BMO did not require the immediate payment of the outstanding SIV vehicle balance from current funds on hand, froze certain principal payments on its facilities and allowed the Companies to utilize its undrawn \$300,000 line of credit. Given the support of BMO, it was anticipated that the Companies could stay current with post-filing obligations up to March 31, 2024.
46. The Companies actual cash flow from operations for the two-week period ending January 7, 2024, exceeded the corresponding Initial Cash Flow amounts for that same period by approximately \$362,528. This positive variance is largely due to higher collections from vehicle sales and other revenue streams, coupled with delays in the disbursement of

professional fees, which is expected to reverse in the coming weeks. This variance is partially offset by earlier curtailment payment and parts purchases. Approximately \$155,000 of this positive timing variance relates to unanticipated SIV vehicle sale proceeds that were received after the Filing Date which will be used to paydown the corresponding floor line facility. A summary of the variance analysis regarding the same are attached hereto as **Appendix “E”**.

47. The Initial Cash Flows indicated that the Companies’ liquidity would be exhausted by the end of March 2024, which poses a problem given the Companies’ refined assumptions and an outside closing date included in the SISP which is April 30, 2024.
48. Given the Companies’ refinement of assumptions and SISP timelines, the Companies, with the assistance of the Proposal Trustee, have prepared the Cash Flow Forecasts for the purpose of projecting the Companies’ estimated liquidity needs during the Cash Flow Period which should be sufficient to substantially complete, if not compete the SISP. A copy of the Cash Flow Forecasts is attached hereto as **Appendix “F”**.
49. The Proposal Trustee has reviewed the Cash Flow Forecasts, including its assumptions, through inquiries, analytical procedures and discussions and review of documents related to the Information supplied by Ms. Bourret and employees of the Companies. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe, as at the date of the First Report, the Assumptions are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Forecasts.
50. The Cash Flow Forecasts show that during the Cash Flow Period, the Companies will experience a net cash outflow of approximately \$680,000. The Cash Flow Forecasts project that during the Cash Flow Period, the Companies should have sufficient liquidity, given the actual cash on hand as at the Filing Date, the positive timing variances experience to date, and via funding from the new Interim Financing Loan which is, subject to Court approval.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Consolidation of the Estates

51. The Proposed Order seeks an administrative consolidation of the multiple estates included in the Proposal Proceedings. The Companies are related parties with a single business enterprise and a common senior, secured creditor. Additionally, the SISP contemplates the solicitation of offers to purchase the Companies’ assets, undertakings, and properties, in whole or in part, and/or invest in the Companies’ business, and that such process be administered in a unified manner. The relief is sought by the Companies to avoid a duplicity of proceedings and unnecessary costs.

52. In the view of the Proposal Trustee, the Companies' creditors will not be prejudiced by the proposed administrative consolidation of the Proposal Proceedings. Additionally, it is the most efficient, cost effective and practical approach to manage the Proposal Proceedings.

Proposed Stay Extension

53. Under the BIA, the initial stay of proceedings will expire on January 20, 2024 (the "**Stay Period**").
54. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including March 5, 2024 ("**Proposed Stay Extension**"). The Proposed Stay Extension should permit the Proposal Trustee and its Sales Agent to commence and advance the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders.
55. It is the Proposal Trustee's view, based on the Cash Flow Forecasts, that the Companies will have sufficient liquidity to commence and advance the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
56. Based on the information presently available, the Proposal Trustee believes that the Companies' creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

Proposed Priority Charges

57. The Proposed Order provides for three (3) priority charges (collectively, the "**Charges**") on all of the current and future assets, undertakings, and properties of the Companies, wherever located, including all proceeds thereof that rank in the following order:
- (a) first, the Administration Charge (defined below);
 - (b) second, the Interim Financing Charge (defined below); and
 - (c) third, the Director's Charge (defined below).
58. The Proposal Trustee understands that the Companies have provided their secured creditors with notice, with such secured creditors having been included on the service list in connection with these Proposal Proceedings, prior to the relief being sought in the Proposed Order.

ADMINISTRATION CHARGE

59. The Proposed Order provides for a charge up to a maximum amount of \$400,000 (the **“Administration Charge”**) in favour of counsel to the Companies, the Proposal Trustee and its independent counsel and any fees related to the Sales Agent engaged by the Proposal Trustee, as security for the professional fees and disbursements incurred prior to and after the commencement of the Proposal Proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the Interim Financing Loan.
60. The Proposal Trustee is of the view that given the current liquidity constraints of the Companies, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.
61. The Proposal Trustee revisits the Administration Charge below in this First Report.

INTERIM FINANCING CHARGE

62. The Companies are seeking approval of the Interim Financing Term Sheet pursuant to which BMO, in its capacity as the proposed lender under the Interim Financing Term Sheet (the **“Interim Financing Lender”**), has offered to make available to the Companies a debtor-in possession (**“DIP”**) loan in the maximum amount of \$500,000 (the **“Interim Financing Loan”**) in order provide sufficient liquidity for the Companies, and for the Proposal Trustee and its Sales Agent to complete the Court approved SISF.
63. In addition to the approval of the Interim Financing Term Sheet, the Proposed Order also provides for the creation of a related charge of up to \$500,000 (the **“Interim Financing Charge”**) to match the maximum allowed borrowings pursuant to the Interim Financing Term Sheet.
64. The material items, terms and conditions of the Interim Financing Term Sheet include the following:
- (a) principal amount: up to a maximum amount of \$500,000 (the **“Maximum Amount”**);
 - (b) purpose of the loan: to fund (i) working capital needs of the Companies; (ii) the Interim Financing Lender’s fees and expenses; (iii) professional fees and expenses

incurred by the Companies and the Proposal Trustee and its legal counsel in respect to the Proposal Proceedings; (iv) the costs associated with the SISP and (v) such other costs and expenses of the Companies as maybe agreed upon, in writing;

- (c) interest rate: prime rate plus 200 basis points (approximately 9.2% currently), payable on the Maturity Date (defined herein);
- (d) commitment fee: equal to 5% of the Maximum Amount payable on the Maturity Date;
- (e) Interim Lenders Charge and Court Approval: the Interim Financing Loan is to be secured by a Court-ordered priority charge over all of the Companies' present and after-acquired property, assets and undertakings subject only to the Administration Charge. The Interim Financing Loan will be available to the Companies subject to certain conditions including the issuance of the Proposed Order by no later than 5:00 pm on January 19, 2024, approving the Interim Financing Term Sheet, the Interim Financing Loan and the Interim Financing Charge; and
- (f) repayment: the Interim Financing Loan is to repaid on the maturity date, which is defined as the earlier of:
 - (i) the occurrence of an event of default;
 - (ii) the day on which the stay of proceedings under the Proposal Proceedings is lifted without the consent of Interim Financing Lender or the date on which the Proposal Proceedings are terminated;
 - (iii) the date upon which a transaction for the sale of substantially all of the business and assets of the Companies are complete; and
 - (iv) April 30, 2024 (or such other date as the Interim Financing Lender in its sole discretion may agree to in writing with the Companies.

(the "**Maturity Date**").

- 65. A copy of the Interim Financing Term Sheet is attached as Exhibit V in the Bourret Affidavit.
- 66. The Proposal Trustee believes the terms offered by the Interim Financing Lender are reasonable and competitive in the circumstances.
- 67. The Proposal Trustee is of the view that the Companies' request for approval of the Interim Financing Term Sheet and the Interim Financing Charge is required and reasonable in order to provide the Companies necessary financing to maintain ongoing operations and conduct

the SISP. Absent approval of this financing, the Companies will be forced to shut down operations and commence a liquidation of its assets, resulting in lost jobs for the Companies' employees and lost value for the Companies' creditors and stakeholders.

DIRECTORS CHARGE

68. As part of these Proposal Proceedings, the Companies are seeking a charge up to a maximum amount of \$100,000 for the Companies' directors (the "**Director's Charge**"), ranking in priority to all other claims and encumbrances, with the exception of the Administration Charge and the Interim Financing Charge, as security for the Companies' indemnification for possible liabilities that may be incurred by the directors and officers after the Filing Date, including HST arrears, wages, vacation pay, and source deductions.
69. The Proposal Trustee believes that the directors are crucial to maintaining the Companies' operations and assisting the Proposal Trustee with the SISP. As such, the quantum of the Director's Charge is reasonable in the circumstance as, among other things, there is also no existing coverage for directors and officers under the Companies' existing insurance policies.
70. The Proposal Trustee revisits the Director's Charge below in this First Report.

PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS

71. Any terms not expressly defined in this section are otherwise defined in the SISP.
72. The Proposal Trustee, in consultation with the Companies and Interim Financing Lender, developed the SISP, intended to solicit interest in and opportunities for an investment in or sale of all or substantially all of the Property or business of the Companies. A copy of the SISP's detailed process and procedure is attached hereto as **Appendix "G"**.
73. The Proposal Trustee, in consultation with the Companies and Interim Financing Lender, entered into an advisory agreement with the Sales Agent, pending Court approval, to administer the SISP (the "**Sales Agent Agreement**"). A copy of the Sales Agent Agreement is attached hereto as **Appendix "H"**.
 - (a) The Proposal Trustee approached two (2) qualified national firms with a request for proposal ("**RFP**") to be its sales agent to assist in conducting the SISP. Two (2) proposals regarding the sales agent role were received and DSMA was chosen given their previous familiarity with the Companies, Eastern Ontario regional deal team, industry expertise and pricing that was consistent with the other sales agent's proposal. Ms. Bourret additionally had a strong preference for DSMA.

- (b) As outlined in the Sales Agent Agreement, DSMA's fees will be based on an hourly rate per person for hours worked on the mandate, with a \$150,000 minimum fee requirement.

74. The Proposal Trustee and Sales Agent are qualified to administer the SISP for the following reasons:

- (a) they have considerable experience conducting similar sales processes;
- (b) they have extensive industry and institutional contacts who they ensure will be made aware of this opportunity;
- (c) they are independent of the Companies; and
- (d) they will ensure that the SISP is thorough, transparent, and an efficient process for the benefit of the Companies' stakeholders.

Sales Process Summary & Proposed Timeline

75. The SISP shall commence immediately following the issuance of the Proposed Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024
Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

76. The SISP serves to solicit and identify parties that wish to make a formal offer to purchase or make an investment in the Companies or their Property or business (the **"Opportunity"**).

77. The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies, as a going concern or a sale of all, or substantially all of the Property.
78. The Sales Agent, in conjunction with the Proposal Trustee, will develop a list of potential bidders (the **“Known Potential Bidders”**). This list will be comprised of those that have previously shown interest in transacting with the Companies, and other potential strategic and financial parties who the Companies and the Sales Agent believe may be interested in the Opportunity.
79. The Sales Agent will also prepare a process summary describing the Opportunity (the **“Teaser Letter”**) and a non-disclosure agreement (the **“NDA”**).
80. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
81. Any party who wishes to participate in the SISP (**“Potential Bidder(s)”**) must provide to the Sales Agent an executed NDA and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
82. The Sales Agent, with the approval of the Proposal Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a Transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Proposal Trustee deem appropriate.
83. To be considered for inclusion in the next round of the process, Expressions of Interest (**“EOI”**) must be received by the Proposal Trustee and Sales Agent no later than 5:00 PM (Eastern Time) on February 29, 2024, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Proposal Trustee. The EOI should describe in sufficient detail all material matters relating to the proposed Transaction. While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) identity of the entity or entities acquiring the Companies, or each of Solutions, Cornwall or Holdings, (i.e., if acquiring the Companies indirectly, through a

subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of Solutions business, the EOI must state the individual/party that will be the dealer principal with Volkswagen Canada;

- (b) cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
- (c) indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
- (d) proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- (e) nature of additional diligence required before entering into a binding LOI with Cornwall VW;
- (f) assumptions and intentions with respect to retention of management and employees;
- (g) outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
- (h) any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
- (i) contact Information for those persons who should be contacted with respect to the EOI; and
- (j) disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

84. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed

transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Proposal Trustee and the Interim Financing Lender.

85. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than Tuesday March 5, 2024, or at such later time as the Sales Agent and Proposal Trustee deems appropriate, with the approval of the Interim Financing Lender.
86. Potential Bidders with Selected EOIs that wish to make a formal offer to purchase or make an investment in the Companies or their Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Proposal Trustee and the Sales Agent and received by the Proposal Trustee and Sales Agent no later than 5:00 PM (Eastern Time) on Friday March 15, 2024 or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Proposal Trustee and its stakeholders (the “**LOI Deadline**”):
 - (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Companies or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment

amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;

- (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
- (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
- (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
- (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and

- (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
 - (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Companies prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the

completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;

(k) the LOI is received by the LOI Deadline; and

(l) the LOI contemplates closing the transaction set out therein no later than Tuesday, April 30, 2024, subject to obtaining Court approval and VW's approval of the dealer principal.

87. Following the LOI Deadline, the Sales Agent, the Proposal Trustee and the Interim Financing Lender will assess the LOIs received. The Sales Agent, with the approval of the Proposal Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
88. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than Tuesday March 19, 2024, or at such later time as the Proposal Trustee deems appropriate.
89. The Proposal Trustee, in consultation with the Sales Agent and the Interim Financing Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
90. In the event that the Proposal Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Proposal Trustee may, in consultation with the Sales Agent and Interim Finance Lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISP.
91. The Proposal Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.
92. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Proposal Trustee and the Interim Finance Lender.
93. The Proposal Trustee, in consultation with the Sales Agent and the Interim Finance Lender, will:

(a) review each Qualified Bid with consideration of the following:

- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
- (ii) the value of any assumption of liabilities or waiver of liabilities;
- (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
- (iv) the likelihood of the Bidder's ability to close a transaction by April 30, 2024 (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
- (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.

(b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.

94. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by Wednesday April 3, 2024, unless extended by the Proposal Trustee, in consultation with and approval from the Interim Finance Lender, subject to the milestones or deadlines set forth in paragraph 12 of the SISF.
95. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Proposal Trustee or the Companies shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Proposal Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

ADMINISTRATION CHARGE REVISITED

96. As noted above, the Companies are seeking an Administration Charge up to a maximum amount of \$400,000 in favour of counsel to the Company, the Proposal Trustee, the Proposal Trustee's independent counsel and the Sales Agent (the "**Professional Group**") as security for the professional fees and disbursements incurred during the Proposal Proceedings.
97. As set out in the Bourret Affidavit, the Companies believe the Administration Charge is essential to a successful restructuring.
98. In terms of the provision of professional services, it is envisioned that the Proposal Trustee, with the assistance of the Sales Agent, will oversee and implement the Proposal Proceedings and Sales Process and will call upon counsel as appropriate to carry out its obligations relating thereto. A summary of essential services to be provided include:
- (a) administration and monitoring of the Proposal Proceedings, including preparing reports to creditors, the Official Receiver, and this Court as may be required by the BIA, and reviewing the Companies' cash-flows and related financial disclosure;
 - (b) implementation of the Sales Process over a 9-week period, including drafting the solicitation package (including various documents), preparation of the Data Room, assisting Potential Bidders with the due diligence process, reviewing bids and negotiating and drafting Agreement(s);
 - (c) preparing, drafting and filing all court materials, including the motion to approve any proposed sale of the Companies assets;
 - (d) providing general corporate and specialized restructuring advice to the Companies; and
 - (e) Assisting the Companies in the preparation of its financial reporting as may be required under the BIA.
99. Because of their institutional knowledge of the Companies' business and their specialized experience in proposal proceedings generally, the services to be provided by the Professional Group are critical to the success of the Companies' restructuring. Further, the Professional Group has and will work cooperatively to ensure there is no unwarranted duplication of work completed.
100. Fees and disbursements of the Proposal Trustee and its counsel, Fogler, payable pursuant to the Administration Charge will be subject to taxation or court approval pursuant to the Proposed Order.

101. The fees and disbursements secured by the Administration Charge will be paid in the normal course as outlined in the Cash Flow Forecast.

102. As noted above, the Proposal Trustee is of the view that the Administration Charge is appropriate in these circumstances.

DIRECTORS CHARGE REVISITED

103. As noted above, to address the legitimate concerns expressed by the Companies' directors and officers with respect to their potential exposure if they continue to act (rather than resign before a significant portion of the liability can be triggered), the directors and officers have requested reasonable protection against personal liability if they are to remain and assist in these Proposal Proceedings.

104. Having the directors and officers remain and assist in the restructuring will greatly increase the prospects of a successful restructuring, which in turn will maximize value for all stakeholders.

105. In this regard, as noted above, the Companies seek the Director's Charge ranking in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, other than the Administration Charge and the Interim Finance Charge to protect the directors and officers from all claims and liabilities that may arise after the filing date as a result of their association with the Companies.

106. As described in the Bourret Affidavit, the Companies have no unpaid and unremitted or outstanding amounts of sales taxes, deductions at source or any other amounts for which the directors and officers of the Companies might be liable. However, the proposed charge provides a contingency in the event that certain obligations arise during the restructuring proceedings or insufficient funds are advanced under the Interim Financing facilities. The Director's Charge would be only available to the Companies directors and officers in the event that any existing insurance policy does not provide coverage.

107. As noted above, the Proposal Trustee is of the view that the Director's Charge is reasonable in the circumstances.

ENHANCED POWERS OF THE PROPOSAL TRUSTEE

108. The Companies are also seeking in the Proposed Order to enhance the Proposal Trustee's powers. Specifically, the proposed enhanced powers authorize and empowers, but does not require, the Proposal Trustee to, among other things:

- (a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") (then engaged, if any), to, without limitation:
- (i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the "**Companies' Powers & Obligations**");
 - (ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Proposal Trustee deems necessary or appropriate to assist with the exercise of the Proposal Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under the Proposed Order;
 - (iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Proposal Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") or the opportunity to invest by way of equity or debt in the Companies' business (the "**Business**"), the distribution of any net proceeds of the Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;
 - (iv) exercise any rights of the Companies;
 - (v) grant the Proposal Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds,

and, subject to further order of this Court, 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;

- (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Proposal Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Proposal Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents.
- (b) monitor the Companies' receipts and disbursements;
 - (c) subject to certain protections in favour of the Proposal Trustee as set out in the Proposed Order, review, and approve (if the Proposal Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies' of \$5,000 or greater;
 - (d) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
 - (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in

these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;

- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Proposal Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under the Proposed Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the Proposed Order;
- (i) perform such other duties as are required by the Proposed Order or by this Court from time to time; and
- (j) take any steps reasonably incidental to the exercise by the Proposal Trustee of the powers listed above or the performance of any statutory obligations.

109. The Proposal Trustee is of the view that the proposed enhanced powers in favour of the Proposal Trustee are appropriate given operational challenges still impacting the Companies, the lack of full-time senior finance function, the Companies' incomplete and out-of-date financial records, the lack of process and controls surrounding the Companies' treasury functions and the significant workload and demands that are currently placed on Ms. Bourret to both assist the Proposal Trustee with the administration of the Proposal Proceedings and her operating the Companies' business.

CONCLUSIONS AND RECOMMENDATIONS

110. For the reasons previously stated in this First Report, the Proposal Trustee supports the relief being sought by the Companies and the Proposed Order.

All of which is respectfully submitted this 11th day of January, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is fluid and cursive, with the first name "Clark" and last name "Lonergan" clearly distinguishable.

**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Fourth Report of the Proposal Trustee
Appendix “B”



District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE
JUSTICE A. KAUFMAN

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)
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WEDNESDAY, THE 17TH DAY
OF JANUARY, 2024

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS
INC.

ORDER
(Procedural Consolidation, Stay Extension, SISP, Engagement of Sales Agent
Enhanced Trustee Powers & Court-Ordered Charges)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) administratively consolidating the estates of the Companies;

- (c) extending the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including March 5, 2024;
- (d) approving the first report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the “**Trustee**”) in the Companies’ BIA proposal proceedings (collectively, the “**Proposal Proceedings**”), dated January 11, 2024 (the “**First Report**”), and approving the activities of the Trustee described in the First Report;
- (e) approving the sale and investment solicitation process (the “**SISP**”) attached as Schedule “B” hereto;
- (f) authorizing and approving the Trustee’s engagement of Dealer Solutions North America, Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
- (g) enhancing certain powers of the Trustee;
- (h) authorizing the Companies to enter into an interim financing term sheet (the “**Interim Financing Term Sheet**”) with the Bank of Montreal (“**BMO**”), as interim lender, attached as Exhibit “V” to the Affidavit of Caroline Bourret sworn January 9, 2024 (the “**Bourret Affidavit**”); and
- (i) granting the super-priority Administration Charge, Directors’ Charge and Interim Financing Charge (*each as defined in this Order*),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Bourret Affidavit and the exhibits thereto, the First Report and the appendices thereto, and on hearing the submissions of counsel for the Companies, counsel for the Trustee, counsel for BMO, and the other parties listed on the participant information form and no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn January 10, 2024 and January 12, 2024, filed:

SERVICE

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

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the Proposal Proceedings of Solutions (Estate Number 33-3025642), Cornwall (Estate Number 33-3025639) and Holdings (Estate Number 33-3025645) are hereby administratively consolidated, and the Proposal Proceedings are hereby authorized and directed to continue, under the following title of proceedings, *nunc pro tunc*:

**Court File No: BK-33-03025642
Estate File No. 33-3025642**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

3. **THIS COURT ORDERS** that the Companies shall file a copy of this Order in the Court file for each of the Proposal Proceedings but that all other or further materials in the Proposal Proceedings shall be filed with the Court only in the Solutions Estate and Court File, being Court File Number BK-33-03025642 / Estate No. 33-3025642.

4. **THIS COURT ORDERS** that the Trustee is authorized and directed to administer the Proposal Proceedings, on a consolidated basis, for all purposes in carrying out its duties and responsibilities as trustee under the BIA, including, without limitation:

- (a) sending notices to creditors of the Companies pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the Companies pursuant to one combined advertisement;

- (c) issuing consolidated reports in respect of each of the estates of the Companies;
- (d) preparing, filing, advertising and distributing any and all filings or notices relating to the administration of the estates of the Companies;
- (e) taxing its fees, and those of its counsel; and
- (f) bringing motions to this Court.

5. **THIS COURT ORDERS** that the administrative consolidation of the Proposal Proceedings shall not:

- (a) affect the separate legal status and corporate structures of any of the Companies;
- (b) cause any of the Companies to be liable to any claim for which it is otherwise not liable; or
- (c) affect the Trustee's or any creditor's right to seek to disallow any claim, including on the basis that such claim is duplicative.

EXTENSION OF TIME

6. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 5, 2024.

APPROVAL OF FIRST REPORT

7. **THIS COURT ORDERS** that the First Report and the actions, activities and conduct of the Trustee described therein be and are hereby approved; provided, however, that only the Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

ENHANCEMENT OF TRUSTEE'S POWERS

8. **THIS COURT ORDERS** that, without in any way limiting the powers and duties of the Trustee under the BIA, the Trustee is empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Companies, where the Trustee considers it necessary or desirable:

(a) exercise any powers which may be properly exercised by a board of directors or any officers of the Companies to cause the Companies, through the Companies' employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") (then engaged, if any), to, without limitation:

(i) take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Companies in order to facilitate the performance of any of the Companies' powers or obligations (collectively, the "**Companies' Powers & Obligations**");

(ii) engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Trustee deems necessary or appropriate to assist with the exercise of the Trustee's powers and duties and/or the Companies' Powers & Obligations. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph shall thereafter be deemed to be Assistants under this Order;

(iii) perform such other functions or duties, and enter into any agreements or incur any obligations, as the Trustee considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Companies, the realization and/or sale of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") or the opportunity to invest by way of equity or debt in the Companies' business (the "**Business**"), the distribution of any net proceeds of the Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this Proposal Proceedings;

(iv) exercise any rights of the Companies;

- (v) grant the Trustee access to all books and records that are the property of the Companies or that are in the Companies' possession or control (the "**Books and Records**");
 - (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property, or the Proceeds, and, subject to further Order of this Court, 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;
 - (vii) deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Companies that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Companies (which may be a representative of the Trustee) for such purposes;
 - (viii) engage, deal, communicate, negotiate and, with further Order of this Court, settle with any creditor or other stakeholder of the Companies (including any governmental authority);
 - (ix) claim any and all insurance refunds or tax refunds to which the Companies are entitled on behalf of the Companies; and
 - (x) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Companies, (i) any tax returns, and (ii) the Companies' employee-related remittances, T4 statements and records of employments for the Companies' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Trustee shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (b) monitor the Companies' receipts and disbursements;

- (c) subject to the protections in favour of the Trustee set out in paragraphs 19, 20 and 21 of this Order, review, and approve (if the Trustee deems the disbursement necessary or appropriate to maintain or facilitate the Business) all disbursements of the Companies of \$5,000 or greater;
- (d) report to this Court at such times and intervals as the Trustee may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) assist the Companies, to the extent required by the Companies, in their dissemination to BMO and its counsel on a bi-weekly basis of financial and other information as agreed to between the Companies and BMO, which may be used in these proceedings including reporting on a basis to be agreed with BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (f) advise the Companies in its preparation of the Companies' cash flow statements and reporting reasonably required by BMO, which information shall be reviewed with the Trustee and delivered to BMO and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by BMO, including but not limited to as the foregoing may be required under the Interim Financing Term Sheet;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and

(j) take any steps reasonably incidental to the exercise by the Trustee of the powers listed above or the performance of any statutory obligations.

9. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Trustee shall not take possession of the Property or Business and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Trustee being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

10. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee 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 *Environmental Protection Act* (Canada), the *Environmental Protection Act* (Ontario), the *Water Resources Act* (Ontario), or the *Occupational Health and Safety Act* (Ontario) and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee’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.

11. **THIS COURT ORDERS** that the Trustee shall provide any creditor of the Companies with the information provided by the Companies in response to reasonable requests for information made in writing by such creditor addressed to the Trustee. The Trustee shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Trustee has been advised by the Companies is

confidential, or that the Trustee has determined must be kept confidential so as to facilitate the SISP, the Trustee shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Trustee and the Companies may agree.

APPROVAL OF SISP

Sale Procedure

12. **THIS COURT ORDERS** that the SISP, attached as Schedule "B" hereto, is approved.

13. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to perform their obligations under, and take such steps as they consider necessary or desirable in carrying out, the SISP; and, that any step taken by the Companies or the Trustee in connection with the SISP prior to the date of this Order is approved and ratified.

14. **THIS COURT ORDERS** that the Companies and the Trustee are authorized and directed to engage the Sales Agent on the terms of, or substantially on the terms of, the Sales Agent's consulting agreement, attached as Appendix "H" to the First Report (the "**Sales Agent Agreement**").

15. **THIS COURT ORDERS** that in conducting the SISP, the Trustee shall maintain such degree of confidentiality over the process, including but not limited to any negotiation, undertaking or offer as it deems necessary and appropriate in the circumstances.

16. **THIS COURT ORDERS** that the Trustee and the Sales Agent shall have no personal or corporate liability in connection with the SISP, including, without limitation:

(a) by advertising the SISP, including, without limitation, the opportunity to acquire all or a portion of the Property or the opportunity to invest by way of equity or debt in the Business. For greater certainty, in this Order, Property includes, without limitation, the real property legally described in Schedule "A" hereto and all proceeds thereof;

(b) by exposing the Property to any and all parties, including, but not limited to, those parties who have made their interests known to the Trustee and/or the Sales Agent;

- (c) by responding to any and all requests or inquiries regarding due diligence conducted in respect of the Companies, the Property or the Business;
- (d) through the disclosure of any and all information regarding the Companies, the Property or the Business arising from, incidental to or in connection with the SISP;
- (e) pursuant to any and all offers received by the Trustee and/or the Sales Agent in accordance with the SISP; and
- (f) pursuant to any agreements entered into by any of the Trustee acting for the Companies in respect of the sale of any of the Property or the investment in or financing of the Business.

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Companies and the Trustee are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers of the Property, investors in or financiers of the Business and their respective 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”) or investments in or financings of the Business or (each, an “Investment”). Each prospective purchaser, investor or financier to whom such information is provided shall limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, it shall return all such information to the Companies or the Trustee, 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 Companies, and shall return all other personal information to the Companies or the Trustee, or ensure that all other personal information is destroyed.

Duty to Cooperate with the Trustee

18. **THIS COURT ORDERS** that the Companies and all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf shall fully cooperate with the Trustee in the exercise of its powers under the BIA, this Order or any other Order of the Court, including by:

- (a) advising the Trustee of the existence of any Property of which such party has knowledge of;
- (b) providing the Trustee with immediate and continued access to any Property in such party's possession or control;
- (c) advising the Trustee 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 Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information ("**Records**") of which such party has knowledge of; and
- (d) providing access to and use of the Records, including any accounting, computer, software and physical facilities relating thereto, and including providing the Trustee with instructions on the use of any computer or other system as requested by the Trustee and providing the Trustee with any and all access codes, account names and account numbers that may be required to gain access to the Records, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

Limitation on the Trustee's Liability

19. **THIS COURT ORDERS** that the Trustee is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Companies.

20. **THIS COURT ORDERS** that the Trustee is not and shall not for the purposes of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

21. **THIS COURT ORDERS** that the rights, protections, indemnities, charges, priorities, and other provisions in favour of the Trustee set out in the BIA, any other applicable legislation, this Order and any other Order granted in these proceedings, all shall apply and extend to the Trustee

in connection with the Trustee carrying out the provisions of this Order, amended as necessary to give effect to the terms of this Order.

INTERIM FINANCING

22. **THIS COURT ORDERS** that the Companies are authorized and empowered to enter into the Interim Financing Term Sheet and to borrow funds from BMO, on the terms and subject to the conditions thereof, in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures during these proceedings, provided that borrowings under such credit facility shall not exceed \$500,000, unless permitted by further Order of this Court (collectively, the "**Interim Financing Facility**").

23. **THIS COURT ORDERS** that the Companies are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**") as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by BMO pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to BMO under and pursuant to the Interim Financing Term Sheet and the Definitive Documents (collectively, the "**Interim Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

24. **THIS COURT ORDERS** that BMO, as interim financing lender, shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Financing Charge**") over and against the Property, as security as security for the Interim Obligations, which Interim Financing Charge shall be in the aggregate amount of the Interim Obligations outstanding at any given time under the Definitive Documents. The Interim Financing Charge shall not secure an obligation that exists before this Order is made. The Interim Financing Charge shall have the priority set out in paragraph 34 of this Order.

25. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) BMO, as interim financing lender, may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Financing Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, BMO, upon five (5) days' notice to the Companies and the Trustee, may exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Interim Financing Term Sheet, the Definitive Documents and the Interim Financing Charge, including, without limitation, to cease making advances to the Companies and set off and/or consolidate any amounts owing by BMO to the Companies against the obligations of the Companies to BMO under the Interim Financing Term Sheet, the Definitive Documents or the Interim Financing Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Companies or any of them and for the appointment of a trustee in bankruptcy of the Companies or any of them; and
- (c) the foregoing rights and remedies of BMO, as the interim financing lender, shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

26. **THIS COURT ORDERS** that BMO, as interim lender, shall be treated as unaffected in any proposal filed by the Companies under the BIA with respect to any advances made under the Interim Financing Term Sheet or the Definitive Documents and in furtherance thereof, BMO, in its capacity as interim lender under the Interim Financing Term Sheet and the Definitive Documents, shall be unaffected by the stay of proceedings but subject to paragraph 25 of this Order.

ADMINISTRATIVE CHARGE

27. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee and counsel to the Companies shall be paid their reasonable fees and disbursements (the "**Professional Fees**"), in each case at their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are authorized and directed to pay the accounts of the Trustee,

counsel for the Trustee and counsel for the Companies on a monthly basis and, in addition, the Companies are authorized to pay to the Trustee, counsel to the Trustee, and counsel to the Companies, such retainers are agreed to among such parties to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

29. **THIS COURT ORDERS** that the Sales Agent shall be paid such fees and commissions, and in such manner, as prescribed in the Sales Agent Agreement, subject to any further order of the Court (the “**Sales Agent Fees**”).

30. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee, the Sales Agent and the Companies’ counsel shall be entitled to the benefit of and are granted a charge (the “**Administration Charge**”) over and against the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for, as applicable, the Professional Fees, both before and after the making of this Order in respect of these proceedings and the Sales Agent Fees. The Administration Charge shall have the priority set out in paragraph 34 of this Order.

DIRECTORS’ CHARGE

31. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the NOI Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.

32. **THIS COURT ORDERS** that the directors and officers of the Companies shall be entitled to the benefit of and are granted a charge (the “**Directors’ Charge**”) over and against the Property, which charge shall not exceed an aggregate amount of \$100,000.00, as security for the indemnity provided in paragraph 31 of this Order. The Directors’ Charge shall have the priority set out in paragraph 34 of this Order.

33. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Companies' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 31 of this Order.

PRIORITY OF CHARGES

34. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the Interim Financing Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Interim Financing Charge (to the maximum amount of the Interim Obligations at the relevant time); and

Third – Directors' Charge (to the maximum amount of \$100,000); and

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the Interim Financing Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Companies also obtain the prior written consent of the Trustee and the other beneficiaries of the Charges, or further Order of this Court.

38. **THIS COURT ORDERS** that the Charges, the Interim Financing Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable, and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”), and/or BMO as Interim Lender, shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proposal proceedings and the declarations of insolvency made herein;
- (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments or deemed assignments for the general benefit of creditors made pursuant to the BIA;
- (d) any application made pursuant to the *Companies Creditors' Arrangement Act* or any order made pursuant to such application;
- (e) the provisions of any federal or provincial statutes; or
- (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies and notwithstanding any provision to the contrary in any Agreement

39. Notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Interim Financing Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the Interim Financing Term Sheet or Definitive Documents, the creation of the Charges; or

the execution, delivery or performance of the Interim Financing Term Sheet or Definitive Documents;

(c) the payments made by the Companies pursuant to this Order, the Interim Financing Term Sheet, and the Definitive Documents, and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law, including but not limited to the BIA.

40. **THIS COURT ORDERS** that any Charge created by this Order over one or more leases of real property in Canada shall only be a Charge in the Companies' interest in such real property leases.

SERVICE & NOTICE

41. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 14 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website (defined in the Guide) shall be established in accordance with the Guide with the following URL: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc.

42. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Companies and the Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ordinary prepaid mail, courier, personal delivery or facsimile transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile 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.

43. **THIS COURT ORDERS** that the Companies, the Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

44. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

45. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from subsequently expressly acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Companies, the Business or the Property.

46. **THIS COURT 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 Companies, the Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Companies and the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding or to assist the Companies, the Trustee and their respective agents in carrying out the terms of this Order.

47. **THIS COURT ORDERS** that each of the Companies and the Trustee is at liberty and is 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 Trustee 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.

48. **THIS COURT ORDERS** that any interested party (including the Companies and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraph 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

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

50. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.



**HONORABLE JUSTICE
ALEXANDRE KAUFMAN**

SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

1. Owned by OEM Automotive Cornwall Inc.

PIN 60180-0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

2. Owned by OEM Automotive Holdings Inc.

PIN 60180-0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1
AND 2, 52R4375; CITY OF CORNWALL



SCHEDULE "B"

SALE AND INVESTMENT SOLICITATION PROCESS

[see attached]

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. On December 22, 2023, OEM Automotive Solutions Inc. (o/a Cornwall Volkswagen), OEM Automotive Holdings Inc. and OEM Automotive Cornwall Inc. (collectively, “**Cornwall VW**” or the “**Company**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the “**Trustee**”) under the NOI Proceedings.
2. To further the Company’s restructuring efforts, on or about January 17, 2024, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Sale Process Approval Order**”) which approved, amongst other things:
 - (a) the Sale and Investment Solicitation Process (“**SISP**”) for the marketing of the Company’s business and assets, including its dealership assets (the “**Dealership Assets**”) and its owned real estate assets (together, the “**Real Property**”, and collectively with the Dealership Assets, the “**Property**”) for the purposes of soliciting (i) offers to acquire the business and assets of the Company and (ii) offers of investment in the business of the Company;
 - (b) the engagement of Dealer Solutions North America Inc. as sales agent (the “**Sales Agent**”) to assist the Trustee with carrying out the SISP; and
 - (c) the Trustee, with the assistance of the Sales Agent, to undertake the SISP.
3. The SISP herein sets out the manner in which: (a) binding offers for executable transactions involving the business and/or Property of the Company and/or the equity or all or substantially all of the Property of the Company, will be solicited from interested parties; (b) any such offers received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. The SISP will be conducted by the Sales Agent and the Trustee in the manner set forth herein and in accordance with the Sale Process Approval Order. In the event that there is a disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.
5. The Trustee will post on the Trustee’s websites, any such modification, amendment, variation or supplement to the SISP and inform the bidders impacted by the modification.

OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Company’s Property (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern or a sale of all, substantially all or one or more components of the Company’s Property as a going concern or otherwise.

7. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, government organizations or other entities (each “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Property, and how the offers involving the Property will be submitted to and dealt with by the Trustee and the Sales Agent, and how Court approval will be obtained in respect of any Transaction (as defined below).
8. The Sales Agent, with the oversight of the Trustee, intends to provide all qualified interested parties with an opportunity to participate in the SISP.
9. As described below, the various deadlines herein may be extended by and at the discretion of the Trustee, with the approval of the consulting parties (namely, the debtor-in-possession (“**DIP**”) lender, the Bank of Montreal (the “**DIP Lender**”)), in the event that it is determined that such extension will generally benefit the Company’s creditors and other stakeholders.
10. The Company’s management and/or any of the Company’s equity holders shall not be privy to any of the bid information outlined herein including the evaluation and selection of offers. The Trustee may request, at any time, written confirmation from the Company’s management and any of the Company’s equity holders as to (a) whether or not they intend to participate in the SISP and (b) disclosure of any interest or involvement any such party may have in or with any other party participating in the SISP.

“AS IS, WHERE IS BASIS”

11. Any transaction involving all or any portion of the Property (each a “**Transaction**”) will be completed with Court approval on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Company, Sales Agent, the Trustee, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Definitive Transaction Agreement (as defined herein).

TIMELINE

12. The SISP shall commence immediately following the issuance of the Sale Process Approval Order. The table below sets out subsequent key deadlines in the SISP that interested parties should note (terms within the table are defined in subsequent paragraphs):

<u>Milestone</u>	<u>Deadline</u>
Go to market	Monday, January 29, 2024

Expression of Interest Date (EOI Deadline)	Thursday, February 29, 2024 (5:00 PM Eastern Time)
EOI Offer Selection Date	Tuesday, March 5, 2024
Binding Letter of Intent Date (LOI Deadline)	Friday, March 15, 2024 (5:00 PM Eastern Time)
Offer Selection Date	Tuesday, March 19, 2024
Definitive Transaction Agreement	Wednesday, April 3, 2024
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court
Closing the Transaction (outside date)	No later than Tuesday, April 30, 2024

Solicitation of Interest: Notice of the SISP

13. As soon as reasonably practicable, but in any event by no later than Monday, **January 29, 2024**:
- (a) The Sales Agent, with approval of the Trustee, will prepare a list of potentially interested parties, including (i) parties that have approached the Company, Trustee or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Sales Agent with the approval of the Trustee, believe may be interested in purchasing all or part of the Property or investing in the Company pursuant to the SISP (the “**Known Potential Bidders**”); and
 - (b) the Sales Agent, with the approval of the Trustee, will prepare:
 - (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Trustee, and the Company (the “**NDA**”).
14. The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

15. Any party who wishes to participate in the SISP (a “**Potential Bidder(s)**”) must provide to the Sales Agent an executed NDA, and which shall inure to the benefit of any purchaser of the business or Property of the Company, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such

Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

16. The Sales Agent, with the approval of the Trustee, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered the NDA to the Sales Agent and provided information as to their financial wherewithal to close a transaction, such access to due diligence material and information relating to the Property as the Sales Agent and the Trustee deem appropriate.
17. Due diligence shall include access to a virtual data room (“VDR”) containing information about the Company, including its Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Company, in their reasonable business judgment and after consulting with the Sales Agent and Trustee, may agree. The Sales Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated.
 - (a) A statement of qualification (“SoQ”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Sales Agent with the approval of the Trustee.
18. Neither the Sales Agent nor the Company will be obligated to furnish any information relating to the Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Sales Agent, with the approval of the Trustee, determines such information to represent proprietary or sensitive competitive information. Neither the Sales Agent, the Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the sale of the Property.
19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the SISP and any transaction they enter into with the Company.

Non-Binding Expressions of Interest

20. To be considered for inclusion in the next round of the process, Expressions of Interest (“EOI”) should describe in sufficient detail all material matters relating to the proposed Transaction. EOI’s must be received by the Trustee and Sales Agent at the address specified in Schedule “1” hereto (including by e-mail) not later than **5:00 PM (Eastern Time) on February 29, 2024**, or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee. While EOI’s may be non-binding, at a minimum an EOI should include clear statements with respect to the following information:
 - (a) Identity of the entity or entities acquiring the Company (i.e., if acquiring the Company indirectly, through a subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity. Additionally, given the nature of this Company’s business, the EOI must state the

- individual/party that will be the dealer principal with Volkswagen Canada (“VW”);
- (b) Cash purchase price (in Canadian dollars) that is to be paid in connection with the Transaction, including an explanation of the methods and key assumptions used to determine the purchase price (the “**Purchase Price**”);
 - (c) Indication of deal structure, including but not limited to: an investment in Cornwall VW (shares, preferred shares, debt purchase, etc., an “**Investment Proposal**”) or an acquisition of all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, “**Share Purchase Agreement**” or purchase of select, or all or substantially all of the assets of Cornwall VW, “**Asset Purchase Agreement**”, together a “**Sale Proposal**”);
 - (d) Proposed financing for the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
 - (e) Nature of additional diligence required before entering into a binding LOI with Cornwall VW;
 - (f) Assumptions and intentions with respect to retention of management and employees;
 - (g) Outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether the EOI is conditional on any other items;
 - (h) Any conditions to closing or any other terms and conditions that would be required in order to complete the Transaction;
 - (i) Contact Information for those persons who should be contacted with respect to the EOI; and
 - (j) Disclosure of any other matters that may be helpful in the evaluation of the EOI and complete the Transaction on a timely basis.

Evaluation and Selection of EOIs

- 21. An EOI will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Potential Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.
- 22. The Sales Agent shall notify each Potential Bidder who submitted an EOI in writing as to whether its EOI was selected to continue in the SISP (the “**Selected EOIs**”) by no later than **Tuesday March 5, 2024**, or at such later time as the Sales Agent and Trustee deems appropriate, with the approval of the DIP Lender.

Binding Letters of Intent

23. Potential Bidders with Selected EOIs that wish to make a formal offer to purchase or make an investment in the Company or its Property (a “**Bidder**”) shall submit a binding Letter of Intent (a “**LOI**”) that complies with all of the following requirements of the Trustee and the Sales Agent at the Trustee's and Sales Agent's address specified in Schedule “1” hereto (including by e-mail), so as to be received by the Trustee and Sales Agent not later than **5:00 PM (Eastern Time) on Friday March 15, 2024** or as may be modified in the bid process letter that may be circulated by the Sales Agent to Potential Bidders, with the approval of the Trustee and its stakeholders (the “**LOI Deadline**”):
- (a) the LOI must be either a binding offer to make:
 - (i) a Sale Proposal to acquire all, substantially all or a portion of the Property (outright purchase of the shares of Cornwall VW, or purchase of select, or all or substantially all of the Property of Cornwall VW); and/or
 - (ii) an Investment Proposal for an investment in, restructure, recapitalization or reorganize of the Company (shares, preferred shares, debt purchase, etc.).
 - (b) the LOI (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Company or its Property and is consistent with any necessary terms and conditions established by the Sales Agent and the Trustee and communicated to Bidders;
 - (c) the LOI includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
 - (d) the LOI includes draft mark-ups of the transaction agreements included in the VDR, including the purchase price (by major asset type/legal entity), investment amount and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto;
 - (e) the LOI includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Trustee and the Sales Agent to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
 - (f) the LOI is not conditional on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing, or (iii) the Company receiving the required approvals or amendments relating to the supply management, distribution and licence agreements required to operate the dealership (other than the dealer principal individual/party approval by VW);
 - (g) the LOI fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting from such bid (including the dealer principal individual/party with VW);
 - (h) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price in Canadian dollars (by major asset type/legal entity) and a description of any non-cash consideration, including details of any

- liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - (vii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the Purchase Price offered or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (i) for an Investment Proposal, the LOI includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the business or the Company in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the sources of capital for the Bidder and the structure and financing of the transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and those liabilities and obligations it does not intend to assume;
 - (vii) any other terms or conditions of the Investment Proposal; and
 - (viii) a commitment by the Bidder to provide a non-refundable deposit, the greater of: an amount of not less than 10% of the total new investment contemplated or \$250,000, upon the Bidder being selected as the Successful Bidder.
- (j) the LOI includes acknowledgements and representations of the Bidder that the Bidder:
- (i) has had an opportunity to conduct any and all due diligence regarding the Property, and the Company prior to making its offer;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and

- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether expressed, implied, statutory, or otherwise, regarding the Company, or the Property, or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Company;
 - (k) the LOI is received by the LOI Deadline; and
 - (l) the LOI contemplates closing the transaction set out therein no later than **Tuesday, April 30, 2024**, subject to obtaining Court approval and VW's approval of the dealer principal.
- 24. Following the LOI Deadline, the Sales Agent, the Trustee and the DIP Lender will assess the LOIs received. The Sales Agent, with the approval of the Trustee, will designate the most competitive LOIs that comply with the foregoing requirements to be "**Qualified Bids**". Only Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
- 25. The Sales Agent shall notify each Bidder in writing as to whether its LOI constitutes a Qualified Bid by no later than **Tuesday March 19, 2024**, or at such later time as the Trustee deems appropriate.
- 26. The Trustee, in consultation with the Sales Agent and the DIP Lender, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOIs to be a Qualified Bid.
- 27. In the event that the Trustee, in consultation with the Sales Agent, is not satisfied with the number or terms of the Qualified Bids, the Trustee may, in consultation with the Sales Agent and DIP lender, extend the Bid Deadline, or may seek Court approval for amendments to the SISF.
- 28. The Trustee may, in consultation with the Sales Agent, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

- 29. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Sales Agent, the Trustee and the DIP Lender.

Selection of Successful Bid

- 30. The Trustee, in consultation with the Sales Agent and the DIP Lender, will:
 - (a) review each Qualified Bid with consideration of the following:

- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the likelihood of VW accepting the purchaser and identified individual/party as the dealer principal;
 - (iv) the likelihood of the Bidder's ability to close a transaction by **April 30, 2024** (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid, if required; the net benefit to the Company; and
 - (v) any other factors the Company may, consistent with its fiduciary duties, reasonably deem relevant.
- (b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Party**"), and notify or inform the Successful Party that its bid or Qualified Bid is the Successful Bid.
31. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents including the Definitive Transaction Agreement evidencing and containing the terms and conditions upon which the Successful Bid was made by **Wednesday April 3, 2024**, unless extended by the Trustee, in consultation with and approval from the DIP lender, subject to the milestones or deadlines set forth in paragraph 12.

Sale Approval Motion Hearing

32. A Court date will be scheduled to hear a motion to approve any Transaction with the Successful Party (the "**Sale Approval Motion**"). At the Sale Approval Motion, the Trustee or the Company shall seek, among other things, approval from the Court to consummate the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Trustee and/or Sales Agent on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

33. All discussions regarding a Sale Proposal, Investment Proposal, or bid in the SISP should be directed through the Sales Agent. Under no circumstances should the Management of the Company be contacted directly without the prior consent of the Sales Agent. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP.
34. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Sales Agent and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Trustee, with the approval of the Sales Agent and

consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

35. Following the LOI Deadline, copies of all LOIs shall be shared by the Sales Agent and the Trustee with the DIP Lender for its exclusive review.

Supervision of the SISP

36. The Sales Agent shall conduct the SISP, with the oversight of the Trustee in the manner set out in this SISP procedure and is entitled to receive all information in relation to the SISP.
37. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Sales Agent or the Trustee and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company and/or Trustee.
38. Without limiting the preceding paragraph, the Sales Agent and Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee. By submitting a bid, each Bidder shall be deemed to have agreed that it has no claim against the Sales Agent and Trustee for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Sales Agent or Trustee.
39. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
40. Notwithstanding the process and deadlines outlined above with respect to the SISP, with the prior consent of the DIP Lender, the Sales Agent and the Trustee may at any time: (i) pause, terminate, amend or modify the SISP; (ii) remove any portion of the business and the Property from the SISP; (iii) bring a motion to the Court to seek approval of a sale of, or investment in, all or part of the Property or the business whether or not such sale or investment is in accordance with the terms or timelines set out in the SISP; and (iv) establish further or other procedures for the SISP, provided that the service list in the NOI Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of the Trustee and Sales Agent

To the Trustee:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Attention: Clark Lonergan or Peter Naumis

Email: clonergan@bdo.ca

Email: pnaumis@bdo.ca

To the Sales Agent:

Dealer Solutions North America Inc.
305 Renfrew Drive, #202
Markham, Ontario
L3R 9S7

Attention: John Raymond or Etienne Demeules

Email: john.raymond@dsma.com

Email: etienne.demeules@dsma.com

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE CORNWALL INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(INITIAL NOI RELIEF)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

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*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

Fourth Report of the Proposal Trustee
Appendix “C”

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

January 17, 2024

ENDORSEMENT

On December 22, 2023, OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc., and OEM Automotive Holdings Inc. (collectively “the Companies”) initiated proceedings by filing a notice of intention (NOI) to file a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*. Operating a Volkswagen dealership in Cornwall, ON, the Companies faced financial strain in late 2023 due to a shareholder dispute, resulting in liquidity constraints. BMO, the primary creditor, formally demanded repayment on December 13, 2023. Unable to settle their debts, the Companies deemed these proceedings as the optimal means to preserve and realize value for all stakeholders. BMO proposed to act as the interim lender, offering additional funds to sustain the Companies' operations during the restructuring.

The Companies seek relief under six different headings, each warranting individual consideration. Submissions were made by BMO, the proposal trustee, and the companies' supportive shareholders, without opposition from any creditors.

1. Administrative consolidation of the Companies' NOI proceedings under a single title of proceeding.

The court acknowledges the high integration of the companies' operations and concurs that consolidating the proceedings secures the most expeditious and cost-effective determination of the matter on its merits.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceedings commenced at Ottawa

**MOTION RECORD OF
OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE SOLUTIONS INC.,
AND OEM AUTOMOTIVE HOLDINGS INC.
(returnable January 17, 2024 @ 2:00pm)**

LOOPSTRA NIXON LLP
130 Adelaide Street West – Suite 2800
Toronto, ON M5H 3P5

R. Graham Phoenix / Shahrzad Hamraz
Tel: (416) 748 4776 / (416) 748 5116
Fax: (416) 746 8319
Email: gphoenix@LN.law / shamraz@LN.law

Lawyers for OEM Automotive Cornwall Inc. OEM Automotive Solutions Inc., and OEM Automotive Holdings Inc.

2. Approval of the sale and investment solicitation process (SISP).

A SISP, developed with the assistance of the proposal trustee, BDO Canada, and with input from the shareholders and BMO, envisages engaging a sales agent for identification and solicitation of potential buyers. The Companies also seek approval to enhance the authority of the proposal trustee, arguing that such powers are necessary given potential bids from both shareholders. Granting enhanced powers, they contend, ensures impartial administration of the SISP and aims to maximize value for all stakeholders. The court deems the SISP necessary to evaluate the advantages of selling the business as a going concern compared to other options and hereby approves it.

3. Approval of interim financing term sheet and granting of interim financing charge.

BMO has offered a debtor-in-possession loan of \$500,000 to the Companies, and they seek approval of the interim financing term sheet. In addition, an interim financing charge is requested, ranking ahead of all other claims except the administration charge, pursuant to section 50.6 of the BIA. The court, considering section 50.6(5) factors, deems the charge necessary for financing the SISP and sustaining business operations during restructuring.

4. Administrative charge.

A \$400,000 administrative charge is sought to secure professionals' fees and disbursements engaged by the proposal trustee during proceedings. Section 64.2 of the BIA provides jurisdiction for such a charge. The court agrees that these professionals are essential to successful restructuring, and the charge ensures their participation.

5. Directors' charge.

A \$100,000 director's charge is sought to secure indemnification for possible liabilities incurred by directors and officers under section 64.1 of the BIA. The court agrees that directors' involvement is critical, and the charge is deemed fair and reasonable.

6. Extension of time for the companies to file a proposal.

The Companies request an extension until March 5, 2024, to file a proposal, with the current stay of proceedings expiring on January 20, 2024.

ENDORSEMENT (continued) page 3/3

Section 50.4(9) of the BIA allows the court to extend this time. The court deems the extension necessary for the Companies to execute the SISP and make a viable proposal, and considers that the extension would not cause material prejudice to any creditors.

Based on the foregoing reasons, the Companies' motion is granted.

A handwritten signature in black ink, consisting of a stylized 'A' with a horizontal line extending to the right.

Justice A. Kaufman

Fourth Report of the Proposal Trustee
Appendix “D”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

SECOND REPORT OF THE PROPOSAL TRUSTEE
February 21, 2024

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LIST OF APPENDICES

- Appendix A - First Report of the Proposal Trustee dated January 11, 2024 (without appendices)
- Appendix B - Initial Court Order dated January 17, 2024
- Appendix C - Endorsement of Justice Kaufman dated January 17, 2024
- Appendix D - Cash Flow Forecasts for the period December 22, 2023 to April 14, 2024
- Appendix E - Cash Flow Variance Analysis for the 7-week period ending February 11, 2024
- Appendix F - Fee Affidavit of Clark Lonergan, sworn February 21, 2024
- Appendix G - Fee Affidavit of Scott Venton, sworn February 21, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On January 11, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Ontario Superior Court of Justice (the “**Court**”) in advance of the Companies’ motion (the “**Motion**”) to a judge on January 17, 2024. A copy of the First Report without appendices is attached hereto as **Appendix “A”**.
3. On January 17, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - (a) the administrative consolidation of the three NOI proceedings;
 - (b) extension of the time to file a proposal pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (c) approval of the First Report of the Proposal Trustee dated January 11, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the First Report;
 - (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;
 - (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP and also to mitigate a dispute among shareholders;
 - (f) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“**BMO**”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility (“**Interim Financing Loan**”);
 - (g) approval of the Proposal Trustee’s engagement of Dealer Solutions North America Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
 - (h) an administrative charge to secure payment of the Proposal Trustee, Sales Agent, and other key insolvency professionals; and

- (i) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-filing liabilities that may arise.

A copy of the Initial Order and Endorsement is attached hereto as **Appendix "B"** and **Appendix "C"** respectively.

PURPOSE

4. The purpose of this second report of the Proposal Trustee (the **"Second Report"**) is to advise the Court with respect to:
 - (a) the Companies' operations since the date of the First Report;
 - (b) the Proposal Trustee's activities since the First Report;
 - (c) an update on the SISP;
 - (d) the Companies' actual cash flow results for the 7-weeks ended February 11, 2024 versus the same budgeted period as outlined in the Companies' cash flow forecasts for the period December 22, 2023 to April 14, 2024 (the **"Cash Flow Period"**), separately for each of the Companies (the **"Cash Flow Forecasts"**) projections and the Proposal Trustee's comments regarding the variances. Copies of the Cash Flow Forecasts are attached hereto as **Appendix "D"**;
 - (e) fees and disbursements of the Proposal Trustee and its counsel;
 - (f) the Companies' motion to seek an order (the **"Proposed Order"**) to:
 - (i) extend the time for the Companies to file proposals under section 50.4(9) of the BIA by 45 days to and including April 14, 2024;
 - (ii) approve the Second Report, and the actions, activities and conduct of the Proposal Trustee as described in the Second Report; and
 - (iii) approve the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report (the **"Fee Affidavits"**); and
 - (g) the Proposal Trustee's recommendations on the relief being sought by the Companies.
5. The Proposal Trustee understands that the Companies will be relying on the affidavit of Ms. Caroline Bourret (**"Ms. Bourret"**) sworn February 21, 2024 (the **"Second Bourret Affidavit"**) in support of the relief sought in the Proposed Order.

6. The Second Bourret Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc> (the "Proposal Trustee's Websites").
7. This Second Report should be read in conjunction with the Second Bourret Affidavit. Additional background and financial information with respect to the Companies was provided in the First Report and the first Bourret Affidavit sworn January 9, 2024.

TERMS OF REFERENCE

8. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies ("Management"), and information from other third-party sources (collectively, the "Information"). Except as described in the First Report in respect of the Cash Flow Forecasts:
 - (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("GAAS") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
9. Future oriented financial information referred to in this Second Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

10. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES' OPERATIONS

12. Since the First Report, the Companies Management have been taking steps and focusing on stabilizing the operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this Second Report, the Companies have maintained their business operations without significant disruption or issues.
13. Further details concerning the Companies' activities are set forth in the Second Bourret Affidavit.

PROPOSAL TRUSTEE'S ACTIVITIES

14. Since the date of the First Report, the Proposal Trustee has undertaken the following activities:
 - (a) attended the Companies' first motion, which occurred on January 17, 2024;
 - (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee's Website;
 - (c) engaged with its legal counsel, Fogler, Rubinoff LLP ("**Fogler**"), regarding matters related to these Proposal Proceedings;
 - (d) monitored the Companies' receipts and disbursements on a weekly basis;
 - (e) participated in various calls with the Companies' external accounting/finance consultants regarding the status of the Companies' books and records;
 - (f) continued to monitor the Companies' vehicle sales and repayments to ensure no additional financed vehicles are sold in violation ("**SIV**"), in which sale proceeds are used to fund business operations instead of paying down the financing facility as required;
 - (g) continued to assist the Companies with stakeholder communications;
 - (h) continued to respond to calls, e-mails and letters received from creditors and other parties;

- (i) assisted the Companies in maintaining supplier/services from certain suppliers;
- (j) assisted the Companies' in setting up the count procedures for the parts inventory count;
- (k) reviewed the Companies' registrant information number ("**RIN**") vehicle listing;
- (l) participated in and facilitated various discussions with Volkswagen Canada ("**VW**") and its legal counsel;
- (m) corresponded with shareholders and/or their respective legal counsel;
- (n) reviewed the Companies' actual cash receipts and disbursements and variances to budget for the same time period as outlined in the Cash Flow Forecasts;
- (o) various correspondence with BMO regarding the bi-weekly reporting as outlined in the Interim Financing Loan term sheet;
- (p) assisted the Companies with interim funding requests;
- (q) review of BMO's security position and discussion with respective counsel regarding the same;
- (r) assisted with the preparation of the SISP and related materials, including:
 - (i) supervised and assisted with activities related to the SISP;
 - (ii) reviewed and refined the perspective purchaser list;
 - (iii) reviewed and assisted in drafting the teaser document, confidential information memorandum (the "**CIM**"), and non-disclosure agreement (the "**NDA**");
 - (iv) set up a virtual data room ("**VDR**"), compiled financial and operational information to aid potential purchasers in their due diligence process;
 - (v) drafted SISP process letter;
 - (vi) drafted expression of interest ("**EOI**") bid sheet to help potential purchasers submit EOI;
 - (vii) worked with Fogler to draft the asset purchase agreement ("**APA**");
 - (viii) initiated new real estate appraisals and environmental assessments;
 - (ix) various correspondence with the Sales Agent to address any due diligence questions and SISP inquiries Potential Purchasers had; and

- (x) provided updates to BMO regarding the SISP.
 - (s) prepared this Second Report; and
 - (t) attended to other matters pertaining to the administration of these Proposal Proceedings.
15. The Proposal Trustee is requesting approval of this Second Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

16. Immediately following the issuance of the Initial Order on January 17, 2024, which included the Court's approval of the SISP, the Sales Agent, among other things, has:
- (a) canvased the market and prepared a list of potentially interested parties, including:
 - (i) posted the opportunity for a sale of, or investment in, all or part of the Companies' property (the "**Opportunity**") on its own website and LinkedIn account;
 - (ii) emailed the Opportunity to over 4000+ dealers from its own database; and
 - (iii) included parties that had approached the Companies, Proposal Trustee, VW or the Sales Agent indicating an interest in the Opportunity.
 - (b) prepared a process summary (the "**Teaser Letter**") describing the Opportunity;
 - (c) prepared a CIM detailing the financial and operational information of the Companies;
 - (d) worked with the Proposal Trustee and Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
 - (e) sent the Teaser Letter and NDA to interested parties;
17. 63 parties were identified through the above marketing process (the "**Known Potential Bidders**") and out of these Known Potential Bidders, 37 parties are interested, 32 parties have signed NDAs and have showed an active interest in participating in the SISP.
18. As of the date of this Second Report, the Proposal Trustee has already received a nonbinding EOI from one (1) of the Known Potential Bidders in advance of the February 29, 2024 EOI bid date ("**EOI Bid Date**").

19. Given the level of interest and feedback to date, the Sales Agent expects to receive multiple EOIs by the EOI Bid Date. These EOIs will then be assessed by the Proposal Trustee and Sales Agent and shortly thereafter, the respective parties will be notified if they have selected to participate in the next phase of the SISP.

CASH FLOW PROJECTIONS

20. The Proposal Trustee has reviewed the actual cash flow from operations for the seven-week period ending February 11, 2024, through monitoring the banking activities of the Companies.
21. The Companies' actual cash flow from operations for the seven-week period ending February 11, 2024, exceeded the corresponding Cash Flow Forecasts amounts for that same period by approximately \$475,382. This positive variance is largely due to approximately \$350,000 in collection from higher vehicle sales (of this amount, approximately \$248,000 was from the sale of seven (7) vehicles, in which sale proceeds were used to repay the corresponding floor line financing facilities during the week of February 18, 2024) and approximately \$125,000 was in delayed payment to professionals, both of which are primarily timing differences expected to reverse in the coming weeks. A summary of the variance analysis regarding the same are attached hereto as **Appendix "E"**.
22. The Cash Flow Forecasts project that during the Cash Flow Period, the Companies should have sufficient financing to operate and for the Proposal Trustee to implement the SISP, given the positive timing variances experienced to date and via funding from the Interim Financing Loan. Consistent with the Cash Flow Forecasts, \$225,000 has been advanced to the Companies from the Interim Financing Loan to date.

APPROVAL OF THE PROPOSAL TRUSTEE'S FEES AND DISBURSEMENTS

23. The Proposal Trustee and its legal counsel, Fogler, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.
24. The Proposal Trustee and Folger have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the period from December 22, 2023 to January 19, 2024, and the interim fees and disbursements for Folger for the period from December 28, 2023 to January 26, 2024.
25. The total interim fees and disbursements of the Proposal Trustee for the period of December 22, 2023 to January 19, 2024 total \$146,601.65, including fees in the amount of \$124,373.00, disbursements in the amount of \$5,362.97, and HST in the amount of \$16,865.68, as more

particularly described in the affidavit of Clark Lonergan sworn February 21, 2024 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “F”**.

26. The total interim fees and disbursements of Fogler principally from, December 28, 2023 to January 26, 2024 total \$53,145.12, including fees in the amount of \$46,575.00, disbursements in the amount of \$464.13, and HST in the amount of \$6,105.99, as more particularly described in the affidavit of Scott Venton sworn February 21, 2024 (the “**Venton Fee Affidavit**”), a copy of which is attached hereto as **Appendix “G”**. In its invoice to the Proposal Trustee dated January 30, 2024, a copy of which is attached as an exhibit to the Venton Fee Affidavit, Fogler's has provided a courtesy discount in the amount of approximately \$5,339 and has discounted its hourly rates.
27. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and that of its counsel, as set out in this Second Report.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANIES

Proposed Stay Extension

28. Under the BIA, the current stay of proceedings will expire on March 5, 2024 (the “**Stay Period**”).
29. The Companies seek an extension of time to file a proposal for an additional approximate 45 days to and including April 14, 2024 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent to advance the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders.
30. It is the Proposal Trustee's view, based on the Cash Flow Forecasts, that the Companies will have sufficient liquidity to continue the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
31. Based on the information presently available, the Proposal Trustee believes that the Companies' creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

CONCLUSION AND RECOMMENDATIONS

32. The Proposal Trustee confirms that the Companies have acted and continue to act in good faith and with due diligence.
33. For the reasons stated in this Second Report, the Proposal Trustee supports the relief sought by the Companies in connection with the February 27, 2024 Motion. The Proposal Trustee respectfully submits to the Court this, its Second Report.

All of which is respectfully submitted this 21st day of February, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**

A handwritten signature in black ink, appearing to read "Clark Lonergan", written in a cursive style.

**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Fourth Report of the Proposal Trustee
Appendix “E”



Issued in Ottawa on February 27, 2024

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE)	TUESDAY, THE 27 TH DAY
)	
JUSTICE RYAN BELL)	OF FEBRUARY, 2024

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

ORDER
(NOI Stay Extension & Administrative Relief)

THIS MOTION, made by OEM Automotive Solutions Inc. ("**Solutions**"), OEM Automotive Cornwall Inc. ("**Cornwall**") and OEM Automotive Holdings Inc. ("**Holdings**", and collectively with Solutions and Cornwall, the "**Companies**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), for an order (this "**Order**"), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including April 14, 2024;
- (c) approving the second report of BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") in the Companies' BIA proposal

proceedings (collectively, the “**Proposal Proceedings**”), dated February 21, 2024 (the “**Second Report**”), and approving the activities of the Proposal Trustee described in the Second Report; and

(d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report as Appendix “F” and “G” (the “**Fee Affidavits**”),

was heard by this Honourable Court (the “**Court**”) on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Caroline Bourret sworn February 21, 2024 and the exhibits thereto, and on reading the Second Report including the Fee Affidavits, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Bank of Montreal (as senior secured creditor and interim lender), counsel to the other parties listed on the participant information form, no one else appearing although properly served as appears from the affidavit of Amanda Adamo, sworn February 21, 2024, filed:

SERVICE

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

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including April 14, 2024.

APPROVAL OF SECOND REPORT & FEES

3. **THIS COURT ORDERS** that the Second Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the Fee Affidavits be and are hereby taxed and approved.

GENERAL

5. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.

A handwritten signature in dark ink, appearing to read "Lynn Bell", is written over a horizontal line. The signature is fluid and cursive.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-23-03025639-0033
Bankruptcy Estate File No. 33-3025639

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**ORDER
(NOI STAY EXTENSION & ADMINISTRATIVE RELIEF)**

LOOPSTRA NIXON LLP
135 Queens Plate Drive – Suite 600
Toronto, ON M9W 6V7

R. Graham Phoenix
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*Lawyers for OEM AUTOMOTIVE CORNWALL INC.,
OEM AUTOMOTIVE HOLDINGS INC. AND OEM
AUTOMOTIVE SOLUTIONS INC.*

Fourth Report of the Proposal Trustee
Appendix “F”



Superior Court of Justice – East Region
161 Elgin Street
Ottawa, Ontario K2P 2K1

ENDORSEMENT OF CIVIL MOTION/APPLICATION

SHORT TITLE OF PROCEEDINGS: In the matter of the notice of intention to make a proposal of OEM Automotive solutions, OEM Automotive Cornwall, and OEM Automotive Holdings

COURT FILE NO.: BK-23-03025642-0033 and Bankruptcy Estate file no. 33-3025642

BEFORE: Justice R. Ryan Bell

HEARD: February 27, 2024

COUNSEL: G. Phoenix and S. Hamraz for OEM companies
V. DaRe for the Proposal Trustee
A. Ho, for BMO
G. MacDonell for the second mortgagee

RELIEF REQUESTED:

☐ ORDER SIGNED ☐ ON CONSENT

☐ UNOPPOSED ☐ NO ONE APPEARED

☐ ADJOURNED TO [Click here to enter a date.](#)

ENDORSEMENT:

Motion to extend the time for the OEM companies to file proposals under s. 50.4(9) of the BIA, to approve the second report of the Proposal Trustee and approving the actions of the Proposal Trustee as described therein, and approving the fees and disbursements of the Proposal Trustee and its counsel as set out in the second report and the fee affidavits attached to the report.

The OEM companies request an extension to April 14, 2024 and this request is supported by the Proposal Trustee, BMO (senior secured creditor and interim financier) and the shareholders. An extension will enable the Proposal Trustee and the OEM companies to advance the court-approved



Superior Court of Justice – East Region
161 Elgin Street
Ottawa, Ontario K2P 2K1

SISP to the next stage, with expressions of interest due February 29, binding offers due March 15 and a definitive agreement targeted for April 3. The requested extension will allow for the identification of a definitive investment or sale of the Companies' business for the benefit of all stakeholders. The extended cash flow forecast provides that the Companies shall have sufficient funds, with access to the interim financing provided by BMO to maintain operating through to the end of the requested extension. Without the extension, the Companies will not be a position to carry out the SISF or make a viable proposal to their creditors and will become bankrupt to the detriment of their stakeholders. None of the Companies' creditors would be materially prejudiced by the granting of an extension. For these reasons, I make an order extending the time for the Companies to file proposals to April 14, 2024.

The Second Report of the Proposal Trustee is approved, together with the activities of the Proposal Trustee as set out therein. The court also approves the fees and disbursements of the Proposal Trustee and its counsel as set out in the affidavits attached to the Second Report.

Order signed today.

A handwritten signature in cursive script, reading "R. Ryan Bell".

Justice R. Ryan Bell

Date: February 27, 2024

Fourth Report of the Proposal Trustee
Appendix “G”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

THIRD REPORT OF THE PROPOSAL TRUSTEE
March 27, 2024

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LIST OF APPENDICES

- Appendix A - First Report of the Proposal Trustee dated January 11, 2024 (w/o appendices)
- Appendix B - Initial Court Order dated January 17, 2024
- Appendix C - Endorsement of Justice Kaufman dated January 17, 2024
- Appendix D - Second Report of the Proposal Trustee dated February 21, 2024 (w/o appendices)
- Appendix E - Second Court Order dated February 27, 2024
- Appendix F - Endorsement of Justice Bell dated February 27, 2024
- Appendix G - Cash Flow Forecasts for the period December 22, 2023 to April 14, 2024
- Appendix H - Revised Cash Flow Forecasts for the period March 25, 2024, to May 26, 2024
- Appendix I - “Redacted” Agreement of Purchase and Sale dated March 27, 2024
- Appendix J - Cash Flow Variance Analysis for the thirteen-week period ending March 24, 2024
- Appendix K - Fee Affidavit of Clark Lonergan, sworn March 27, 2024
- Appendix L - Fee Affidavit of Scott Venton, sworn March 25, 2024

INTRODUCTION

1. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On January 11, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Ontario Superior Court of Justice (the “**Court**”) in advance of the Companies’ motion (the “**Motion**”) to Justice Kaufman on January 17, 2024. A copy of the First Report without appendices is attached hereto as **Appendix “A”**.
3. On January 17, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - (a) the administrative consolidation of the three NOI proceedings;
 - (b) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including March 5, 2024;
 - (c) approval of the First Report of the Proposal Trustee dated January 11, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the First Report;
 - (d) approval of a Sale and Investment Solicitation Process (the “**SISP**”), to be administered by the Proposal Trustee;
 - (e) the enhancement of certain powers of the Proposal Trustee to facilitate the SISP and also to mitigate a dispute among shareholders;
 - (f) approval of interim financing, funded by the Companies’ senior secured lender, Bank of Montreal (“**BMO**”), along with an interim financing charge to secure the Companies’ obligations under the interim financing facility (“**Interim Financing Loan**”);
 - (g) approval of the Proposal Trustee’s engagement of Dealer Solutions North America Inc. (the “**Sales Agent**”) to assist with the implementation of the SISP;
 - (h) an administrative charge to secure payment of the Proposal Trustee, Sales Agent, and other key insolvency professionals; and

- (i) a directors' charge to secure the Companies obligation to indemnify the directors and officers for post-filing liabilities that may arise.

A copy of the Initial Order and its endorsement is attached hereto as **Appendix "B"** and **Appendix "C"** respectively.

- 4. On February 21, 2024, the Proposal Trustee prepared a report (the **"Second Report"**) to the Court in advance of the Companies' motion (the **"Motion"**) to Justice Bell on February 27, 2024. A copy of the Second Report without appendices is attached hereto as **Appendix "D"**.
- 5. On February 27, 2024, the Court issued an order (the **"Second Order"**) to grant the following material relief:
 - (a) extension of the time to file proposals pursuant to s 50.4(9) of the BIA, up to and including April 14, 2024;
 - (b) approval of the Second Report of the Proposal Trustee dated February 21, 2024, and the actions, activities and conduct of the Proposal Trustee, as described in the Second Report; and
 - (c) approval of the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Second Report and the fee affidavits appended to the Second Report.

A copy of the Second Order and its endorsement is attached hereto as **Appendix "E"** and **Appendix "F"** respectively.

- 6. Given the Proposal Trustee's enhanced powers granted in the Initial Order with regards to the SISP, and the power to "exercise any rights of the Companies", this motion and the relief being sought is brought forward by the Proposal Trustee and its counsel. As such, this motion will not be relying on an affidavit of the Companies (Ms. Caroline Bourret) in support of the relief sought in the proposed orders. Notwithstanding, the Proposal Trustee understands that the Companies support the relief herein and that Companies' counsel will be attending this motion.

PURPOSE

- 7. The purpose of this third report of the Proposal Trustee (the **"Third Report"**) is to:
 - (a) provide this Court with certain information pertaining to the Proposal Proceedings, including:
 - (i) an update on the Companies' operations since the date of the Second Report;

- (ii) an update on the Proposal Trustee's activities since the Second Report;
 - (iii) provide critical information and analysis related to the proposed Transaction (defined herein) including the Sale Agreement (defined herein) entered into between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited ("**Mark Motors**") and **Mrak Holdings Inc., as purchasers**, and vesting the business assets in Mark Motors (the "**Dealership Purchaser**") and the real property in Mrak Holdings Inc. (the "**Real Estate Purchaser**", and together with the Dealership Purchaser, the "**Purchasers**") and the steps taken to get to this transaction, including:
 - I. the results of the SISP undertaken by the Proposal Trustee and Sales Agent to affect a sale of the Companies' assets;
 - II. provide information regarding the Transaction, including the agreement of purchase and sale between the Proposal Trustee, as vendor and the Purchasers dated March 27, 2024 (the "**Sale Agreement**"); and
 - III. the Proposal Trustee's recommendations with respect to the Transaction.
 - (iv) the Companies' actual cash flow results for the 13-weeks ended March 24, 2024, versus the same budgeted period as outlined in the Companies' cash flow forecasts for the period December 22, 2023, to April 14, 2024 (the "**Cash Flow Period**"), separately for each of the Companies (the "**Cash Flow Forecasts**") projections and the Proposal Trustee's comments regarding the variances. Copies of the Cash Flow Forecasts are attached hereto as **Appendix "G"**;
 - (v) an overview of the Companies' 9-week cash flow forecasts, for the period March 25, 2024, to May 26, 2024 (the "**Revised Cash Flow Period**"), separately for each of the Companies (the "**Revised Cash Flow Forecasts**") projections and the Proposal Trustee's comments regarding the reasonableness thereof. Copies of the Revised Cash Flow Forecasts are attached hereto as **Appendix "H"**; and
 - (vi) fees and disbursements of the Proposal Trustee and its counsel.
- (b) The Proposal Trustee is also requesting the following relief from the Court:

- (i) approving this Third Report and the Confidential Supplementary Report (defined herein), including the actions and activities of the Proposal Trustee set out herein;
 - (ii) approving the Sale Agreement, and authorizing and directing the Proposal Trustee to execute such documents and take such additional steps as are necessary to complete the Transaction;
 - (iii) upon completion of the Transaction (as evidenced by the Proposal Trustee filing a certificate certifying the same), vesting the Purchased Assets (as defined in the Sale Agreement), free and clear of all liens, charges, security interests and other encumbrances (other than such permitted encumbrances as may be described in the order) in the respective Purchasers; and
 - (iv) sealing the Confidential Supplementary Report (herein defined).
8. The Proposal Trustee has also prepared and will file with the Court, subject to a request for Sealing Order, a confidential supplementary report dated March 27, 2024 (the “**Confidential Supplementary Report**”), which should be read by the Court in conjunction with this Third Report and which will assist the Court in considering the relief being sought by the Proposal Trustee herein.
9. All materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s websites at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/oem-automotive-solutions-inc> (the “**Proposal Trustee’s Websites**”).

TERMS OF REFERENCE

10. In preparing this Third Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Companies, discussions with management of the Companies (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in the First Report and Third Report in respect of the Cash Flow Forecasts and Revised Cash Flow Forecasts, respectively:
- (a) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially

comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

(b) some of the Information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

11. Future oriented financial information referred to in this Third Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
12. Unless otherwise indicated, the Proposal Trustee’s understanding of factual matters expressed in this Third Report concerning the Companies and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

THE COMPANIES’ OPERATIONS

14. Since the Second Report, the Management of the Companies have focused on stabilizing the operations. Management, with the assistance of the Proposal Trustee, has engaged in discussions with various stakeholders, suppliers, customers, and employees to minimize disruption to the operations and reduce conflicts. As of the date of this Third Report, the Companies have maintained their business operations without significant disruption or issues.

PROPOSAL TRUSTEE’S ACTIVITIES

15. Since the date of the Second Report, the Proposal Trustee has been engaged in the following activities:
 - (a) attended the Companies’ second motion, which occurred on February 27, 2024;
 - (b) uploaded all court materials and certain other relevant documents, including the SISP update, to the Proposal Trustee’s Website;
 - (c) engaged with its legal counsel, Fogler, Rubinoff LLP (“Fogler”), regarding matters related to these Proposal Proceedings and SISP;

- (d) monitored the Companies' receipts and disbursements on a weekly basis;
- (e) participated in various calls with the Companies' external accounting/finance consultants regarding the status of the Companies' books and records;
- (f) assisted the Companies in various human resource matters and addressed other employee questions regarding the Proposal Proceedings;
- (g) continued to monitor the Companies' vehicle sales and repayments to ensure vehicle proceeds were remitted to BMO in accordance with the terms of the Interim Financing Loan;
- (h) multiple follow-ups with Management regarding an employee vehicle purchase;
- (i) assistance to the Companies with stakeholder communications, including responding to calls, e-mails, and letters received from creditors and other parties in an effort to maintain supplier relationships and minimize service disruptions;
- (j) participated in and facilitated various discussions with Volkswagen Canada ("VW") and its legal counsel;
- (k) corresponded with shareholders and/or their respective legal counsel;
- (l) reviewed the Companies' actual cash receipts and disbursements and variances to budget for the same time period as outlined in the Cash Flow Forecasts;
- (m) assisted the Companies in the preparation of the Revised Cash Flow Projections;
- (n) assessed the reasonableness of the Revised Cash Flow Projections;
- (o) various correspondence with BMO regarding the bi-weekly reporting as outlined in the Interim Financing Loan term sheet;
- (p) assisted the Companies with interim funding requests;
- (q) review of the shareholder's security position and discussion with respective counsel regarding the same;
- (r) assisted in the execution of the SISP, including:
 - (i) supervised and assisted with activities related to the SISP;
 - (ii) updated the virtual data room ("VDR") with financial and operational information to aid potential purchasers in their due diligence process;
 - (iii) reviewed the expression of interest ("EOI(s)") received and provided a summary comparison of the same;

- (iv) worked with Fogler to draft the agreement of purchase and sale;
 - (v) drafted letter of intent (“**LOI(s)**”) bid sheet to help potential purchasers submit LOI;
 - (vi) various correspondence with the Sales Agent to address any due diligence questions and SISP inquiries potential purchasers had;
 - (vii) reviewed the LOIs received and provided a summary comparison of the same;
 - (viii) reviewed the potential purchaser’s mark up of the agreement of purchase and sale received with the respective LOI submissions;
 - (ix) various discussions with the Purchasers, Sales Agent and respective counsels regarding the Sale Agreement;
 - (x) initiated a new environmental assessment; and
 - (xi) provided updates to BMO regarding the SISP.
- (s) prepared Third Report and Confidential Supplementary Report; and
 - (t) attended to other matters pertaining to the administration of these Proposal Proceedings.

16. The Proposal Trustee is requesting approval of this Third Report and the Confidential Supplementary Report and the activities of the Proposal Trustee described herein.

SALES PROCESS UPDATE

17. Immediately following the issuance of the Initial Order on January 17, 2024, which included the Court’s approval of the SISP, the Sales Agent, among other things, has:

- (a) canvased the market and prepared a list of potentially interested parties, including:
 - (i) posted the opportunity for a sale of, or investment in, all or part of the Companies’ property (the “**Opportunity**”) on its own website and Linked-In account;
 - (ii) emailed the Opportunity to over 4000+ dealers from its own database; and
 - (iii) included parties that had approached the Companies, Proposal Trustee, VW or the Sales Agent indicating an interest in the Opportunity.

- (b) prepared a process summary (the “**Teaser Letter**”) describing the Opportunity;
 - (c) prepared a confidential information memorandum (“**CIM**”) detailing the financial and operational information of the Companies;
 - (d) worked with the Proposal Trustee and Management to populate the VDR with financial and operational documents that may be required for the due diligence process; and
 - (e) sent the Teaser Letter and NDA to interested parties.
18. 63 parties were identified through the above marketing process (the “**Known Potential Bidders**”) as being possibly interested in the Companies’ business. Out of these Known Potential Bidders, 37 parties were actually interested, of which 32 parties signed NDAs and showed an active interest in participating in the SISP.
 19. Seven (7) of the Known Potential Bidders (the “**EOI Bidders**”) provided non-binding expression of interests on or before the February 29, 2024, the EOI bid date (“**EOI Bid Date**”). These EOs were then assessed by the Proposal Trustee and Sales Agent, in consultation with BMO and shortly thereafter, on March 5, 2024, the EOI Bidders were notified if they had been selected to participate in the next phase of the SISP. Each of the EOI Bidders names and their respective dealer principals outlined in the EOs were provided to Volkswagen Canada to get their input on the EOI Bidders ability to receive VW approval with regards to the new dealer agreement (the “**VW Approval**”).
 20. Four (4) of the EOI Bidders were selected to proceed to the next round of the SISP which required binding letters of intent to be received on or before March 15, 2024 (the “**LOI Bid Date**”). Additionally, each of the EOI Bidders were connected with VW to begin the VW Approval process so that the closing deadlines outlined in the SISP could be met.
 21. Three (3) of the EOI Bidders provided binding letters of interests (the “**LOI Bidders**”) on or before the LOI Bid Date. The LOI offers received and their associated valuations were significant, exceeding both the expectations of the Proposal Trustee and its Sales Agent. Actual sale proceeds will vary based on actual vehicle and parts inventory on-hand at close, and contained certain conditions primarily related to: environmental concerns related to the Companies’ real property assets, the requirement for the Companies’ assets to be free and clear of all encumbrances, the VW Approval, and other regulatory requirements (OMVIC, etc.). These LOIs were then assessed by the Proposal Trustee and Sales Agent, in consultation with BMO and shortly thereafter, on March 19, 2024, the LOI Bidders were notified if they had

the Successful Bid and as such had been chosen to be the Successful Party (both terms defined in the SISP). VW was also consulted with regards to the LOI Bidders.

22. The Proposal Trustee considered the LOIs that had been submitted, taking into consideration several factors, including: (a) the purchase price (b) evidence of the purchaser's ability to finance the Transaction; (c) conditions to closing the Transaction; (d) the provision of a substantial deposit; (e) the appraisals; and (f) VW support of the Successful Party.
23. After consideration of the LOIs and in consultation with the Sales Agent, BMO and VW, Mark Motors was identified as the Successful Party. As required by the SISP, the Successful Party provided 10% of the estimated purchase price as a deposit to the Proposal Trustee on March 22, 2024 (the "**Deposit**").
24. To assist with the environmental concerns and finalizing the Sale Agreement, on March 12, 2024, the Proposal Trustee engaged Pinchin Ltd. to prepare a remediation option evaluation and cost estimate letter (the "**Pinchin Cost Estimate Letter**") to assist in quantifying a potential purchase price adjustment based on the results of this aforementioned analysis. Pinchin had previously provided Phase I and Phase II environmental reports to the Companies in 2018 (the "**Existing Phase I and Phase II Environmental Reports**"), both of which were included in the VDR (including other environmental reports related to the Companies' real estate assets).

THE PROPOSED TRANSACTION

25. The Sale Agreement contains information that could prejudice the Companies in a future sale process in the event that the Transaction does not close. As such, the Sale Agreement attached hereto as **Appendix "I"** has been redacted. A copy of the un-redacted Sale Agreement will be included in the Confidential Supplementary Report.
26. Capitalized terms used in this section that are not defined shall have the meanings as defined in the Sale Agreement.
27. Pursuant to the Sale Agreement, the respective Purchasers will acquire the respective Purchased Assets as of the Closing Date (anticipated to be April 30, 2024).
28. In particular, the cash purchase price (the "**Purchase Price**") is subject to certain verifications including vehicle inventory, parts inventory, third-party warranty amounts, and a \$200,000 purchase price adjustment to cover the future cost of environmental remediation based on the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter. All of the right, title, and interest of the Companies in the Real Property shall vest in the Real Estate Purchaser and the remaining or other business assets of the

Companies, including but not limited to: i) all New Vehicles, Deferred New Vehicles and Demonstrator Vehicles inventory; ii) all Used Vehicles inventory; iii) all Parts & Accessories inventory; iv) Customer Contracts; v) the Equipment; vi) Warranty Rights; and vii) Goodwill (the “**Business Assets**”) shall vest in the Dealership Purchaser (collectively, the Business Assets and the Real Property are the “**Purchased Assets**”). Notwithstanding anything else in the Sale Agreement, the Purchased Assets shall not include the Excluded Assets (including cash, Work-In-Progress, Accounts Receivable, and the Litigation Claim).

29. Other than routine purchase price adjustments for actual vehicle inventory and parts inventory counts at or around the Closing Date, the only material outstanding item remains the environmental remediation cost estimate which will be based upon the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter. This letter is expected to be received over the next 3-4 weeks and per the Sale Agreement, a Purchase Price credit of \$200,000 has been provided to the Purchaser to cover future remediation costs based on the Existing Phase I and Phase II Environmental Reports and the anticipated Pinchin Cost Estimate Letter.
30. The Sale Agreement provides for certain conditions precedent to closing in favour of the Purchasers, including a requirement that the Court have granted an order providing for:
 - (a) approval of the Sale Agreement and completion of same by the Proposal Trustee;
 - (b) the vesting of the respective Purchased Assets in the respective Purchasers, free and clear of any encumbrances;
 - (c) such other provisions as reasonably requested by the Purchasers or that would customarily be contained in an approval and vesting order granted by the Court (together with 30 a) and 30 b), the “**Approval and Vesting Order**”);
 - (d) the approval of VW with regards to the new dealer agreement; and
 - (e) Ontario Motor Vehicle Industry Council (“**OMVIC**”) shall have approved the application for registration of the Dealership Purchaser.
31. It is also anticipated that the Dealership Purchaser will offer employment on similar or comparable terms to the majority of the Companies’ employees.

Basis for Proposal Trustee’s Recommendation

32. The Proposal Trustee is satisfied that the SISP was one with integrity and was a commercially reasonable, fair and open process developed for the purpose of identifying the best offer available (including price and other factors), as:

- (a) the direct-contact marketing method of the SISP was sufficient to attract the interest of reasonable buyers and investors;
 - (b) the timeframe over which the Companies and its assets were exposed to the market and the deadlines imposed within the SISP were sufficient to provide interested buyers and investors an opportunity to participate in the process;
 - (c) the affairs of the Companies were adequately released so that buyers and investors could make informed decisions regarding the assets available; and
 - (d) BMO and VW were supportive of the process and were consulted regarding offers submitted as part of the SISP.
33. The SISP was developed and implemented in a manner consistent with Court-supervised sale processes in all material regards.
34. Given the on-going monthly operating losses and the costs associated with administering the Proposal Proceedings, time is of the essence in respect of a value-maximizing sale transaction for the Companies' creditors.
35. If the Transaction closes, the Proposal Trustee expects that the Dealership Purchaser will keep a majority of the Companies' current employees, the business will continue as a going concern and significant funds from the net sale proceeds will be available for distributions to BMO and other creditors. Accordingly, the Transaction is favourable to the balance of Companies' stakeholders (i.e., employees, creditors, suppliers, BMO, and local community that benefit from an on-going business). The Proposal Trustee is also of the opinion that the Transaction is more beneficial to the Companies' creditors and other stakeholders than a sale in a bankruptcy scenario.

CASH FLOW PROJECTIONS

36. The Proposal Trustee has reviewed the actual cash flow from operations for the thirteen-week period ending March 24, 2024, through monitoring the banking activities of the Companies.
37. The Companies' actual cash flow from operations for the thirteen-week period ending March 24, 2024, exceeded the corresponding Cash Flow Forecasts amounts for that same period by approximately \$310,817.
- (a) This positive variance is largely due to:
 - (i) approximately \$574,889 in collections from higher vehicle sales (of this amount, approximately \$118,141 of proceeds from the sale of four (4)

vehicles, will be used to repay the corresponding floor line financing facilities during the week of March 25, 2024);

- (ii) delayed payment of floor plan curtailments of approximately \$56,623 and professional fees of approximately \$20,429, both of which are timing differences expected to reverse in the coming weeks; and
- (iii) parts and service sales of approximately \$41,451.

(b) The positive variance is offset by:

- (i) approximately \$94,638 higher disbursements for lien payouts on vehicle trade-ins;
- (ii) approximately \$112,883 used vehicle purchases; and
- (iii) approximately \$59,252 in parts purchases.

38. A summary of the variance analysis regarding the same are attached hereto as **Appendix “J”**. Consistent with the Cash Flow Forecasts, \$425,000 (of a facility total of \$500,000) has been advanced to the Companies from the Interim Financing Loan to date.

- (a) The Companies made a \$3,197.18 payment to Tire Discounter Group related to amounts owing prior to the Filing Date. The Proposal Trustee was advised of this payment prior to it being made; however, the Proposal Trustee advised Management that due to the stay of proceedings that this payment should not be made.

39. The Revised Cash Flows indicate that the Companies will have sufficient liquidity to get to May 26, 2024, given the on-going support of BMO (remaining funds to be drawn from the Interim Financing Loan is \$75,000), the Deposit received and the remaining sale proceeds from the Transaction which is anticipated to close no later than April 30, 2024.

40. Based on the Proposal Trustee’s review of the Revised Cash Flows, there were no material assumptions which seem unreasonable in the present circumstances.

APPROVAL OF THE PROPOSAL TRUSTEE’S FEES AND DISBURSEMENTS

41. The Proposal Trustee and its legal counsel, Fogler, have been paid their fees and disbursements at their standard rates and charges by the Companies from time to time, as part of the costs of the Proposal Proceedings.

42. The Proposal Trustee and Fogler have maintained records of their professional time and costs. The Proposal Trustee now requests approval of its interim fees and disbursements for the

period from January 20, 2024 to March 22, 2024, and the interim fees and disbursements for Fogler for the period from February 7, 2024 to March 25, 2024.

43. The total interim fees and disbursements of the Proposal Trustee for the period of January 20, 2024 to March 22, 2024 total \$205,186, including fees in the amount of \$181,581, and HST in the amount of \$23,605, as more particularly described in the affidavit of Clark Lonergan sworn March 27, 2024 (the “**Lonergan Fee Affidavit**”), a copy of which is attached hereto as **Appendix “K”**.
44. The total interim fees and disbursements of Fogler principally from, February 7, 2024 to March 25, 2024, total \$57,648.05, including fees in the amount of \$50,552.00, disbursements in the amount of \$463.97, and HST in the amount of \$6,632.08, as more particularly described in the affidavit of Scott Venton sworn March 25, 2024 (the “**Venton Fee Affidavit**”), a copy of which is attached hereto as **Appendix “L”**.
45. The Proposal Trustee respectfully submits that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with Proposal Proceedings. Accordingly, the Proposal Trustee respectfully requests the approval of the fees and disbursements of the Proposal Trustee and that of its counsel, as set out in this Third Report.

THE RELIEF AND ORDER BEING SOUGHT BY THE PROPSAL TRUSTEE

Proposed Stay Extension

46. The current stay of proceedings will expire on April 14, 2024 (the “**Stay Period**”).
47. The Companies seek an extension of time to file a proposal for an additional approximate 45 days up to and including May 29, 2024 (“**Proposed Stay Extension**”). The Proposed Stay Extension should continue to permit the Proposal Trustee and its Sales Agent to complete the SISP. Without the Proposed Stay Extension, the Companies will not be in a position to carry out the SISP or, if deemed advantageous, make viable proposals to their creditors and will become bankrupt to the detriment of their stakeholders.
48. It is the Proposal Trustee’s view, based on the Revised Cash Flow Forecasts, that the Companies will have sufficient liquidity to complete the SISP and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
49. Based on the information presently available, the Proposal Trustee believes that the Companies’ creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

CONCLUSION AND RECOMMENDATIONS

50. The Proposal Trustee confirms that the Companies have acted and continue to act in good faith and with due diligence.
51. For the reasons stated in this Third Report, the Proposal Trustee supports the relief sought in connection with the April 3, 2024, motion. The Proposal Trustee respectfully submits to the Court this, its Third Report and Confidential Supplementary Report.
52. We understand that the Companies are in support of the relief sought in connection with the April 3, 2024, motion as well.

All of which is respectfully submitted this 27th day of March, 2024.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Fourth Report of the Proposal Trustee
Appendix “H”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Estate No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS
AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

CONFIDENTIAL SUPPLEMENTARY REPORT TO THE THIRD REPORT OF THE PROPOSAL TRUSTEE
March 27, 2024

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INTRODUCTION

1. This report (the “**Confidential Supplementary Report**”) is a supplement to the Third Report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”) wherein BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
2. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”).
3. Capitalized terms used in this Confidential Supplementary Report that are not defined shall have the meanings as defined in the Third Report and/or Sale Agreement.

PURPOSE

4. The purpose of this Confidential Supplementary Report of the Proposal Trustee is to provide the Court with further information pertaining to the SISP, the Sale Agreement and the Transaction outlined in the Third Report, but which involves sensitive information which is being requested to be sealed by the Court.

SALES PROCESS

5. In the Third Report, the Proposal Trustee recommended that the Court approve the Transaction pursuant to the Sale Agreement on the basis that it is the best course of action to maximize the realizations on the Companies’ assets and beneficial for the balance of stakeholders.
6. The Proposal Trustee is satisfied that the SISP was a commercially reasonable, fair, and open process developed for the purpose of identifying the best offer available (including price and other factors) and that it was run with integrity and due care, as:
 - (a) A copy of the Sales Process Letter provided to the Known Potential Bidders outlined the process, timeline and conditions in advance of due diligence. A copy of this letter is attached hereto as **Confidential Appendix “A”**.
 - (b) the direct-contact marketing method of the SISP was sufficient to attract the interest of reasonable buyers and investors;

- (i) 4000+ dealers from the Sales Agent's database.
 - (ii) 63 parties were identified through the above marketing process (the "Known Potential Bidders") and out of these Known Potential Bidders, 37 parties were interested, 32 parties signed non-disclosure agreements ("NDA(s)") and showed an active interest in participating in the SISP.
 - (c) the timeframe over which the Companies and their assets were exposed to the market and the deadlines imposed within the SISP was sufficient to provide interested buyers and investors an opportunity to participate in the process, as:
 - (i) A five-week marketing process was undertaken which culminated with the requirement for interested parties to submit expressions of interest ("EOI(s)"); and
 - (ii) Two weeks was provided for further due diligence and the conversion of EOIs to binding letters of intent ("LOIs") such that LOI's were due seven-weeks after the SISP was initiated on Monday January 29, 2024.
 - (d) Information on the affairs of the Companies were adequately released so that buyers and investors could make informed decisions regarding the assets available; and
 - (i) a virtual data room ("VDR") was set up by the Proposal Trustee and all who signed NDA's were provided access to a significant amount of financial and operational information related to the Companies.
 - (e) The Bank of Montreal ("BMO") and Volkswagen Canada ("VW") were supportive of the process and were consulted regarding offers submitted as part of the SISP.
7. The SISP was developed and implemented in a manner consistent with other Court-supervised sale processes in all material ways.
 8. Further details regarding the seven (7) of the Known Potential Bidders (the "EOI Bidders") who provided non-binding expression of interests on or before the EOI bid date ("EOI Bid Date") of February 29, 2024 is attached as an EOI summary hereto as Confidential **Appendix "B"**. EOI values ranged from approximately \$7.1 million to \$9.2 million, which the Proposal Trustee is of the view was fair and reasonable value. Each of the EOIs is attached hereto as Confidential **Appendix "C"** to Confidential **Appendix "I"** respectively.
 9. The process to select EOIs was as follows:

- (a) Based on input from the Sales Agent and VW it was determined that two (2) of the EOI Bidders, S.A.S.S Auto Group (“**SASS**”) and Toronto Auto Group (“**TAG**”) were primarily used car dealers and as such would not likely qualify for VW approval required to execute the prerequisite dealer agreement with VW (the “**VW Approval**”);
 - (b) The Ercole (Nino) & Renato De Cubellis group (“**De Cubellis**”) was also eliminated by the Proposal Trustee due to it being the lowest EOI offer received;
 - (c) SASS, TAG and De Cubellis were informed by the Proposal Trustee on Tuesday March 5, 2024, that they would not be moving forward in the SISP process; and
 - (d) The remaining four (4) parties, Miller Hughes Ford Lincoln (“**Miller**”), Mark Motors Group (“**Mark Motors**”), Stephen Eastman (“**Eastman**”), and Luno Automotive Inc. (“**Luno**”, together with Miller, Mark Motors and Eastman, the “**LOI Bidder(s)**”), were notified by the Proposal Trustee on the same day that they would be proceeding to the next phase of the SISP, the binding letter of intent (“**LOI(s)**”).
10. Further due diligence was undertaken by the LOI Bidders during the period from March 5, 2024, to March 15, 2024 (the “**LOI Bid Deadline**”), at which time three (3) of the four (4) LOI Bidders submitted a binding LOI and marked up copy of the purchase and sale agreement contained in the VDR.
- (a) Prior to the LOI Bid Deadline, Luno notified the Sales Agent that they would not be continuing in the SISP and as such would not be submitting a LOI.
11. On the LOI Bid Deadline, the Proposal Trustee received LOIs from Miller, Mark Motors and Eastman ranging from \$7.2 million to \$9.2 million which are summarized hereto in **Confidential Appendix “J”**. Additionally, each of the LOIs is attached hereto as **Confidential Appendix “K”** to **Confidential Appendix “M”** respectively.
12. The top two (2) LOI offers received from Miller and Mark Motors were of the same value and both acceptable purchasers for the Proposal Trustee and BMO; however, VW had a clear preference for Mark Motors given that they already owned and operated both Porsche and Audi brands (both brands within the VW ownership group). This familiarity with VW would make the VW Approval process much quicker and allow for the April 30, 2024, outside close date to be met. The VW Approval was a condition of all LOI offers received.

THE PROPOSED TRANSACTION

13. The Proposal Trustee’s view is that the Transaction contemplated therein represents the highest and best possible outcome for the Companies’ stakeholders, taking into consideration

a number of factors, including: (i) the approximately \$9.2 million offer to purchase the Companies' assets represents the highest offer received in a SISP with a significant level of market interest as evidenced by the SISP results detailed above; (ii) VW's support for the Purchaser translating into the Transaction having the highest likelihood of the required VW Approval; (iii) the conditions to closing the Transaction are fair and reasonable; and (iv) the payment by the Purchaser of a substantial deposit. A copy of the unredacted Sale Agreement is attached hereto as **Confidential Appendix "N"**.

14. The Sale Agreement allows for the purchase of substantially all the assets of the Companies, with the exception of the Excluded Assets, on an "as is, where is" basis with no representations or warranties from the Companies or Proposal Trustee with respect to the Companies' assets as outlined below:

Sale Agreement Summary	
Bidding Party	Mark Motors Group
Name of Bidder	Michael Mrak
Dealer Principal(s)	Michael Mrak
Land & Building (Note 1)	\$ 3,400,000
New Vehicle Inventory (Note 2)	\$ 1,990,910
Used Vehicle Inventory (Note 2)	\$ 436,386
Parts Inventory (Note 2)	\$ 275,000
FF&E	\$ -
Receivables (Note 3)	\$ 250,000
Goodwill	\$ 2,800,000
Total	\$ 9,152,296

(a) Note 1: Per the Sale Agreement, the environmental issue will result in a Purchase Price credit of \$200,000 applied to the \$3.4 million offer to cover future remediation costs based on the anticipated Pinchin Cost Estimate Letter.

(i) The value ascribed to the Companies' real property assets by the Purchaser is consistent with the real estate appraisal of Cushman & Wakefield ("**Cushman**") dated February 2, 2024 (the "**Appraisal**"). The Appraisal was commissioned by the Proposal Trustee and is attached hereto as **Confidential Appendix "O"**.

(ii) All LOI Bidders were provided with a copy of the Appraisal, after signing a non-reliance letter with the Proposal Trustee/Cushman, to assist in preparing their binding LOI offers.

(b) Note 2: routine purchase price adjustments for actual vehicle inventory and parts inventory based on physical counts at or around the Closing Date.

(c) Note 3: subject to third-party verified warranty amounts with VW.

15. The Purchase Price is to be satisfied as follows:

- (a) The Purchaser paid the deposit of \$862,730 (the “**Deposit**”) on March 22, 2024 (approximately 10% of the anticipated Purchase price) and is being held in the Proposal Trustee’s general trust bank account; and
- (b) Subject to the purchase price adjustments noted above, at Closing, the Purchaser will pay the balance of the Purchase Price less the Deposit.

16. The Sale Agreement provides for certain conditions precedent to closing in favour of Mark Motors, including a requirement that the Court have granted an order providing for:

- (a) approval of the Sale Agreement and completion of same by the Proposal Trustee;
- (b) the vesting of the Purchased Assets in Mark Motors (the Business Assets) and in Mrak Holdings Inc. (the Real Property), free and clear of any encumbrances;
- (c) such other provisions as reasonably requested by Mark Motors or that would customarily be contained in an approval and vesting order granted by the Court (the “**Approval and Vesting Order**”);
- (d) the approval of VW with regards to the new dealer agreement; and
- (e) OMVIC shall have approved the application for registration of the Dealership Purchaser.

17. It is also anticipated that the Purchaser will offer employment on similar or comparable terms to the majority of the Companies’ employees and that this Transaction will allow for the going concern sale of the Cornwall VW dealership for the benefit of the local community and the VW brand.

**BDO CANADA LIMITED, in its capacity
as Proposal Trustee of OEM Automotive
Solutions Inc., OEM Automotive Cornwall Inc.,
and OEM Automotive Holdings Inc., and not in
its corporate or personal capacity.**



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**

Fourth Report of the Proposal Trustee
Appendix “I”



District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

THE HONOURABLE)
JUSTICE KERSHMAN)

WEDNESDAY, THE 3RD
DAY OF APRIL, 2024

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

ANCILLARY ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as proposal trustee (in such capacity, the **"Proposal Trustee"**) of OEM Automotive Solutions Inc. (**"Solutions"**), OEM Automotive Cornwall Inc. (**"Cornwall"**) and OEM Automotive Holdings Inc. (**"Holdings"**, and collectively with Solutions and Cornwall, the **"Companies"**), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the **"BIA"**), for an ancillary order (this **"Order"**), among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the motion record or, in the alternative, dispensing with the same;
- (b) extending the time for the Companies to file proposals under section 50.4(9) of the BIA to and including May 29, 2024;

(c) approving the third report of the Proposal Trustee in the Companies' BIA proposal proceedings (collectively, the "**Proposal Proceedings**"), dated March 27, 2024 (the "**Third Report**"), and approving the activities of the Proposal Trustee described in the Third Report;

(d) approving the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the fee affidavits appended to the Third Report (the "**Fee Affidavits**"), and

(e) approving the sealing of certain confidential documents appended to the Proposal Trustee's Confidential Supplementary Report dated March 27, 2024 (the "**Confidential Supplementary Report**"),

was heard by this Honourable Court (the "**Court**") on this day by way of judicial video conference in Ottawa, Ontario.

ON READING the Third Report, the Confidential Supplementary Report and the Fee Affidavits of the Proposal Trustee and its counsel, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal (as senior secured creditor and interim lender), counsel to and the other parties listed on the participant information form, no one else appearing although properly served as appears from the affidavit of Michelle Pham, sworn March 28, 2024, filed:

SERVICE

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

EXTENSION OF TIME

2. **THIS COURT ORDERS** that the time for the filing of proposals by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including May 29, 2024.

APPROVAL OF THIRD REPORT, ACTIONS & FEES

3. **THIS COURT ORDERS** that the Third Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, as set out in the Third Report and the Fee Affidavits be and are hereby taxed and approved.

SEALING CONFIDENTIAL DOCUMENTS

5. **THIS COURT ORDERS** the sealing of the confidential documents appended to the Confidential Supplementary Report until completion of the Transaction described in the Third Report, or another transaction closes or further order of this Court.

GENERAL

6. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from today's date and is enforceable without the need for entry and filing.



**THE HONOURABLE JUSTICE
STANLEY J. KERSHMAN**

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

ANCILLARY ORDER

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre

77 King Street West

Suite 3000, PO Box 95

Toronto, ON M5K 1G8

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Lawyers for BDO Canada Limited,
in its capacity as the Proposal Trustee

Fourth Report of the Proposal Trustee
Appendix “J”



District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE
JUSTICE KERSHMAN

)
)
)

WEDNESDAY, THE 3rd
DAY OF APRIL, 2024

IN THE MATTER OF THE *BANKRUPTCY AND*
***INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (collectively, the “**Debtors**”), for an Order, *inter alia*, approving the sale transaction (the “**Transaction**”) that was selected by the Proposal Trustee under the sale and solicitation process (the “**SISP**”) granted by the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) on January 17, 2024 (the “**Sale Process Order**”), and as contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc.

(“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), a final unredacted copy of which is attached to the Confidential Supplementary Report dated March 27, 2024 (the “**Confidential Supplementary Report**”) and a final redacted copy of which is attached to the third report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”), and vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “Purchased Assets” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “Real Property” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), was heard this day by judicial videoconference.

ON READING the Third Report, the Confidential Supplementary Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Michelle Pham sworn March 28, 2024, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Proposal Trustee is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction selected from the SISP is hereby approved, and the execution of the Sale Agreement by the Proposal Trustee is hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtors and the Proposal Trustee are 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.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtors' right, title and interest in and to the Business Assets shall vest absolutely in Mark Motors and all of the Debtors' right, title and interest in and to the Real Property shall vest absolutely in Mrak Holdings, or such other Person(s) (as defined in the Sale Agreement) that the Purchaser may direct or designate, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, 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 Sale Process Order; (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 **Schedule "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 **Schedule “D”**) 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 Land Titles Division of Stormont (No. 52) 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 Mrak Holdings as the owner of the subject Real Property identified in **Schedule “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 **Schedule “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 Assets, and that from and after the delivery of the Proposal Trustee’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** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in

the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees that will be employed by the Purchaser pursuant to the Sale Agreement. 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 Debtors.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

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

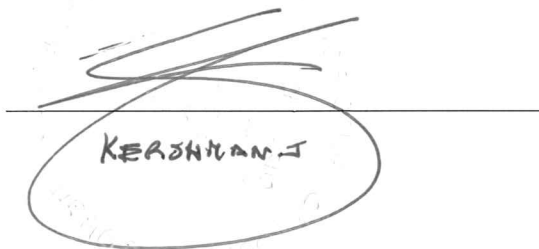
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

the vesting of the Business Assets in Mark Motors and the vesting of the Real Property in Mrak Holdings, or as it may direct, pursuant to this Order shall be binding on the Proposal Trustee and any other licensed insolvency trustee that may be appointed in respect 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 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.

9. **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 Proposal Trustee 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

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



A handwritten signature, appearing to be "Keshan J.", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

III. Pursuant to an Order of the Court dated April 3, 2024, the Court approved the agreement of purchase and sale between the Proposal Trustee, as vendor, pursuant to the Sale Process Order, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), and provided for the vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “**Purchased Assets**” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “**Real Property**” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), 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 the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser;

3. The Transaction has been completed to the satisfaction of the Proposal Trustee; and
4. This Proposal Trustee's Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity
as the proposal trustee of the Debtors, and not in its
personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"

LEGAL DESCRIPTION

Owned by OEM Automotive Cornwall Inc.

PIN 60180 - 0067 (LT)

PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

(municipally known as 628 Pitt Street, Cornwall, Ontario)

Owned by OEM Automotive Holdings Inc.

PIN 60180 - 0282 (LT)

PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2,
52R4375; CITY OF CORNWALL

(municipally known as 632 Pitt Street, Cornwall, Ontario)

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109060	2019/11/12	Transfer	\$742,145	Macdonell Family Holdings Inc.	OEM Automotive Cornwall Inc.
ST109061	2019/11/12	Charge	\$560,000	OEM Automotive Cornwall Inc.	Bank of Montreal
ST109062	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Cornwall Inc.	Bank of Montreal
ST109067	2019/11/12	Charge	\$1,000,000	OEM Automotive Cornwall Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109063	2019/11/12	Transfer	\$1,378,270	Macdonell, Michael Allan / Macdonell, Glenn Joseph	OEM Automotive Holdings Inc.
ST109064	2019/11/12	Charge	\$1,040,000	OEM Automotive Holdings Inc.	Bank of Montreal
ST109065	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Holdings Inc.	Bank of Montreal
ST109066	2019/11/12	Charge	\$1,000,000	OEM Automotive Holdings Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall1	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

APPROVAL AND VESTING ORDER

FOGLER, RUBINOFF LLP
Toronto-Dominion Centre
77 King Street West
Suite 3000, PO Box 95
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Vern W. DaRe (LSO# 32591E)
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Lawyers for the Proposal Trustee

Fourth Report of the Proposal Trustee
Appendix “K”

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.

Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

MOTION RECORD
(RETURNABLE APRIL 3, 2024)

FOGLER, RUBINOFF LLP

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Email: vdare@foglers.com

Lawyers for BDO Canada Limited,
in its capacity as the Proposal Trustee

April 3/24

Amulley Order subject to change in Para 5 &
approved as to form & content & will be signed.

Approved & Verily order approved as to
form & content & signed.

My future proceedings by Zoom will if

more than 1 hour.

K. R. S. R. S. R. S.

Fourth Report of the Proposal Trustee
Appendix “L”

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC.
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024


Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Receipts		Notes									
New Vehicle Sales	1	72,000	108,000	108,000	108,000	108,000	36,000	-	-	-	540,000
Used Vehicle Sales	2	15,000	15,000	40,000	15,000	45,000	-	-	-	-	130,000
Other Revenue	3	-	5,000	-	-	-	-	-	-	-	5,000
Parts & Service Sales	4	40,000	40,000	40,000	40,000	40,000	20,000	-	-	-	220,000
To/(From) Intercompany	5	-	-	-	-	-	-	-	-	-	-
HST Collected	6	16,510	21,840	24,440	21,190	25,090	7,280	-	-	-	116,350
		143,510	189,840	212,440	184,190	218,090	63,280	-	-	-	1,011,350
Operating Disbursements											
Lien Payouts	7	(4,000)	-	-	-	(4,000)	-	-	-	-	(8,000)
Used Vehicle Purchases	8	-	-	-	-	-	-	-	-	-	-
Parts Purchases	9	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)	(15,000)	-	-	-	(102,500)
Payroll (Including Taxes)	10	(56,636)	-	(50,000)	-	(50,000)	-	(50,000)	-	(25,000)	(231,636)
Employee Benefits	11	-	(7,500)	-	-	-	(7,500)	-	-	-	(15,000)
WSIB	12	-	-	(5,000)	-	-	-	-	-	-	(5,000)
Corporate Credit Card Repayment	13	-	-	-	(15,000)	-	-	-	-	-	(15,000)
Vendor Payments	14	(15,000)	-	-	-	(15,000)	-	-	-	-	(30,000)
Repairs and Maintenance CAPEX	15	-	-	-	-	(2,500)	-	-	-	-	(2,500)
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	16	(998)	-	-	(6,266)	-	(998)	-	(6,266)	-	(14,527)
Rent and Utilities - Property 2 OEM Automotive holdings Inc.	17	-	-	-	(9,506)	-	-	-	(9,506)	-	(19,013)
Insurance Payments	18	-	-	-	-	-	(34,200)	-	-	-	(34,200)
HST Paid	19	(7,438)	(15,234)	(2,600)	(17,325)	(4,875)	(2,080)	(13,000)	(2,050)	-	(64,602)
HST Refund (Remittance)	20	-	2,008	-	-	(25,458)	-	-	-	(2,695)	(26,145)
Debt Service											
Floor Plan Payments To/From BMO	21	(118,141)	(85,880)	(128,820)	(128,820)	(128,820)	(128,820)	(42,940)	-	-	(762,241)
BMO Floor Plan Curtailments	22	-	(130,000)	-	-	-	-	-	-	-	(130,000)
BMO Floor Plan Interest	23	-	(22,000)	-	-	-	(22,000)	-	-	-	(44,000)
BMO Goodwill Loan (Interest)	24	(12,000)	-	-	-	(12,000)	-	-	-	-	(24,000)
Proposal Trustee & its Counsel's Fees	25	(17,139)	(89,681)	-	(75,000)	-	-	(75,000)	-	-	(256,820)
Restructuring Costs	26	(4,076)	-	-	(7,500)	-	-	(25,000)	-	-	(36,576)
Sales Agent Work Fees	27	-	(7,500)	-	-	-	-	-	-	-	(7,500)
DIP Facility Interest and fees	28	-	-	-	-	-	(25,000)	-	-	-	(25,000)
Contingency	29	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	-	-	-	-	(12,500)
Total Disbursements		(255,427)	(375,787)	(206,420)	(279,418)	(262,653)	(235,598)	(205,940)	(17,823)	(27,695)	(1,866,759)
Projected Weekly Cash Flow		(111,917)	(185,947)	6,020	(95,228)	(44,563)	(172,318)	(205,940)	(17,823)	(27,695)	(855,409)
Cumulative Cash Flow		(111,917)	(297,864)	(291,844)	(387,072)	(431,634)	(603,952)	(809,892)	(827,714)	(855,409)	
Cash Balance											
Opening Cash Position per Bank Statement		400,453	288,536	127,589	133,609	88,381	43,819	(128,499)	(334,439)	(352,262)	400,453
Projected Weekly Cash Flow		(111,917)	(185,947)	6,020	(95,228)	(44,563)	(172,318)	(205,940)	(17,823)	(27,695)	(855,409)
Funding from DIP Facility	30	-	25,000	-	50,000	-	-	-	-	-	75,000
Ending Cash Position		\$ 288,536	\$ 127,589	\$ 133,609	\$ 88,381	\$ 43,819	\$ (128,499)	\$ (334,439)	\$ (352,262)	\$ (379,956)	\$ (379,956)
						Note 31	Note 31	Note 31	Note 31		

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview


The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Estimated new vehicle sales considering the Company's sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle.
- 2 Estimated used vehicle sales considering the Company's sales forecast, sale of trade-in vehicles at auction, taking into account average inventory value, auction sale price, current market conditions, and the cyclical sales cycle. For trade-in vehicles, a two week delay in cash collection from auction is assumed from the trade-in date.
- 3 Other revenue consist of dealer rebates for seasonal promotions, PDI rebates, and new vehicle reserves on vehicle sales.
- 4 Amounts calculated based on historic weekly sales figures and sales mix. It is assumed that the Parts to Service Sales ratio is 2.5:1.5.
- 5 Intercompany transfers to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc.
- 6 Harmonized Sales Tax (HST) collected on receipts.
- 7 Assumed potential lien payout amounts on the forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 8 Relates to used vehicle purchases.
- 9 Majority of parts purchases are billed by Volkswagen at the beginning of each week for the prior week, the forecasted amounts are in line with historical average gross margin on projected parts sales.
- 10 Payroll made up of salaried employee and hourly employee amounts. Employee payroll is administered bi-weekly through an external service provider (inclusive of taxes).
- 11 Continuation of employee benefit plan with the Company's current insurance provider.
- 12 WSIB premium to be paid on a quarterly basis, calculated based on 1.3% of payroll.
- 13 Amount relates to repayment to the Company's corporate credit cards with the Bank of Montreal, which is used to make purchases with vendors/suppliers on COD basis.
- 14 Payment of go-forward vendor payments, consistent with historic average monthly amount.
- 15 Repairs and maintenance amounts for minor repairs that are necessary to maintain the facility.
- 16 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 628 Pitt Street, Cornwall, ON paid to OEM Automotive Cornwall Inc.
- 17 Includes monthly gas, electricity, water, and recurring rent payment for the premises located at 632 Pitt Street, Cornwall, ON paid to OEM Automotive Holdings Inc.
- 18 Current insurance policy premiums are to be paid as scheduled.
- 19 Harmonized Sales Tax (HST) paid on disbursements.
- 20 Harmonized Sales Tax (HST) remittance paid monthly for previous month's net HST amounts.
- 21 Represents the net of principal repayment of floor line financing on new vehicles sold and/or new financing provided to purchase of new and used vehicles.
- 22 Vehicles that have been on the floor plan facility for 12 months may be carried for an additional 3 months, subject to monthly curtailments. Additionally new vehicles are subject to an HST curtailment amount after a minimum of 60 days after the vehicle is received. Amounts in Week 2 is for curtailment of both March and April 2024, as curtailments were delayed in March 2024 by Bank of Montreal to April 2024.
- 23 Estimated based on latest floor line principal balance using Bank of Montreal Prime Rate + 1% as stated its loan agreement.
- 24 Interest expense on the Goodwill loan facility from Bank of Montreal to finance part of the purchase of VW Cornwall. Principal repayments have been paused on this loan.
- 25 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 26 Costs of the Company's and DIP lender's counsel to the date of filing and monthly amounts thereafter.
- 27 Estimated work fee for the Sales Agent related to the Court approved sale process.
- 28 Interest and fees related to DIP financing facility is due at maturity, which is expected to be April 30, 2024 per DIP financing agreement. At maturity, a commitment fee of 5% of maximum amount (\$500,000) will be due.
- 29 Contingency of \$2,500 per week, starting week 3, is assumed to cover unanticipated costs.
- 30 Relates to DIP financing from lender, up to a maximum amount of \$500,000. To date, \$425,000 have been drawn from the facility, with \$75,000 remaining available.
- 31 The anticipated closing date for the Court approved sale process is April 30, 2024 (the "Closing Date"). It is anticipated that all revenue will cease following the Closing Date, with only costs persisting thereafter. According to this Cash Flow Forecast, the remaining cash on hand and available DIP facility can support receipts and disbursements up to the Closing Date. After the Closing Date, proceeds from the sale process and the purchase deposit will be sufficient to cover disbursements. The Trustee is already in possession of the purchase deposit, which is sufficient to cover disbursements after the Closing Date.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner / Senior Vice President

March 26th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE CORNWALL INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024

Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
Receipts	Notes	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	5,900	-	-	-	5,900	-	11,799
Utilities Collected	2	998	-	-	366	-	998	-	366	-	2,728
HST Collected	3	130	-	-	815	-	130	-	815	-	1,889
Total Receipts		1,128	-	-	7,080	-	1,128	-	7,080	-	16,416
Operating Disbursements											
Utilities Payments	4	(998)	-	-	(366)	-	(998)	-	(366)	-	(2,728)
Property Tax	5	(3,687)	-	-	-	(3,654)	-	-	-	-	(7,341)
From / (To) Intercompany	6	-	-	-	-	-	-	-	-	-	-
HST Paid	7	(130)	-	-	(1,023)	-	(130)	-	(1,023)	-	(2,305)
HST Refund (Remittance)	8	-	-	-	4,000	-	-	-	-	-	4,000
Debt Service & Restructuring Costs											
Scheduled Principal & Interest Payment	9	(3,420)	-	-	-	(3,420)	-	-	-	-	(6,840)
Proposal Trustee & its Counsel's Fees	10	-	-	-	(7,500)	-	-	-	(7,500)	-	(15,000)
Restructuring Costs	11	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(8,235)	-	-	(4,889)	(7,074)	(1,128)	-	(8,889)	-	(30,214)
Projected Weekly Cash Flow		(7,107)	-	-	2,192	(7,074)	-	-	(1,808)	-	(13,798)
Cumulative Cash Flow		(7,107)	(7,107)	(7,107)	(4,916)	(11,990)	(11,990)	(11,990)	(13,798)	(13,798)	
Cash Balance											
Opening Cash Position		13,917	6,809	6,809	6,809	9,001	1,927	1,927	1,927	119	13,917
Projected Weekly Cash Flow		(7,107)	-	-	2,192	(7,074)	-	-	(1,808)	-	(13,798)
Ending Cash Position		\$ 6,809	\$ 6,809	\$ 6,809	\$ 9,001	\$ 1,927	\$ 1,927	\$ 1,927	\$ 119	\$ 119	\$ 119

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for the premises located at 628 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on current year's property tax statement.
- 6 Intercompany transfers to OEM Automotive Solutions to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Cornwall Inc.
- 7 Harmonized Sales Tax (HST) paid on disbursements.
- 8 Harmonized Sales Tax (HST) refund (remittance) is paid quarterly. Q1 2024 HST is expected to be filed April 2024 (quarterly filer).
- 9 Debt service payments for mortgage.
- 10 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 11 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE HOLDINGS INC. (THE "COMPANY")
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING MAY 26TH, 2024

Week #		1	2	3	4	5	6	7	8	9	TOTAL
Week Ending		2024-03-31	2024-04-07	2024-04-14	2024-04-21	2024-04-28	2024-05-05	2024-05-12	2024-05-19	2024-05-26	
Receipts	Notes	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Rent	1	-	-	-	8,850	-	-	-	8,850	-	17,699
Utilities Collected	2	-	-	-	657	-	-	-	657	-	1,314
HST Collected	3	-	-	-	1,236	-	-	-	1,236	-	2,472
Total Receipts		-	-	-	10,742	-	-	-	10,742	-	21,485
Operating Disbursements											
Utilities Payments	4	-	-	-	(657)	-	-	-	(657)	-	(1,314)
Property Tax	5	(6,969)	-	-	-	(6,937)	-	-	-	-	(13,906)
From/(To) Intercompany	6	-	-	-	-	-	-	-	-	-	-
HST Paid	7	-	-	-	(215)	-	-	-	(1,255)	-	(1,471)
HST Refund (Remittance)	8	-	-	-	2,600	-	-	-	-	-	2,600
Debt Service & Restructuring Costs											
Scheduled Principal & Interest Payment	9	(6,352)	-	-	-	(6,352)	-	-	-	-	(12,703)
Proposal Trustee & its Counsel's Fees	10	-	-	-	(1,000)	-	-	-	(9,000)	-	(10,000)
Restructuring Costs	11	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(13,321)	-	-	728	(13,289)	-	-	(10,912)	-	(36,794)
Projected Weekly Cash Flow		(13,321)	-	-	11,470	(13,289)	-	-	(170)	-	(15,309)
Cumulative Cash Flow		(13,321)	(13,321)	(13,321)	(1,851)	(15,139)	(15,139)	(15,139)	(15,309)	(15,309)	
Cash Balance											
Opening Cash Position		15,793	2,472	2,472	2,472	13,942	653	653	653	483	15,793
Projected Weekly Cash Flow		(13,321)	-	-	11,470	(13,289)	-	-	(170)	-	(15,309)
Ending Cash Position		\$ 2,472	\$ 2,472	\$ 2,472	\$ 13,942	\$ 653	\$ 653	\$ 653	\$ 483	\$ 483	\$ 483

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

March 26th, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

March 26th, 2024

Date

Notes/Assumptions

- 1 Monthly recurring rent payment collected from the operating company (OEM Automotive Solutions Inc.) for premises located at 632 Pitt Street, Cornwall, ON.
- 2 Payment collected from the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 3 Harmonized Sales Tax (HST) collected on receipts.
- 4 Payment paid on behalf of the operating company (OEM Automotive Solutions Inc.) for gas, electricity and water costs.
- 5 Based on current year's property tax statement.
- 6 Intercompany transfers to OEM Automotive Solutions to cover for professional fees and other operating expenses paid on behalf of OEM Automotive Holdings Inc.
- 7 Harmonized Sales Tax (HST) paid on disbursements.
- 8 Harmonized Sales Tax (HST) remittance is paid quarterly. Q1 2024 HST is expected to be filed April 2024 (quarterly filer).
- 9 Debt service payments for mortgage.
- 10 Costs of the Proposal Trustee and its counsel to the date of filing and thereafter.
- 11 Costs of the Company's counsel to the date of filing and monthly amounts thereafter.



Caroline Bourret
General Manager

March 26th, 2024
Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner /Senior Vice President

March 26th, 2024
Date

Fourth Report of the Proposal Trustee
Appendix “M”

IN THE MATTER OF THE PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND OEM AUTOMOTIVE HOLDINGS INC.
OF THE CITY OF CORNWALL
IN THE PROVINCE OF ONTARIO

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD ENDING JUNE 21ST, 2024

Week #		1	2	3	4	5	TOTAL
Week Ending		2024-05-26	2024-06-02	2024-06-09	2024-06-16	2024-06-21	
		Projected	Projected	Projected	Projected	Projected	
Receipts	Notes						
Asset Realization	1	67,500	84,933	12,000	50,000	24,000	238,433
HST Collected	2	8,775	11,041	1,560	6,500	3,120	30,996
		76,275	95,974	13,560	56,500	27,120	269,429
Operating Disbursements							
Payroll (Including Taxes)	3	(12,500)	-	(7,500)	-	(7,500)	(27,500)
Miscellaneous Vendor Payments	4	-	(7,500)	(7,500)	(5,000)	(5,000)	(25,000)
Contingency	5	(500)	(500)	(500)	(500)	(500)	(2,500)
HST Paid	6	(65)	(1,040)	(1,040)	(715)	(715)	(3,575)
HST Refund (Remittance)	7	-	-	-	-	-	-
Distributions							
DIP Repayment	8	(535,457)	-	-	-	-	(535,457)
Distribution to BMO (OEM Automotive Solutions)	9	-	(4,588,872)	-	-	-	(4,588,872)
Distribution to BMO (Cornwall & Holdings)	10	-	(1,678,254)	-	-	-	(1,678,254)
Distribution to Macdonell (Cornwall & Holdings)	11	-	(1,000,000)	-	-	-	(1,000,000)
Distribution to GrantCo (Cornwall & Holdings)	12	-	(98,450)	-	-	-	(98,450)
Proposal Trustee & its Counsel's Fees	13	-	-	-	-	-	-
Restructuring Costs	14	-	-	-	-	-	-
Trustee in Bankruptcy Retainer (no HST)	15	-	(50,000)	-	-	-	(50,000)
Total Disbursements		(548,522)	(7,424,615)	(16,540)	(6,215)	(13,715)	(8,009,607)
Projected Weekly Cash Flow		(472,247)	(7,328,641)	(2,980)	50,285	13,405	(7,740,178)
Cumulative Cash Flow		(472,247)	(7,800,888)	(7,803,868)	(7,753,583)	(7,740,178)	
Cash Balance							
Opening Cash Position per Final R&D		8,469,883	7,335,636	6,995	4,015	54,300	8,469,883
Projected Weekly Cash Flow		(472,247)	(7,328,641)	(2,980)	50,285	13,405	(7,740,178)
Restricted Cash: Holdback Reserve	16	(662,000)	-	-	-	-	(662,000)
Ending Cash Position		\$ 7,335,636	\$ 6,995	\$ 4,015	\$ 54,300	\$ 67,705	\$ 67,705

Note A. Notes to the Unaudited cash flow forecast of the Company

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Company has relied upon unaudited financial information and the Company has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Company and additional information discussed below with respect to the requirements of a *Bankruptcy and Insolvency Act* (“BIA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Note A. Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Company during the Cash Flow Forecast period. The Company, with the assistance of BDO Canada Limited in its capacity as the proposal trustee of the Company (the “Trustee”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the BIA proceedings.



Caroline Bourret
General Manager

May 21, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner /Senior Vice President

May 21, 2024

Date

Notes/Assumptions

- 1 Estimated asset realizations on vehicles sold through Volkswagen Credit, vehicles sold but receipt outstanding, vehicles to be purchased by C. Bourret, and any other uncollected receivables. Any amounts owed from Volkswagen Canada (warranty claims) are assumed to be received 90 days after April 30, 2024.
- 2 Harmonized Sales Tax (HST) collected on receipts.
- 3 Payroll made up of salaries for C. Bourret and hourly for the controller helping with the clean up of HST filings and other accounting matters. Employee payroll is administered bi-weekly through an external service provider (inclusive of taxes). The week 1 payroll also includes the payroll of certain other employees that were not taken by the Purchaser but later laid-off/terminated by the Companies or who resigned. Any amounts paid should reduce the D&O Charge accordingly.
- 4 Payment of outstanding post-filing vendor payments.
- 5 Contingency of \$500 per week is assumed to cover unanticipated costs.
- 6 Harmonized Sales Tax (HST) paid on disbursements.
- 7 Harmonized Sales Tax (HST) is expected to be in a refund position once figures are finalized and submitted, the refund is assumed to occur outside of the cash flow period pending the
- 8 Relates to DIP financing from BMO up to a maximum amount of \$500,000. The repayment amount is inclusive of fees and interest, and is allocated as 70% repaid by OEM Automotive Solutions Inc., and the rest repaid by OEM Automotive Cornwall Inc., and OEM Automotive Holdings Inc.
- 9 Relates to the proposed Court approved interim distribution to be paid to BMO from OEM Automotive Solutions Inc. for floor plan balance, goodwill loan, BDO advisor fee, and BMO
- 10 Relates to the proposed Court approved interim distribution to be paid to BMO from OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. for mortgage and BDO advisor fee, plus any shortfalls to BMO's security on OEM Automotive Solutions Inc.
- 11 Relates to the proposed Court approved interim distribution to be paid to G. MacDonell for the vendor take back loan from OEM Automotive Cornwall Inc. and OEM Automotive Holdings
- 12 Relates to the proposed Court approved interim distribution to be paid to GrantCo with left over proceeds in OEM Automotive Holdings Inc. and OEM Automotive Cornwall Inc.
- 13 Costs of the Proposal Trustee and its counsel is assumed \$Nil as it will be paid out of the Admin. Charge.
- 14 Costs of the Company's counsel is assumed \$Nil as it will be paid out of the Admin. Charge.
- 15 Retainer to be paid to BDO Canada Limited to fund its fees and costs for the Bankruptcy proceedings.
- 16 Reserve set aside to cover various expenses such as Admin. Charge, D&O Charge, purchase price adjustment, bankruptcy costs, and Trust claims.



Caroline Bourret
General Manager

May 21, 2024

Date



Clark Lonergan, CPA, CA, CIRP, LIT
Partner/Senior Vice President

May 21, 2024

Date

Fourth Report of the Proposal Trustee
Appendix “N”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

BDO CANADA LIMITED,

solely in its capacity as the proposal trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc., and not in its personal capacity or in any other capacity

- and -

**MARK MOTORS OF OTTAWA (1987) LIMITED AND
MRAK HOLDINGS INC.**

Dated: March 27, 2024

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 27th day of March, 2024.

BETWEEN:

BDO CANADA LIMITED,

solely in its capacity as the proposal trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc.,
and not in its personal capacity or in any other capacity

(in such capacity, the “**Proposal Trustee**”)

- and -

**MARK MOTORS OF OTTAWA (1987) LIMITED AND
MRAK HOLDINGS INC.**

(collectively, the “**Purchaser**”)

WHEREAS OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”) and OEM Automotive Holdings Inc. (“**Holdings**”) (collectively, the “**Debtors**”) each filed a notice of intention to make a proposal (“**NOIs**”) pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) on December 22, 2023, pursuant to which BDO Canada Limited (“**BDO**”) was named as the proposal trustee (the “**Proposal Trustee**”);

AND WHEREAS the Debtors primarily operate as an automobile dealership under the style name of “Cornwall Volkswagen”;

AND WHEREAS Cornwall operates as a real estate holding company which owns the real property located at 628 Pitt Street, Cornwall, Ontario (the “**Body Shop Property**”) and Solutions operates as an automotive body shop from the Body Shop Property;

AND WHEREAS Holdings operates as a real estate holding company which owns the real property located at 632 Pitt Street, Cornwall, Ontario (the “**Dealership Property**”, together with the Body Shop Property, the “**Real Property**”) and Solutions operates the Cornwall Volkswagen dealership from the Dealership Property;

AND WHEREAS a sale and investment solicitation process with respect to the assets and business of the Debtors (the “**Sale Process**”) and the expansion of the Proposal Trustee’s powers were both, among other things, approved pursuant to an Order of the Honourable Justice A. Kaufman of the Ontario Superior Court of Justice (In Bankruptcy & Insolvency) (the “**Court**”) made on January 17, 2024 (the “**Sale Process Order**”);

AND WHEREAS pursuant to the provisions of the Sale Process Order, the Proposal Trustee has the power to, amongst other things, sell the Property (as defined in the Sale Process

Order) or any part or parts thereof out of the ordinary course of business with the approval of the Court;

AND WHEREAS the time referenced in section 50.4(9) of the BIA currently expires on April 14, 2024, and the Court is not authorized pursuant to section 50.4(9) of the BIA to extend the time referenced in such section beyond on or about June 21, 2024;

AND WHEREAS the Purchaser wishes to purchase the Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

“Accounts Receivable” means all those accounts receivable, trade accounts receivable, notes receivable, book debts or other debts owing to the Debtors as at the Closing Date;

“Accounts Payable” means all amounts relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

“Agreement” means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **“article”**, **“section”** or **“schedule”** mean the specified article, section of, or schedule to this Agreement and the expressions **“hereof”**, **“herein”**, **“hereto”**, **“hereunder”**, **“hereby”** and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

“Approval and Vesting Order” means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the respective Purchaser all of the Debtors' right, title and interest, if any, in and to the respective Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as **Schedule “A”** hereto;

“Assignable Assets” has the meaning given in section 3.1(3) herein;

“Assumption Agreement” has the meaning given in section 15.10 herein;

“BIA” has the meaning set out in the recitals hereof;

“Body Shop Property” has the meaning set out in the recitals hereof;

“Books and Records” means the files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been delivered by the Proposal Trustee to the Purchaser at or before Closing;

“Business” means the business carried on or previously carried on by the Debtors, primarily as an automobile dealership under the style name “Cornwall Volkswagen”;

“Business Day” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

“Claims” means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtors or the Purchased Assets, and **“Claim”** means any one of them;

“Closing” means the successful completion of the Transaction;

“Closing Date” means, unless otherwise agreed in writing by the Parties, the date that is the later of: (i) April 30, 2024; (ii) the first Business Day following the date that is 10 days following the date on which the Approval and Vesting Order is issued by the Court; and (iii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined;

“Closing Employees” has the meaning given in section 3.4 herein;

“Closing Time” means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

“Consents and Approvals” means the consents and approvals of all relevant third parties;

“Contracts” means, except for the Excluded Contracts, all of the contracts, licences, dealership licences or agreements, leases, subleases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtors are a party, the Debtors conduct Business or by which the Debtors, in their capacity as owner of the Purchased Assets are bound;

“Court” has the meaning set out in the recitals hereof;

“**Customer Contracts**” means any and all unfilled orders, commitments and other engagements entered into between any of the Debtors and one or more third parties relating to the sale of vehicles or vehicle parts and accessories or the provision of vehicle maintenance or repair services by any of the Debtors to such third parties in the ordinary course of the Business;

“**Dealership Property**” has the meaning set out in the recitals hereof;

“**Debtors**” have the meaning set out in the recitals hereof;

“**Deferred New Vehicles**” means undamaged new model vehicles used in the Business by the Debtors as at the close of Business on the Closing Date for which Volkswagen Canada or Volkswagen Group Canada Inc. (either, the “**Manufacturer**”) has invoiced the Debtors’ lender for the respective vehicle;

“**Demonstrator Vehicles**” means undamaged New Vehicles used in the Business by the Debtors as at the close of Business on the Closing Date for demonstration purposes and which has not been registered as sold vehicles with the Manufacturer;

“**Deposit**” has the meaning given in section 4.2 herein;

“**DIP Documents**” include: (i) the debtor-in-possession financing term sheet dated January 8, 2024 between the Debtors, as borrowers, and the DIP Lender, as lender; and (ii) the court-ordered priority interim financing charge over the Property in favour of the DIP Lender pursuant to the Sale Process Order;

“**DIP Lender**” means the Bank of Montreal;

“**Election**” has the meaning given in section 5.1 herein;

“**Employees**” has the meaning given in section 3.4 herein;

“**Employment Legislation**” means any and all Applicable Law applicable to employees, including without limitation employment standards legislation, labour relations legislation, human rights legislation, occupational health legislation, workers' compensation legislation and employment pension legislation;

“**Encumbrances**” means all liens, charges, security interests, pledges, title retention agreements, mortgages, charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein and any restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances affecting title to the Purchased Assets;

“**Environmental Results**” means the Remediation/Management Option Evaluation and Cost Estimate Letter from Pinchin Ltd. regarding the Real Property;

“**ETA**” means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

“Excluded Assets” means all the Debtors’ right, title and interest in and to the Property other than the Purchased Assets, which Excluded Assets include the Debtors’ right, title and interest, if any, in and to the following:

- (a) any of the Debtors’ cash or cash equivalents;
- (b) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtors that do not relate exclusively or primarily to any of the Purchased Assets;
- (c) the benefit of any refundable Taxes payable or paid by the Debtors in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtors to any refund, rebate, or credit of Taxes for the period prior to the Closing Date;
- (d) the Accounts Receivable;
- (e) the interest of the Debtors in any litigation and in the proceeds of any judgement or order thereof (including the Litigation Claim);
- (f) the interest of the Debtors in any insurance policies, including any cash surrender value thereof;
- (g) those tools used by mechanics employed in the Business which are owned by the mechanics;
- (h) individual New Vehicles and/or Used Vehicles for which the Purchaser and the Proposal Trustee cannot agree on its value;
- (i) Work in Progress; and
- (j) the Excluded Contracts.

“Excluded Contracts” mean: (i) the DIP Documents;

“Excluded Employees” are employees or former employees of the Debtors that are not or will not be employed by the Purchaser at the Closing Date;

“Excluded Liabilities” has the meaning given in section 3.3 herein;

“Governmental Authority” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative,

policy, regulatory or taxing authority or power, and “**Governmental Authority**” means any one of them;

“**HST**” means harmonized sales tax imposed under Part IX of the ETA;

“**Interim Period**” means the period from and including the date of this Agreement to and including the Closing Date;

“**ITA**” means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

“**Licence Rights**” means all licences and distribution rights relating to the Business;

“**Litigation Claim**” means the outstanding Judgment of the Ontario Superior Court of Justice, Court File No. CV-23-00091216-0000, with the style of cause: *Seaway Auto Group Inc. and OEM Automotive Solutions Inc. and Cameron Grant, 11678833 Canada Inc. and Christopher Grant*, made on June 28, 2023, in favour of Seaway Auto Group Inc. and OEM Automotive Solutions Inc. against Cameron Grant, 11678833 Canada Inc. and Christopher Grant, in the approximate amount of \$573,000 plus pre-judgment and post-judgment interest, costs, disbursements, fees and expenses;

“**Manufacturer**” means Volkswagen Canada, Volkswagen Group Canada Inc. or a related company;

“**Net Price**” means with respect to New Vehicles, Deferred New Vehicles, and Demonstrator Vehicles, the factory invoice cost for such New Vehicles, Deferred New Vehicles or Demonstrator Vehicles, as the case may be, plus accepted dealer installed accessories at new car department cost, less any manufacturer rebates and allowances which have been received or which are payable to the Debtors;

“**New Vehicles**” means 2023 and 2024 models which are undamaged [with less than two hundred (200) kilometers] and which have not been registered as sold vehicles with the Manufacturer comprising part of the Debtor's inventory of vehicles as at the close of business on the Closing Date;

“**Notice**” has the meaning given in section 15.3 herein;

“**Obsolete Inventory**” means all Manufacturer parts and accessories which are more than twelve (12) months old from April 1, 2024. Obsolete Inventory shall also include parts and accessories which were not initially provided by the Manufacturer and includes operating supplies such as cleaning materials, washer fluid, brake cleaner, and other automotive related supplies;

“**OMVIC**” means the Ontario Motor Vehicle Industry Council;

“**Parties**” means the Proposal Trustee and the Purchaser;

“**Parts and Accessories**” means the current new parts and accessories comprising part of the Debtor's inventory at the close of business on the Closing Date but specifically excludes Obsolete Inventory;

“Permits” means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Purchased Assets;

“Permitted Encumbrances” means all those Encumbrances described in **Schedule “B”** hereto;

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

“Property” has the meaning set out in the recitals hereof including all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate;

“Proposal Trustee” has the meaning set out in the recitals hereof;

“Proposal Trustee’s Certificate” has the meaning set out in section 6.3 herein;

“Purchase Price” has the meaning set out in section 4.1 herein;

“Purchased Assets” means all of the Debtors’ right, title and interest in and to the Property other than the Excluded Assets and the Excluded Liabilities, which Purchased Assets include the Debtors’ right, title and interest, if any, in and to the following:

- (k) the Real Property;
- (l) all New Vehicles, Deferred New Vehicles and Demonstrator Vehicles of the Business as at the Closing Date;
- (m) all Used Vehicles which have been identified by the Debtors and the Purchaser to be included in the Purchased Assets not less than fifteen (15) Business Days prior to the Closing Date. In the event that the Debtors and the Purchaser have not specifically identified a Used Vehicle to be included in the Purchased Assets, such Used Vehicle shall be an Excluded Asset;
- (n) the Parts and Accessories inventory of the Business as of the Closing Date;
- (o) Customer Contracts;
- (p) the Contracts, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;
- (q) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Contracts or Customer Contracts;
- (r) the Permits and Licence Rights, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;

- (s) all machinery, equipment, tools, furniture, furnishings, computer hardware and other miscellaneous items used in or relating to the Business but specifically excluding those tools owned by the mechanics of the Business (the “**Equipment**”);
- (t) all right, title and interest of the Debtors in and under leases of equipment used or relating to the Business that are assignable and subject to the Purchaser's review and acceptance of such contracts or leases prior to the Closing Date;
- (u) the goodwill of the Business (the “**Goodwill**”); and
- (v) the Warranty Rights.

“**Purchaser**” means collectively Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”) and/or the Purchasers’ designee defined or identified in the Approval and Vesting Order;

“**Real Property**” has the meaning set out in the recitals hereof and particularly means the the real property municipally known as 632 Pitt Street, Cornwall, Ontario, legally described as Part Lot 16 South Side Seventh Street Plan Cornwall, Parts 1 and 2, 52R4375; City of Cornwall (PIN 60180 - 0282 LT) and the real property municipally known as 628 Pitt Street, Cornwall, Ontario, legally described as Part Lot 16 South Side Seventh Street Plan Cornwall, Part 2, 52R2252; Cornwall (PIN 60180 - 0067 LT);

“**Rights**” has the meaning given in section 3.1(3) herein, but only has such meaning in such section;

“**Sale Process Order**” has the meaning set out in the recitals hereof;

“**Taxes**” means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

“**Third Party**” has the meaning given in section 3.1(3) herein;

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement;

“**Used Vehicles**” means the unsold vehicles, if any, (together with all options thereon) comprising part of the Debtor's inventory of vehicles at the close of Business on the Closing Date that are not New Vehicles, Deferred New Vehicles or Demonstrator Vehicles;

“**Warranty Rights**” means the full benefit of all warranties, warranty rights, performance bonds and indemnities (implied, express or otherwise) of the Debtors against manufacturers, contractors or any other Person which apply to the Purchased Assets, but only to the extent that the same are capable of being assigned; and

“**Work in Progress**” means all unbilled service, body work and parts supplied to a customer or performed on or added to a customer’s vehicle and includes sublet repairs that is not more than 30 days old on the Closing Date, other than Work in Progress that has not been completed due to a delay in Solutions receiving the required parts needed to complete the Work in Progress

ARTICLE 2 SCHEDULES

2.1 Schedules.

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Sale Process Order

ARTICLE 3 AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets.

- (1) Relying on the representations and warranties herein and the powers granted to it by, amongst other things, the Sale Process Order, the Proposal Trustee hereby agrees to sell, assign, convey and transfer the Real Property to Mrak Holdings and the Purchased Assets save and except the Real Property to Mark Motors, and Mrak Holdings hereby agrees to purchase the Real Property and Mark Motors hereby agrees to purchase the Purchased Assets save and except the Real Property, free and clear of all Encumbrances other than the Permitted Encumbrances.
- (2) Upon the Closing, the Proposal Trustee shall hereby remise, release and forever discharge all of its rights, claims and demands whatsoever in the Purchased Assets.
- (3) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this section 3.1(3), collectively, the “**Rights**”) under any Permits, Licence Rights, Warranty Rights, Customer Contracts, Contracts, automobile and equipment leases or lease portfolios in relation to the Business or Consents and Approvals (collectively, the “**Assignable Assets**”) that form part of the Purchased Assets and which are not assignable by the Proposal Trustee to the Purchaser without the required consent and/or approval of the other party or parties thereto (collectively, the “**Third Party**”). To the extent any such consent is required and not obtained by the Proposal Trustee or Purchaser prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (a) the Proposal Trustee will, at the request, direction and sole cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and on a commercially reasonable best-efforts basis, in applying for and obtaining all Third Party consents

and/or approvals required to assign the Assignable Assets to the Purchaser in a form satisfactory to the Proposal Trustee and the Purchaser, acting reasonably, and take such actions and do such things as may be reasonably and lawfully designed to attempt to provide the benefits of the Assignable Assets to the Purchaser, including holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment;

- (b) the Proposal Trustee will only deal with or make use of such Rights in accordance with the directions of the Purchaser; and
 - (c) in the event that the Proposal Trustee receives funds with respect to those Assignable Assets, the Proposal Trustee will promptly pay over to the Purchaser all such funds collected by the Proposal Trustee, net of any outstanding costs provided in subsection (a) above.
- (4) The Proposal Trustee acknowledges that Mrak Holdings will take title to the Real Property and that Mark Motors will take title to the Purchased Assets save and except the Real Property.

3.2 Excluded Assets.

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities.

With the exception of the Permitted Encumbrances, the Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Debtors or the Proposal Trustee or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Purchased Assets or the Debtors' ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Debtors arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;
- (b) any liability, obligation or commitment associated with the Accounts Payable or any employees of the Debtors;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and

- (e) any liability, obligation or commitment of the Debtors in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

3.4 Employees

- (a) The Debtors shall be responsible for the payment of all remittances and all accrued or earned and outstanding compensation owing to the employees of the Debtors (the "**Employees** ") up to the day preceding the Closing Date in accordance with the Applicable Law including the Employment Legislation and BIA, including without limitation, any salary, wages, overtime, holiday pay, benefits, commissions, bonuses, and incentive payments owing pursuant to their employment agreements.
- (b) The Purchaser shall have the opportunity to interview all Employees on or before the Closing Date in order to select which Employees it wishes to offer continued employment to. The Purchaser shall offer continued employment to all Employees of the Debtors, other than to the Excluded Employees, the current dealer principal and family members of the current dealer principal, who are employed by the Debtors on the Closing Date on comparable terms and conditions of employment, by offering each of those Employees a position, compensation and benefits that are comparable in the aggregate to those provided to the Employees, and recognizing the Employees' years of service with the Debtors.
- (c) The Purchaser will recognize the service of the Closing Employees, as hereinafter defined up to the Closing Date as if such service had occurred with the Purchaser. The Purchaser will, on the Closing Date, provide to the Proposal Trustee a list of the Employees who did not accept the Purchaser's offer of employment, and the Employees who accept the Purchaser's offer of employment are referred to herein as the "**Closing Employees**".
- (d) The Debtors shall be liable in accordance with the Applicable Law including the Employment Legislation and BIA for the payment of wages, salaries, bonuses, pension, or other benefits, severance pay, notice, or pay in lieu of notice, and holiday pay, up to the day preceding the Closing Date in respect of all Excluded Employees and all of the Employees who did not accept the Purchaser's offer of employment.
- (e) The Purchaser shall be liable in accordance with the Applicable Law including the Employment Legislation and BIA for the payment of wages, salaries, bonuses, pension, or other benefits, severance pay, notice, or pay in lieu of notice, and holiday pay for the Closing Employees from Closing Date forward, and the Purchaser shall indemnify and save the Debtors harmless from and against all claims, demands, suits, actions, causes of actions, losses, damages, costs and expenses which may be brought against the Debtors by any Closing Employees pertaining to matters from the Closing Date forward. This indemnity shall survive Closing.

- (f) Effective as of the Closing Date, the Closing Employees shall cease participation in any Debtors' Benefit Plans. Also, effective as of the Closing Date, the Purchaser shall establish or cause to be established Benefit Plans for the Closing Employees that are substantially equivalent (or better) to the Debtors' applicable Benefit Plans, as disclosed to the Purchaser as being provided to Employees immediately prior to the Closing Date. Closing Employees shall commence participation in the Purchaser's benefit plan effective as of the Closing Date.
- (g) In respect to the Closing Employees, the Purchaser's benefit plan shall be responsible for all claims based on facts arising after the Closing Date, regardless of when filed or reported. The Debtors' Benefit Plan, if applicable, shall remain responsible for all claims based on facts arising before the Closing Date, regardless of when filed or reported.

ARTICLE 4

PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

- (1) The purchase price for the Purchased Assets shall be determined based on the aggregate of the following, subject to adjustments provided for in this Agreement (collectively, the **"Purchase Price"**).
- (2) The Purchase Price payable by the Purchaser to the Proposal Trustee for the Purchased Assets will be the aggregate of the following amounts:
 - (a) Three Million Four Hundred Thousand Dollars (\$3,400,000) to be allocated to the Real Property;
 - (b) Two Million Eight Hundred Thousand Dollars (\$2,800,000) to be allocated to the Goodwill of the Business;
 - (c) the New Vehicles and Deferred New Vehicles, at an amount equal to the Net Price for each New Vehicle and Deferred New Vehicle; provided, for greater certainty, the Purchaser shall not be required to purchase previously registered New Vehicles;
 - (d) the Demonstrator Vehicles, at an amount equal to the Net Price for each Demonstrator Vehicle less depreciation of an amount agreed upon by the Parties; provided, if a Demonstrator Vehicle has been previously registered, the Purchase Price shall be reduced by an amount agreed upon by the Parties;
 - (e) the Used Vehicles, at an amount agreed by the Parties acting reasonably for each such Used Vehicle at the time such Used Vehicle is identified as forming part of the Purchased Assets in accordance with this Agreement;

- (f) the Parts and Accessories, at an amount equal to the Debtors' invoice cost for such Parts and Accessories, provided that such Parts and Accessories shall not include Obsolete Inventory, it being understood and agreed that the Purchase Price payable by the Purchaser for the Obsolete Inventory shall be at an amount to be negotiated by the Parties;
- (g) the Equipment used in or relating to the Business, shall be at an amount to be negotiated by the Parties; and
- (h) for the remaining Purchased Assets, at an amount to be negotiated by the Parties.

4.2 Deposit.

- (1) The Parties agree and acknowledge that the Purchaser paid to the Proposal Trustee in accordance with the Sale Process a non-refundable deposit in immediately available funds equal to the greater of: an amount of not less than 10% of the Purchase Price or Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "**Deposit**"), which Deposit shall be held in accordance with the provisions of the Sale Process and this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.
- (2) The Parties agree and acknowledge that the Proposal Trustee has caused the Deposit to be placed in a non-interest bearing account and shall be credited to the Purchaser on the Closing Date.

4.3 Satisfaction of Purchase Price.

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the remainder of the Purchase Price, being the net amount owing after deducting the Deposit from the Purchase Price and subject to the adjustments contemplated in sections 4.5 and 15.22 hereof, shall be paid by the Purchaser to the Proposal Trustee on Closing.

4.4 Allocation of Purchase Price.

The Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price amongst the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation. At minimum, the allocation of the Purchase Price shall include an allocated amount or price for each of the following Purchased Assets: Body Shop Property; Dealership Property; New Vehicles; Used Vehicles; Parts & Accessories; Equipment; and Goodwill.

4.5 Adjustment of Purchase Price.

- (1) The Purchase Price shall be adjusted as of the Closing Time in a manner and amount to be agreed upon by the Parties, acting reasonably, for any property taxes (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court-supervised sale, including, without limitation, prepaid rent and security deposits (if any). The Proposal Trustee shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination.
- (2) Following the physical count by the Parties to occur not later than two days prior to the Closing Date, the Purchase Price shall be adjusted, if necessary, by the actual value of New Vehicles, Deferred New Vehicles, Demonstrator Vehicles, Used Vehicles, Parts and Accessories and any other Purchased Assets calculated in accordance with Section 4.1 above and such other adjustments as may be necessary to reflect the accurate amounts of the value of the Purchased Assets, all as set out in Section 4.1 above and shall make such other adjustments as are customary in transactions of a similar nature, including adjustment for assumed Contracts, customer deposits or other liabilities, if applicable, of the Debtors for the period prior to Closing. The Parties agree that any payment required to be made by one party to the other for adjustments pursuant to this section shall be made within ten (10) Business Days following agreement on such adjustments.
- (3) If the Proposal Trustee and Purchaser cannot resolve all matters that may be in dispute with respect to such post-closing adjustments as described in this section within ninety (90) days of the Closing Date, then all unresolved matters will be submitted to an Arbitrator to be agreed jointly by the Purchaser's and Proposal Trustee's counsel (the "**Arbitrator**") for resolution. Each of the parties warrants and represents that it does not currently engage the Arbitrator as its accountant or auditor or consultant. The Arbitrator will be given access to all materials and information reasonably requested by it for such purposes. The rules and procedures to be followed in the arbitration proceedings will be determined by the Arbitrator in its discretion. The Arbitrator will make its determination as soon as practical and, in any case, within thirty (30) days of the matter being submitted to it. The Arbitrator's determination of all such matters will be final and binding on all parties and will not be subject to appeal by any party. The fees and expenses of the Arbitrator will be borne by the party whose position prior to Arbitration was further away from the Arbitrator's decision.
- (4) Other than as provided for in this section 4.5 and section 15.22 hereof, there shall be no adjustments to the Purchase Price.

ARTICLE 5 TAXES

5.1 Taxes.

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. The Proposal Trustee will not collect HST if the Purchaser provides to the Proposal Trustee a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Proposal Trustee in respect of any HST payable. At the option and request of the Purchaser, the Purchaser and the Proposal Trustee shall elect jointly under subsection 167(1) of the *Excise Tax Act* (Canada) in the form prescribed for the purposes of that subsection (the “**Election**”), in respect of the sale and transfer of the Purchased Assets. The Purchaser shall file the Election with its HST return for its reporting period that includes the Closing Date. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing and Closing Procedure.

Closing shall take place at the Closing Time on the Closing Date by means of an electronic Closing in which the Closing deliverables will be delivered by e-mail exchange of signature pages in PDF or functionally equivalent electronic format, which delivery will be effective without any further physical exchange of the originals or copies of the originals, or at such other time or at such other place as the Parties may agree in writing.

6.2 Tender.

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 Proposal Trustee’s Closing Deliverables.

The Proposal Trustee covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (1) a copy of the issued and entered Approval and Vesting Order and the attached Proposal Trustee’s Certificate;
- (2) a statement of adjustments prepared in accordance with section 4.5 hereof;

- (3) an undertaking by the Proposal Trustee to readjust the adjustments set out in section 4.5 hereof;
- (4) an assignment and assumption agreement for all Warranty Rights, Permits, Contracts, Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;
- (5) a certificate from the Proposal Trustee, dated as of the Closing Date, certifying (collectively, the **“Proposal Trustee’s Certificate”**):
 - (a) that, except as disclosed in the certificate, the Proposal Trustee has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;
 - (b) that all representations, warranties and covenants of the Proposal Trustee contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (c) the non-merger specified in section 15.2 and elsewhere herein.
- (6) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.1 hereof has been fulfilled, performed or waived as of the Closing Time; and
- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, Applicable Law or any Government Authority.

6.4 Purchaser’s Closing Deliverables.

The Purchaser covenants to execute, where applicable, and deliver the following to the Proposal Trustee at Closing or on such other date as expressly provided herein:

- (1) the indefeasible payment and satisfaction in full of the Purchase Price according to section 4.3 hereof;
- (2) an undertaking by the Purchaser to readjust the adjustments set out in section 4.5 hereof;
- (3) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.3 hereof has been fulfilled, performed or waived as of the Closing Time;
- (4) an assignment and assumption agreement for all Warranty Rights, Permits, Contracts, Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;
- (5) a certificate from the Purchaser, dated as of the Closing Date, certifying:

- (a) that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
- (b) the non-merger specified in section 15.2 and elsewhere herein;
- (6) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof; and
- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Proposal Trustee, acting reasonably, Applicable Law or any Government Authority.

6.5 Proposal Trustee's Certificate.

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Proposal Trustee of all of the conditions contained in section 7.1, the Proposal Trustee shall forthwith deliver to the Purchaser the Proposal Trustee's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 7 CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Proposal Trustee.

The obligation of the Proposal Trustee to complete the Transaction is subject to and conditional upon the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;
- (4) there shall be no Claim, litigation or proceedings commenced after the date of the Sale Process Order, or order issued by a Governmental Authority after the date of the Sale Process Order, against either of the Parties for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (5) the Purchaser or Mark Motors shall take all reasonable steps on a timely basis to apply for the requisite approvals of the Manufacturer (i.e., Volkswagen Canada or Volkswagen Group Canada Inc.) and OMVIC (the Ontario Motor Vehicle Industry Council); and

- (6) the Court shall have issued the Approval and Vesting Order.

7.2 Conditions in Favour of Proposal Trustee Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Proposal Trustee, then the Proposal Trustee may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

- (1) terminate this Agreement by notice to the Purchaser, in which event the Proposal Trustee shall be released from its obligations under this Agreement to complete the Transaction; or
- (2) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

7.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject to and conditional upon the satisfaction of the following conditions on or before the Closing Date (or on or before such other date as specified below):

- (1) all the representations and warranties of the Proposal Trustee contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Proposal Trustee under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Proposal Trustee;
- (3) the Proposal Trustee shall have complied with all the terms contained in this Agreement applicable to the Proposal Trustee prior to the Closing Date;
- (4) there shall be no Claim, litigation or proceedings commenced after the date of the Sale Process Order, or order issued by a Governmental Authority after the date of the Sale Process Order, against either of the Parties for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (5) the Manufacturer shall have approved the Purchaser or Mark Motors as a dealer authorized to sell and service the Manufacturer's vehicles from the Dealership Property and Body Shop Property, such approval to be on terms and conditions satisfactory to the Purchaser or Mark Motors. Such approval shall be evidenced by the execution and delivery of the applicable dealer agreement between the Manufacturer and the Purchaser or Mark Motors or on an acceptable form of letter of intent to enter into the dealer agreement;
- (6) OMVIC shall have approved the application for registration of the Purchaser or Mark Motors; and

- (7) the Court shall have issued the Approval and Vesting Order.

7.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date (or such other date as referenced in section 7.3 hereof) and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (1) terminate this Agreement by notice to the Proposal Trustee, in which event the Purchaser and the Proposal Trustee shall be released from their obligations under this Agreement to complete the Transaction; or
- (2) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 8 REPRESENTATIONS & WARRANTIES OF THE PROPOSAL TRUSTEE

The Proposal Trustee represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (1) the Proposal Trustee has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Proposal Trustee, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Proposal Trustee enforceable in accordance with its terms;
- (2) the Court has granted to the Proposal Trustee the full right, power and authority to enter into this Agreement, perform its obligations hereunder, and convey the Purchased Assets to the Purchaser; and
- (3) the Proposal Trustee and the Debtors are not non-residents of Canada for the purposes of the ITA.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Proposal Trustee as follows, with the knowledge and expectation that the Proposal Trustee is placing complete reliance thereon and, but for such representations and warranties, the Proposal Trustee would not have entered into this Agreement:

- (1) each Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;

- (2) each Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchasers' constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (3) each Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (4) each Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 10 COVENANTS

10.1 Mutual Covenants.

Each of the Proposal Trustee and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 7 hereof.

10.2 Proposal Trustee Covenants.

The Proposal Trustee hereby covenants and agrees that, from the date hereof until Closing, it shall take all such actions as are necessary to provide to the Purchaser all necessary information in respect of the Debtors and the Purchased Assets reasonably required to complete the applicable Election or tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

10.3 Purchaser Covenants.

- (a) The Purchaser hereby covenants and agrees that, except as expressly contemplated in this Agreement, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Proposal Trustee all necessary information in respect of the Purchaser reasonably required to complete the applicable Election

or tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

- (b) The Purchaser hereby covenants and agrees that it will receive the Accounts Receivable of the Debtors in trust and will provide the same to the Debtors. The Purchaser will use best efforts on a commercially reasonable basis to collect the Debtors' Accounts Receivable for a period of 180 days after the Closing, but the Purchaser will have no obligation to spend any money on such collections or commence, participate in or conclude any action or proceeding with respect to such collection.

ARTICLE 11

POSSESSION AND ACCESS PRIOR TO CLOSING

11.1 Possession of Purchased Assets.

At the Closing Time, the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Proposal Trustee has waived all the delivery requirements outlined in section 7.1 hereof.

11.2 Examination of Title and Access to the Purchased Assets.

- (1) The Purchaser acknowledges and agrees that it shall, at its own cost and expense (regardless of results), examine title to the Purchased Assets and the Real Property, and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Purchased Assets and the Real Property, satisfy itself as to the use of the Purchased Assets and the Real Property being in accordance with applicable zoning requirements and satisfy itself that any and all buildings and structures on the Real Property may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions in regard to any outstanding work orders, deficiency notices or orders to comply issued by any Government Authorities. The Purchaser further acknowledges and agrees that it shall not call upon the Proposal Trustee to produce any title deed, abstract of title, survey or other evidence of title that is not within the Proposal Trustee's possession or control.
- (2) Subject to the rights of any occupants of the Real Property, the Purchaser and its agents and representatives may have reasonable access to the Purchased Assets and the Real Property during normal business hours in the Interim Period for the purpose of enabling the Purchaser, at its sole cost and expense (regardless of results), to conduct such non-destructive, non-invasive inspections of the Purchased Assets and the Real Property as it deems appropriate, provided that such inspections shall not unduly interfere (and the Purchaser undertakes to use its best efforts, which the Purchaser represents and warrants shall not be less than reasonable commercial efforts, not to so interfere) with the use,

operation and enjoyment of the Purchased Assets, Business or the Real Property. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Governmental Authority. Such inspection may, if the Proposal Trustee so desires, be conducted in the presence of a representative of the Proposal Trustee.

- (3) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Purchased Assets or the Real Property conducted by the Purchaser or its authorized representatives, as outlined above, and to return the Purchased Assets and the Real Property to substantially the condition same were in prior to such inspections. The Purchaser covenants and agrees to indemnify and save the Proposal Trustee harmless from and against all losses, costs, claims, third party claims, damages, expenses (including actual legal costs) which the Proposal Trustee may suffer as a result of the inspection of the Purchased Assets or the Real Property conducted by the Purchaser or its authorized representatives, as outlined above.

11.3 Risk.

- (1) The Purchased Assets shall be at the risk of the Purchaser from and after Closing.
- (2) If, prior to Closing, the Real Property is substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Proposal Trustee of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Real Property exceeds 15% of the total Purchase Price (inclusive of the Deposit).
- (3) If, prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Proposal Trustee shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three Business Days after the Purchaser receives Notice in writing from the Proposal Trustee of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Proposal Trustee or Debtors to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights

and obligations of the Proposal Trustee and the Purchaser in this Agreement (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and any Deposit paid by the Purchaser to the Proposal Trustee shall be returned to the Purchaser forthwith.

ARTICLE 12 AS IS, WHERE IS

12.1 Condition of the Purchased Assets.

The Purchaser acknowledges that the Proposal Trustee is selling and the Purchaser is purchasing the Purchased Assets on an “*as is, where is*” and “*without recourse*” basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Proposal Trustee nor the Debtors have guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental state or compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets including the Real Property, or the right of the Proposal Trustee to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Proposal Trustee concerning the accuracy of such description.

12.2 Environmental Condition of the Purchased Assets

Without limiting the generality of the foregoing section 12.1, the Purchaser acknowledges and agrees that:

- (1) all materials or information in relation to the Purchased Assets, including the Real Property, provided to the Purchaser by the Proposal Trustee or any person on behalf of the Proposal Trustee (the “**Materials**”), (including, without restriction, the Environmental Results) are submitted to the Purchaser for information purposes only and the Proposal Trustee does not and shall not make any representation or warranty whatsoever as to the accuracy of the information contained in the Materials, the completeness of the Materials, or the environmental or any other condition of the Purchased Assets including the Real Property and, in the absence of a reliance letter, the Purchaser shall not be entitled to rely on any reports contained in the Materials;

- (2) notwithstanding the delivery of the Materials to the Purchaser, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Purchased Assets, including the physical and environmental condition of the Purchased Assets including the Real Property, and has relied and will rely solely upon its own judgment resulting therefrom and has not relied on any information, written or oral, furnished by the Proposal Trustee or any other person or entities on behalf of or at the direction of the Proposal Trustee;
- (3) Except as expressly contemplated in sections 6.3(7) and 11.3 of this Agreement, the Proposal Trustee shall have no obligations or responsibility to the Purchaser after Closing with respect to any matters relating to the Purchased Assets or the condition thereof, including, without restriction, the physical and environmental condition of the Purchased Assets including the Real Property and compliance with any and all Applicable Laws;
- (4) The Purchaser shall assume full responsibility for the Purchased Assets on the Closing Date and hereby remises, releases and forever discharges the Proposal Trustee and the solicitors and agents of the Proposal Trustee of and from any Claims which the Purchaser has now or may hereafter have or may hereafter bring against the Proposal Trustee by reason of, arising from or relating to the condition, including, without restriction, the environmental condition of the Purchased Assets, including the Real Property, or their state of compliance with Applicable Laws

ARTICLE 13 POST-CLOSING MATTERS

13.1 Books and Records.

The Purchaser shall keep and maintain the Books and Records for a period of two years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority. Upon reasonable advance notice, during such two year period after the Closing Date, the Purchaser will grant the Proposal Trustee and its representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Proposal Trustee.

ARTICLE 14 TERMINATION

14.1 Termination of this Agreement.

This Agreement may be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to section 7.2 hereof by the Proposal Trustee;

- (3) pursuant to section 7.4 hereof by the Purchaser; or
- (4) pursuant to section 11.3 hereof.

14.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Proposal Trustee, any Deposit paid by the Purchaser to the Proposal Trustee, without deduction, shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Proposal Trustee's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Proposal Trustee as liquidated damages and not as a penalty, which Deposit the Parties agree are a genuine estimate of the liquidated damages that the Proposal Trustee would suffer in such circumstances, and this shall be the Proposal Trustee's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

14.3 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (1) all obligations of each of the Proposal Trustee and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (2) any Deposit paid by the Purchaser to the Proposal Trustee, without deduction, shall be returned to the Purchaser forthwith; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 15 GENERAL CONTRACT PROVISIONS

15.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

15.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 4.5, article 8, article 9, section 14.2 and section 14.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of BDO Canada Limited as the

Proposal Trustee, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

15.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "**Notice**") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Proposal Trustee:

BDO Canada Limited
20 Wellington East, Suite 500
Toronto, ON M5E 1C5

Attention: Clark Lonergan
Email: clonergan@bdo.ca

and a copy to the Proposal Trustee's counsel to:

Fogler, Rubinoff LLP
77 King Street West, Suite 3000
Toronto, ON M5K 1G8

Attention: Vern W. DaRe
Email: vdare@foglers.com

- (b) to the Purchaser:

Mark Motors of Ottawa (1987) Limited
611 Montreal Road
Ottawa, ON K1J 8J8

Attention: Michael Mrak and Liza Mrak
Email: mmark@markmotorsgroup.com / lmrak@markmotorsgroup.com

and a copy to the Purchasers' counsel to:

Soloway Wright LLP
700-427 Laurier Avenue West
Ottawa ON K1R 7Y2

Attention: Sybil Johnson-Abbott
Email: sjohnsonabbott@solowaywright.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

15.4 Waiver.

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

15.5 Consent.

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

15.6 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Ottawa. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes between them, regardless of whether or not such disputes arose under this Agreement.

15.7 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

15.8 Time of the Essence.

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

15.9 Time Periods.

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

15.10 Assignment.

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Parties hereby acknowledge and agree that the Proposal Trustee's interest in this Agreement may be assigned, including, without limitation, to any licensed insolvency trustee (whether receiver, bankruptcy trustee or otherwise) appointed in respect of the Purchased Assets, and, for greater certainty, the Parties hereby acknowledge and agree that no discount whatsoever shall be applied to the Purchase Price as a result of the receivership of the Debtors and/or the bankruptcy of the Debtors, as applicable. The Purchaser may not assign this Agreement without the Proposal Trustee's prior written approval. Up until Closing, the Purchaser shall have the right to direct that title to the Purchased Assets be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the assignee shall, in writing and prior to Closing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Proposal Trustee forthwith after having been entered into and prior to Closing, upon which however the Purchaser shall not be released from any of its obligations and liabilities hereunder.

15.11 Expenses.

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

15.12 Severability.

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

15.13 No Strict Construction.

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

15.14 Cumulative Remedies.

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

15.15 Currency.

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

15.16 Proposal Trustee's Capacity.

It is acknowledged by the Purchaser that the Proposal Trustee is entering into this Agreement solely in its capacity as the proposal trustee and that the Proposal Trustee shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

15.17 Planning Act.

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

15.18 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns, nothing in this Agreement shall be construed to create any rights or obligations except amongst the Parties and no other person or entity shall be regarded as a third party beneficiary of this Agreement.

15.19 Number and Gender.

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

15.20 Independent Legal Advice.

Each of the Parties acknowledges and declares that:

- (1) it has had an adequate opportunity to read and consider this Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice;
- (2) it fully understands the nature and effect of this Agreement; and
- (3) this Agreement has been duly executed voluntarily.

15.21 Counterparts.

This Agreement may be executed in counterparts and by PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15.22 Environmental

Subject to section 12.2 of this Agreement, the Vendor shall deliver to the Purchaser before the Closing, the Environmental Results which includes details regarding possible environmental contamination on the Real Property including a remediation evaluation and an estimated cost analysis to implement the remediation plan on the Real Property. Subject to section 12.2 of this Agreement, the Vendor shall give the Purchaser a credit in the amount of \$200,000 on the Statement of Adjustments in respect of the costs for any remediation plan set out in the Environmental Results.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement as of the date first above written.

MARK MOTORS OF OTTAWA (1987) LIMITED

DocuSigned by:
Per: Michael Mrak
2127F32CF2AC400...
Name: Michael Mrak
Authorized Signing Officer

DocuSigned by:
Per: Liza Mrak
ECBB6B95F5144C3...
Name: Liza Mrak
Authorized Signing Officer


MRAK HOLDINGS INC.

DocuSigned by:
Per: Michael Mrak
2127F32CF2AC400...
Name: Michael Mrak
Authorized Signing Officer

DocuSigned by:
Per: Liza Mrak
ECBB6B95F5144C3...
Name: Liza Mrak
Authorized Signing Officer

ACCEPTED by the Proposal Trustee this 4th day of April, 2024.

BDO CANADA LIMITED, solely in its capacity as the Proposal Trustee, and not in its personal capacity or in any other capacity

Per: 
Name:
Title:

SCHEDULE A

APPROVAL AND VESTING ORDER

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-33-03025642
Bankruptcy Estate File No. 33-3025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE)	WEDNESDAY, THE 3 rd
)	
JUSTICE)	DAY OF APRIL, 2024

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (collectively, the “**Debtors**”), for an Order, *inter alia*, approving the sale transaction (the “**Transaction**”) that was selected by the Proposal Trustee under the sale and solicitation process (the “**SISP**”) granted by the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) on January 17, 2024 (the “**Sale Process Order**”), and as contemplated by an agreement of purchase and sale between the Proposal Trustee, as vendor, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak Holdings**”), as purchasers, dated March 27, 2024 (the “**Sale**

Agreement”), a final unredacted copy of which is attached to the Confidential Supplementary Report dated March 27, 2024 (the “**Confidential Supplementary Report**”) and a final redacted copy of which is attached to the third report of the Proposal Trustee dated March 27, 2024 (the “**Third Report**”), and vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “Purchased Assets” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “Real Property” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), was heard this day by judicial videoconference.

ON READING the Third Report, the Confidential Supplementary Report and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Companies, counsel for the Bank of Montreal and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Michelle Pham sworn March 28, 2024, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of this motion and the motion record of the Proposal Trustee is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction selected from the SISF is hereby approved, and the execution of the Sale Agreement by the Proposal Trustee is hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtors and the Proposal Trustee are 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.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtors' right, title and interest in and to the Business Assets shall vest absolutely in Mark Motors and all of the Debtors' right, title and interest in and to the Real Property shall vest absolutely in Mrak Holdings, or such other Person(s) (as defined in the Sale Agreement) that the Purchaser may direct or designate, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, 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 Sale Process Order; (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 **Schedule "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 **Schedule "D"**) 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 Land Titles Division of Stormont (No. 52) 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 Mrak Holdings as the owner of the subject Real Property identified in **Schedule “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 **Schedule “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 Assets, and that from and after the delivery of the Proposal Trustee’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** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors’ records pertaining to the Debtors’ past and current employees, including personal information of those employees that will be employed by the Purchaser pursuant to the Sale Agreement. 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 Debtors.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

8. **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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors,

the vesting of the Business Assets in Mark Motors and the vesting of the Real Property in Mrak Holdings, or as it may direct, pursuant to this Order shall be binding on the Proposal Trustee and any other licensed insolvency trustee that may be appointed in respect 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 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.

9. **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 Proposal Trustee 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

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

Schedule “A” – Form of Proposal Trustee’s Certificate

Court File No. BK-33-03025642

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM
AUTOMOTIVE CORNWALL INC. AND OEM
AUTOMOTIVE HOLDINGS INC.**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- I. Pursuant to a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) each filed by OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (the “**Debtors**”) on December 22, 2023, BDO Canada Limited was named as the Debtors’ proposal trustee (in such capacity, the “**Proposal Trustee**”).
- II. Pursuant to an Order of The Honourable Justice A. Kaufman of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) made January 17, 2024 (the “**Sale Process Order**”), the Court approved, among other things, a sale and investment solicitation process with respect to the assets and business of the Debtors to be conducted, with the assistance of a sales agent, by the Proposal Trustee, and expanded the powers of the Proposal Trustee with respect to the Debtors.
- III. Pursuant to an Order of the Court dated April 3, 2024, the Court approved the agreement of purchase and sale between the Proposal Trustee, as vendor, pursuant to the Sale Process Order, and Mark Motors of Ottawa (1987) Limited (“**Mark Motors**”) and Mrak Holdings Inc. (“**Mrak**

Holdings”), as purchasers, dated March 27, 2024 (the “**Sale Agreement**”), and provided for the vesting in Mark Motors the Debtors’ right, title and interest in and to the property described as the “**Purchased Assets**” (excluding the Real Property) in the Sale Agreement (the “**Business Assets**”), and vesting in Mrak Holdings the Debtors’ right, title and interest in and to the real property described as the “**Real Property**” in the Sale Agreement (the “**Real Property**”) (hereinafter, Mark Motors and Mrak Holdings are collectively referred to as the “**Purchaser**”, and the Business Assets and the Real Property are collectively referred to as the “**Purchased Assets**”), 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 the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

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

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4. This Proposal Trustee's Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity as the proposal trustee of the Debtors, and not in its personal capacity or in any other capacity

Per:

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION
Owned by OEM Automotive Cornwall Inc.

PIN 60180 - 0067 (LT)
PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL
(municipally known as 628 Pitt Street, Cornwall, Ontario)

Owned by OEM Automotive Holdings Inc.

PIN 60180 - 0282 (LT)
PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2,
52R4375; CITY OF CORNWALL
(municipally known as 632 Pitt Street, Cornwall, Ontario)

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109060	2019/11/12	Transfer	\$742,145	Macdonell Family Holdings Inc.	OEM Automotive Cornwall Inc.
ST109061	2019/11/12	Charge	\$560,000	OEM Automotive Cornwall Inc.	Bank of Montreal
ST109062	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Cornwall Inc.	Bank of Montreal
ST109067	2019/11/12	Charge	\$1,000,000	OEM Automotive Cornwall Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
ST109063	2019/11/12	Transfer	\$1,378,270	Macdonell, Michael Allan / Macdonell, Glenn Joseph	OEM Automotive Holdings Inc.
ST109064	2019/11/12	Charge	\$1,040,000	OEM Automotive Holdings Inc.	Bank of Montreal
ST109065	2019/11/12	Notice of Assignment of Rents General		OEM Automotive Holdings Inc.	Bank of Montreal
ST109066	2019/11/12	Charge	\$1,000,000	OEM Automotive Holdings Inc.	Macdonell, Glenn Joseph
ST149429	2024/01/19	Application to Register Court Order		Ontario Superior Court of Justice	BDO Canada Limited

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall1	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2) PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS
INC., OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.**

Court File No. BK-33-03025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

APPROVAL AND VESTING ORDER

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre

77 King Street West

Suite 3000, PO Box 95

Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842

Fax: 416.941.8852

Email: vdare@foglers.com

Lawyers for the Proposal Trustee

SCHEDULE B
PERMITTED ENCUMBRANCES

(1) PIN 60180 - 0067 (LT) (municipally known as 628 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PLCornwall	1847/10/01	Plan Subdivision			
52R2252	1984/08/22	Plan Reference			

(2). PIN 60180 - 0282 (LT) (municipally known as 632 Pitt Street, Cornwall, Ontario)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
52R4375	1991/09/10	Plan Reference			

SCHEDULE C
SALE PROCESS ORDER

Fourth Report of the Proposal Trustee
Appendix “O”



Court File No. CV-23-00091216-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

SEAWAY AUTO GROUP INC. and OEM AUTOMOTIVE SOLUTIONS INC.

Applicants

and

CAMERON GRANT, 11678833 CANADA INC. and CHRISTOPHER GRANT

Respondents

APPLICATION UNDER Rule 14 of the *Rules of Civil Procedure* and s. 50 of the *Arbitration Act*

WRIT OF SEIZURE AND SALE

TO: The Sheriff of the United Counties of Stormont, Dundas and Glengarry

Under a Judgment of this Court made on June 28, 2023, in favour of Seaway Auto Group Inc. and OEM Automotive Solutions Inc., YOU ARE DIRECTED to seize and sell the real and personal property within your county or district of the United Counties of Stormont, Dundas and Glengarry of

Surname of individual or name of corporation/firm, etc.

Grant

*First given name
(individual only)*

Cameron

*Second given name
(individual only)(if applicable)*

*Third given name
(individual only)(if applicable)*

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and the person(s)/corporation(s) set out on Schedule "A" and to realize from the seizure and sale the following sums:

- (a) \$573,264.45 and interest at 4.0 per cent per year commencing on November 3, 2022;
- (b) \$5,073.00 which represents the prejudgment interest ordered, calculated at 0.5 per cent per year on \$573,264.45 commencing on January 26, 2021 until the date of the Arbitral Award, made on November 3, 2022;
- (c) \$30,000.00 for costs and disbursements of the within proceeding; and
- (d) your fees and expenses in enforcing this Writ.

YOU ARE DIRECTED to pay out the proceeds according to law and to report on the execution of this Writ if required by the party or lawyer who filed it.

Date 10/12/23

Issued by


Local Registrar

Address of 161 Elgin Street
court office: Ottawa ON K2P 2K1

☒ FILED/DEPOSE - effective

☐ WITHDRAWN/RETIRE

☐ EXPIRED/EXPIRE

☐ EXECUTED IN FULL/EXECUTE

THIS/CE 24 DAY OF/

JOUR DE October 2023

AT/A _____ M.

Sherriff Wood
SHERIFF / SHERIF (October 23 2023)

This writ will expire six (6) years less one day from the date of issue unless renewed earlier. (No further notice will be provided)

Ce bref expirera dans six (6) ans moins un jour à compter de la date de sa délivrance, à moins qu'il ne soit renouvelé plus tôt. (Vous ne recevrez aucun autre avis à ce sujet.)

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SCHEDULE "A"

Surname of individual or name of corporation/firm, etc.

11678833 Canada Inc.

*First given name
(individual only)**Second given name
(individual only)(if applicable)**Third given name
(individual only)(if applicable)**Surname of individual or name of corporation/firm, etc.*

Grant

*First given name
(individual only)**Second given name
(individual only)(if applicable)**Third given name
(individual only)(if applicable)*



Christopher

SEAWAY AUTO GROUP INC. et al.
Plaintiffs

-and-

CAMERON GRANT et al.
Defendants

Court File No. CV-23-00091216-0000

FEES		
Fee	Item	Officer
\$77.00	Paid for this Writ	
\$50.00	Lawyer's fee for issuing Writ	
	First Renewal	
	Second Renewal	
	Third Renewal	
RENEWAL		
Date	Officer	

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

WRIT OF SEIZURE AND SALE

Creditor's Name: Seaway Auto Group Inc.
Creditor's Address: 632 Pitt Street
Cornwall, ON K6J 3R7
Creditor's Name: OEM Automotive Solutions Inc.
Creditor's Address: 632 Pitt Street
Cornwall, ON K6J 3R7

Lawyer's Name: Chris Trivisonno (73997C)

Lawyer's address and telephone no.:

Conway Baxter Wilson LLP/s.r.l.
400-411 Roosevelt Avenue
Ottawa ON K2A 3X9

Tel: (613) 780-2008
Email: ctrivisonno@conwaylitigation.ca
Fax: (613) 688-0271

Fourth Report of the Proposal Trustee
Appendix “P”

OEM Automotive Solutions Inc. ("Solutions")

2024-03-25 to 2024-05-17 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
New Vehicle Sales	540,000	562,156	22,156	
Used Vehicle Sales	130,000	76,282	(53,718)	Permanent negative variance due to customers holding off on vehicle purchase amid news of dealership being sold.
Other Revenue	5,000	4,880	(120)	
Parts & Service Sales	220,000	290,068	70,068	Permanent positive variance largely due to increased effort on warranty claims.
To/ (From) Intercompany	-	(2,000)	(2,000)	
HST Collected	116,350	121,340	4,990	
	<u>1,011,350</u>	<u>1,052,727</u>	<u>41,377</u>	
Operating Disbursements				
Lien Payouts	(8,000)	(102,717)	(94,717)	Permanent difference as a result of an audit don't prior to closing by the purchasers, which uncovered couple vehicles with lien outstanding, coupled with more vehicles traded in towards the purchase of new vehicles.
Used Vehicle Purchases	-	-	-	
Parts Purchases	(102,500)	(58,521)	43,979	Permanent positive variance due to slow down of parts purchases in anticipation of the sale of dealership.
Payroll (Including Taxes)	(206,636)	(189,865)	16,771	
Employee Benefits	(15,000)	(11,363)	3,637	
WSIB	(5,000)	(4,084)	916	
Corporate Credit Card Repayment	(15,000)	(17,310)	(2,310)	
Vendor Payments	(30,000)	(51,059)	(21,059)	
Repairs and Maintenance CAPEX	(2,500)	-	2,500	
Rent and Utilities - Property 1 OEM Automotive Cornwall Inc.	(14,527)	(13,827)	701	
Rent and Utilities - Property 2 OEM Automotive holdings Inc.	(19,013)	(18,455)	558	
Insurance Payments	(34,200)	-	34,200	Positive variance expected to partially reverse, as the Proposal Trustee is currently working with the insurance broker to waive a portion of the insurance instalment amid dealership being sold.
HST Paid	(64,602)	(54,582)	10,020	
HST Refund (Remittance)	(23,450)	-	23,450	
Debt Service				
Floor Plan Payments To/From BMO	(762,241)	(601,652)	160,589	Temporary difference due to increase in higher value vehicles traded in being added to the floor plan.
BMO Floor Plan Curtailments	(130,000)	(47,494)	82,506	Permanent difference due to curtailment being paused for the month of April and May.
BMO Floor Plan Interest	(44,000)	(45,364)	(1,364)	
BMO Goodwill Loan (Interest)	(24,000)	(22,316)	1,684	Temporary difference expected to reverse in the next week.
Proposal Trustee & its Counsel's Fees	(256,820)	(232,596)	24,223	Includes fees paid on behalf of Cornwall and Holdings.
Restructuring Costs	(36,576)	(31,726)	4,850	Includes fees paid on behalf of Cornwall and Holdings.
Sales Agent Work Fees	(7,500)	-	7,500	
DIP Facility Interest and fees	(25,000)	-	25,000	
Contingency	(12,500)	-	12,500	
Total Disbursements	<u>(1,839,064)</u>	<u>(1,502,930)</u>	<u>336,134</u>	
Cash Balance				
Opening Cash Position per Bank Statement	400,453	400,453	-	
Net Cash Flow	(827,714)	(450,203)	377,511	
Surplus/Shortfall	(427,262)	(49,751)	377,511	
Funding from DIP Facility	75,000	75,000	-	
Ending Cash Position	<u>\$ (352,262)</u>	<u>\$ 25,249</u>	<u>\$ 377,511</u>	
Cumulative Cash Flow	(827,714)	(450,203)	377,511	

OEM Automotive Cornwall Inc. ("Cornwall")

2024-03-25 to 2024-05-17 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
Rent	11,799	11,799	-	
Utilities Collected	2,728	-	(2,728)	
HST Collected	1,889	1,534	(355)	
Total Receipts	16,416	13,333	(3,083)	
Operating Disbursements				
Utilities Payments	(2,728)	(289)	2,439	
Property Tax	(7,341)	(7,341)	-	
From/ (To) Intercompany	-	-	-	
HST Paid	(2,305)	(38)	2,267	
HST Refund (Remittance)	4,000	-	(4,000)	Temporary difference expected to reverse when HST is filed.
Debt Service & Restructuring Costs				
Scheduled Principal & Interest Payment	(6,840)	(6,840)	-	
Proposal Trustee & its Counsel's Fees	(15,000)	-	15,000	Permanent positive variance as Solutions paid these fees on behalf of Cornwall.
Restructuring Costs	-	-	-	
Total Disbursements	(30,214)	(14,508)	15,706	
Cash Balance				
Opening Cash Position per Bank Statement	13,917	13,917	-	
Net Cash Flow	(13,798)	(1,175)	12,623	
Ending Cash Position	119	12,742	12,623	

OEM Automotive Holdings Inc. ("Holdings")

2024-03-25 to 2024-05-17 Cumulative				
	Projected	Actual	Variance	Comment
Receipts				
Rent	17,699	17,699	-	
Utilities Collected	1,314	-	(1,314)	
HST Collected	2,472	2,301	(171)	
Total Receipts	21,485	20,000	(1,485)	
Operating Disbursements				
Utilities Payments	(1,314)	(579)	734	
Property Tax	(13,906)	(13,906)	-	
From/(To) Intercompany	-	2,000	2,000	
HST Paid	(1,471)	(75)	1,395	
HST Refund (Remittance)	2,600	-	(2,600)	Temporary difference expected to reverse when HST is filed.
Debt Service & Restructuring Costs				
Scheduled Principal & Interest Payment	(12,703)	(12,703)	-	
Proposal Trustee & its Counsel's Fees	(10,000)	-	10,000	Permanent positive variance as Solutions paid these fees on behalf of Holdings.
Restructuring Costs	-	-	-	
Total Disbursements	(36,794)	(25,264)	11,530	
Cash Balance				
Opening Cash Position per Bank Statement	15,793	15,793	-	
Net Cash Flow	(15,309)	(5,264)	10,045	
Ending Cash Position	483	10,529	10,045	

Fourth Report of the Proposal Trustee
Appendix “Q”

Enquiry Result

File Currency: 24MAR 2024

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757334907	1	7	1	24	06NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757334907		001	1		20191106 1120 5076 2452	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	10 FOURTH STREET EAST				CORNWALL	ON	K6H 2H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	BANK OF MONTREAL DEALERSHIP FINANCE								
	Address				City	Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA	ON	L4W 0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	MEROVITZ POTECHIN (17352 PM)			
	Address	City	Province	Postal Code
	300 - 1565 CARLING AVENUE	OTTAWA	ON	K1Z 8R1

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757334907	1	7	2	24					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20240104 1430 1793 8927					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757334907				A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
	OEM AUTOMOTIVE SOLUTIONS INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	AMENDED TO ADD A SECURED PARTY									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name						Ontario Corporation Number			
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	BANK OF MONTREAL									
	Address				City		Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA		ON	L4W0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	AIRD & BERLIS LLP									

	Address	City	Province	Postal Code
	181 BAY STREET, SUITE 1800, BOX# 754	TORONTO	ON	M5J2T9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443033	2	7	3	24	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443033		001	3		20191108 1549 6083 6505	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	CHRISTINA GRANT								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR								
Registering Agent	Registering Agent								
	POIRIER & ARTHUR								
	Address				City	Province	Postal Code		
	132 SECOND STREET W				CORNWALL	ON	K6J 1G5		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	757443033	2	7	4	24	08NOV 2029				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
757443033		002	3		20191108 1549 6083 6505					
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant									
	SEAWAY TOYOTA (1990) INC.									
	Address					City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY					LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	757443033	2	7	5	24	08NOV 2029				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period		
757443033		003	3			20191108 1549 6083 6505				
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	Address					City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	Address					City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant									
	1921534 ONTARIO INC.									
	Address					City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY					LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757444167	3	7	6	24	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757444167		001	001		20191108 1618 1862 1957	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-623 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445076	4	7	7	24	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445076		001	002		20191108 1628 1862 1962	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-623 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445076	4	7	8	24	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445076		002	002		20191108 1628 1862 1962				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	06JUL1970	CAROLINE				BOURRET			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	10 FOURTH STREET E				CORNWALL	ON	K6H 2H6		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757445076	4	7	9	24					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	001		20210212 1338 1862 1216					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757445076			X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	CAROLINE					BOURRET				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO REMOVE CAROLINE BOURRET, DOB 06JUL1970, 10 FOURTH STREET E, CORNWALL, ON K6H 2H6, AS DEBTOR									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	HAZLO LAW PROFESSIONAL CORPORATION									

	Address	City	Province	Postal Code
	283 SUSSEX DRIVE	OTTAWA	ON	K1N 6Z1

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	766945224	5	7	10	24	21OCT 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
766945224		01	003		20201021 1934 1531 2918	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	632 PITT ST				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.								
	Address				City	Province	Postal Code		
	3450 SUPERIOR COURT, UNIT 1				OAKVILLE	ON	L6L 0C4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X	X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY,								
	WHEREVER SITUATED, CONSISTING OF 2020 MAHINDRA 1635H TRACTOR, SERIAL								
	35HX181030087, 2020 MAHINDRA 1635L LOADER, SERIAL 1907118624,								
Registering Agent	Registering Agent								
	D+H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	SUITE 200, 4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	766945224	5	7	11	24	21OCT 2026				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
766945224		02	003		20201021 1934 1531 2918					
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City		Province	Postal Code	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City		Province	Postal Code	
Secured Party	Secured Party / Lien Claimant									
	Address					City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
	TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL									
	ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL									
	REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR									
Registering Agent	Registering Agent									
	Address					City		Province	Postal Code	

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	766945224	5	7	12	24	21OCT 2026				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
766945224		03	003		20201021 1934 1531 2918					
Individual Debtor	Date of Birth	First Given Name				Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name				Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant									
	Address					City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model	V.I.N.			
General Collateral Description	General Collateral Description									
	ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769861296	6	7	13	24	12FEB 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769861296		001	003		20210212 1339 1862 1217	P PPSA	9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	SEAWAY AUTO GROUP INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	CHRISTINA GRANT								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT								
Registering Agent	Registering Agent								
	HAZLO LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	283 SUSSEX DRIVE				OTTAWA	ON	K1N 6Z1		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date		Status		
	769861296	6	7	14	24	12FEB 2030				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period	
769861296		002	003			20210212 1339 1862 1217				
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE HOLDINGS INC.									
	Address					City		Province	Postal Code	
	628-632 PITT STREET					CORNWALL		ON	K6J 3R7	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE CORNWALL INC.									
	Address					City		Province	Postal Code	
	628-632 PITT STREET					CORNWALL		ON	K6J 3R7	
Secured Party	Secured Party / Lien Claimant									
	SEAWAY TOYOTA (1990) INC.									
	Address					City		Province	Postal Code	
	16108 EAST ISLAND CAUSEWAY					LONG SAULT		ON	K0C 1P0	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City		Province	Postal Code	

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	769861296	6	7	15	24	12FEB 2030				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
769861296		003	003		20210212 1339 1862 1217					
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address					City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant									
	1921534 ONTARIO LTD.									
	Address					City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY					LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	16	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		001	9		20220510 1152 1532 4242	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	632 PITT STREET				CORNWALL	ON	K6J3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	THE BANK OF NOVA SCOTIA								
	Address				City	Province	Postal Code		
	120 KING ST W, SUITE 500				HAMILTON	ON	L8P 4V2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THE								
	ACCOUNTS AND CHATTEL PAPER ASSIGNED BY THE DEBTOR TO THE SECURED								
	PARTY FROM TIME TO TIME, INCLUDING, WITHOUT LIMITATION, ALL OF THE								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	17	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		002	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DEBTOR'S PRESENT AND AFTER-ACQUIRED RIGHT, TITLE AND INTEREST IN (A)								
	ALL RIGHTS AND BENEFITS ACCRUING, AND AUTHORIZATIONS PROVIDED, UNDER								
	SUCH ACCOUNTS AND CHATTEL PAPER, (B) ALL PAYMENTS OF ANY NATURE AND								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	18	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		003	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	KIND, GUARANTEES, PROMISSORY NOTES AND INDEMNITY PAYMENTS RELATED TO								
	SUCH ACCOUNTS AND CHATTEL PAPER, (C) ALL GOODS RELATING TO SUCH								
	ACCOUNTS AND CHATTEL PAPER (INCLUDING WITHOUT LIMITATION MOTOR								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	19	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		004	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	VEHICLES) AND THE BENEFIT OF ALL COVENANTS AND INDEMNITIES WITH								
	RESPECT TO SUCH GOODS, (D) ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES AND								
	INDEMNITIES OF ANY NATURE AND KIND UNDER SUCH ACCOUNTS AND CHATTEL								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	20	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		005	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PAPER, (E) THE RIGHT TO ASK, DEMAND, SUE FOR, COLLECT, RECEIVE AND								
	ENFORCE ANY AND ALL SUMS PAYABLE UNDER SUCH ACCOUNTS AND CHATTEL								
	PAPER AND TO ENFORCE ALL OTHER COVENANTS, OBLIGATIONS, RIGHTS AND								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	21	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		006	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	REMEDIES THEREUNDER, AND (F) ALL CONTRACTS, BOOKS, RECORDS, REPORTS								
	AND OTHER DOCUMENTS AND INFORMATION PERTAINING TO SUCH ACCOUNTS AND								
	CHATTEL PAPER, TOGETHER IN EACH CASE WITH (I) ALL ATTACHMENTS,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	22	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		007	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND								
	IMPROVEMENTS TO THE FOREGOING, (II) ALL PROCEEDS IN ANY FORM DERIVED								
	DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH ANY OR ALL OF THE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	23	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		008	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	FOREGOING AND (III) ALL INSURANCE PROCEEDS AND ALL RIGHTS TO AN								
	INSURANCE PAYMENT OR ANY OTHER PAYMENT THAT INDEMNIFIES OR								
	COMPENSATES FOR LOSS OR DAMAGE TO THE FOREGOING OR PROCEEDS OF THE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE SOLUTIONS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782836407	7	7	24	24	10MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782836407		009	9		20220510 1152 1532 4242				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	FOREGOING.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.

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Enquiry Result

File Currency: 24MAR 2024

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757334709	1	5	1	12	06NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757334709		001	1		20191106 1117 5076 2451	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	10 FOURTH STREET EAST				CORNWALL	ON	K6H 2H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	BANK OF MONTREAL DEALERSHIP FINANCE								
	Address				City	Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA	ON	L4W 0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	MEROVITZ POTECHIN (17352 PM)			
	Address	City	Province	Postal Code
	300 - 1565 CARLING AVENUE	OTTAWA	ON	K1Z 8R1

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757334709	1	5	2	12					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20240108 1411 1793 9183					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757334709				A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
	OEM AUTOMOTIVE CORNWALL INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO ADD AN ADDITIONAL SECURED PARTY									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name						Ontario Corporation Number			
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	BANK OF MONTREAL									
	Address				City		Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA		ON	L4W0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	AIRD & BERLIS LLP									

	Address	City	Province	Postal Code
	181 BAY STREET, SUITE 1800, BOX# 754	TORONTO	ON	M5J2T9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443087	2	5	3	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443087		001	3		20191108 1551 6083 6507	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	CHRISTINA GRANT								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR								
Registering Agent	Registering Agent								
	POIRIER & ARTHUR								
	Address				City	Province	Postal Code		
	132 SECOND STREET W				CORNWALL	ON	K6J 1G5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443087	2	5	4	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443087		002	3		20191108 1551 6083 6507				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	SEAWAY TOYOTA (1990) INC.								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443087	2	5	5	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443087		003	3		20191108 1551 6083 6507				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1921534 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445013	3	5	6	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445013		001	001		20191108 1627 1862 1960	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445076	4	5	7	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445076		001	002		20191108 1628 1862 1962	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-623 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445076	4	5	8	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445076		002	002		20191108 1628 1862 1962				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	06JUL1970	CAROLINE				BOURRET			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	10 FOURTH STREET E				CORNWALL	ON	K6H 2H6		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757445076	4	5	9	12					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	001		20210212 1338 1862 1216					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757445076			X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	CAROLINE					BOURRET				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO REMOVE CAROLINE BOURRET, DOB 06JUL1970, 10 FOURTH STREET E, CORNWALL, ON K6H 2H6, AS DEBTOR									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	HAZLO LAW PROFESSIONAL CORPORATION									

	Address	City	Province	Postal Code
	283 SUSSEX DRIVE	OTTAWA	ON	K1N 6Z1

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769861296	5	5	10	12	12FEB 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769861296		001	003		20210212 1339 1862 1217	P PPSA	9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	SEAWAY AUTO GROUP INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	CHRISTINA GRANT								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT								
Registering Agent	Registering Agent								
	HAZLO LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	283 SUSSEX DRIVE				OTTAWA	ON	K1N 6Z1		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	769861296	5	5	11	12	12FEB 2030				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number	Registered Under	Registration Period		
769861296		002	003			20210212 1339 1862 1217				
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE HOLDINGS INC.									
	Address					City	Province	Postal Code		
	628-632 PITT STREET					CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE CORNWALL INC.									
	Address					City	Province	Postal Code		
	628-632 PITT STREET					CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant									
	SEAWAY TOYOTA (1990) INC.									
	Address					City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY					LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE CORNWALL INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769861296	5	5	12	12	12FEB 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769861296		003	003		20210212 1339 1862 1217				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1921534 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.

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
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File Currency: 24MAR 2024

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Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757334448	1	5	1	12	06NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757334448		001	1		20191106 1114 5076 2450	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	10 FOURTH STREET EAST				CORNWALL	ON	K6H 2H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	BANK OF MONTREAL DEALERSHIP FINANCE								
	Address				City	Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA	ON	L4W 0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	MEROVITZ POTECHIN (17352 PM)			
	Address	City	Province	Postal Code
	300 - 1565 CARLING AVENUE	OTTAWA	ON	K1Z 8R1

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757334448	1	5	2	12					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20240108 1412 1793 9184					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757334448				A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
	OEM AUTOMOTIVE HOLDINGS INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO ADD AN ADDITIONAL SECURED PARTY									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name						Ontario Corporation Number			
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	BANK OF MONTREAL									
	Address				City		Province	Postal Code		
	5750 EXPLORER DRIVE, 3RD FLOOR				MISSISSAUGA		ON	L4W0B1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	AIRD & BERLIS LLP									

	Address	City	Province	Postal Code
	181 BAY STREET, SUITE 1800, BOX# 754	TORONTO	ON	M5J2T9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443051	2	5	3	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443051		001	3		20191108 1550 6083 6506	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	CHRISTINA GRANT								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR.								
Registering Agent	Registering Agent								
	POIRIER & ARTHUR								
	Address				City	Province	Postal Code		
	132 SECOND STREET W				CORNWALL	ON	K6J 1G5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757443051	2	5	4	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757443051		002	3		20191108 1550 6083 6506				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	SEAWAY TOYOTA (1990) INC.								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	757443051	2	5	5	12	08NOV 2029				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period	
757443051		003	3			20191108 1550 6083 6506				
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	Address					City		Province	Postal Code	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	Address					City		Province	Postal Code	
Secured Party	Secured Party / Lien Claimant									
	1921534 ONTARIO LTD.									
	Address					City		Province	Postal Code	
	16108 EAST ISLAND CAUSEWAY					LONG SAULT		ON	K0C 1P0	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City		Province	Postal Code	

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445004	3	5	6	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445004		001	001		20191108 1626 1862 1959	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT ON ALL PRESENT & FUTURE PROPERTY OF THE								
	DEBTOR.								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757445076	4	5	7	12	08NOV 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757445076		001	002		20191108 1628 1862 1962	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.								
	Address				City	Province	Postal Code		
	628-623 PITT STREET				CORNWALL	ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	OEM AUTOMOTIVE CORNWALL INC.								
	Address				City	Province	Postal Code		
	628-632 PITT STREET				CORNWALL	ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant								
	11678833 CANADA INC.								
	Address				City	Province	Postal Code		
	704 PITT STREET				CORNWALL	ON	K6J 3R9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X	1800000	08FEB2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT								
Registering Agent	Registering Agent								
	WISHART LAW FIRM LLP								
	Address				City	Province	Postal Code		
	390 BAY STREET, 5TH FLOOR				SAULT STE. MARIE	ON	P6A 1X2		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	757445076	4	5	8	12	08NOV 2029				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
757445076		002	002		20191108 1628 1862 1962					
Individual Debtor	Date of Birth	First Given Name			Initial		Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	OEM AUTOMOTIVE HOLDINGS INC.									
	Address				City		Province	Postal Code		
	628-632 PITT STREET				CORNWALL		ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname			
	06JUL1970	CAROLINE					BOURRET			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address				City		Province	Postal Code		
	10 FOURTH STREET E				CORNWALL		ON	K6H 2H6		
Secured Party	Secured Party / Lien Claimant									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address				City		Province	Postal Code		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages					
	757445076	4	5	9	12					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	001		20210212 1338 1862 1216					
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757445076			X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	CAROLINE					BOURRET				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO REMOVE CAROLINE BOURRET, DOB 06JUL1970, 10 FOURTH STREET E, CORNWALL, ON K6H 2H6, AS DEBTOR									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	HAZLO LAW PROFESSIONAL CORPORATION									

	Address	City	Province	Postal Code
	283 SUSSEX DRIVE	OTTAWA	ON	K1N 6Z1

END OF FAMILY

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	769861296	5	5	10	12	12FEB 2030				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
769861296		001	003		20210212 1339 1862 1217	P PPSA	9			
Individual Debtor	Date of Birth	First Given Name			Initial		Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	SEAWAY AUTO GROUP INC.									
	Address				City		Province	Postal Code		
	628-632 PITT STREET				CORNWALL		ON	K6J 3R7		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	OEM AUTOMOTIVE SOLUTIONS INC.									
	Address				City		Province	Postal Code		
	628-632 PITT STREET				CORNWALL		ON	K6J 3R7		
Secured Party	Secured Party / Lien Claimant									
	CHRISTINA GRANT									
	Address				City		Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT		ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
		X	X	X	X		1800000	08FEB2030		
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
	GUARANTEE, INDEMNITY, ASSIGNMENT AND POSTPONEMENT									
Registering Agent	Registering Agent									
	HAZLO LAW PROFESSIONAL CORPORATION									
	Address				City		Province	Postal Code		
	283 SUSSEX DRIVE				OTTAWA		ON	K1N 6Z1		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.									
File Currency	24MAR 2024									
	File Number	Family	of Families	Page	of Pages	Expiry Date		Status		
	769861296	5	5	11	12	12FEB 2030				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period	
769861296		002	003			20210212 1339 1862 1217				
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE HOLDINGS INC.									
	Address					City		Province	Postal Code	
	628-632 PITT STREET					CORNWALL		ON	K6J 3R7	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name							Ontario Corporation Number		
	OEM AUTOMOTIVE CORNWALL INC.									
	Address					City		Province	Postal Code	
	628-632 PITT STREET					CORNWALL		ON	K6J 3R7	
Secured Party	Secured Party / Lien Claimant									
	SEAWAY TOYOTA (1990) INC.									
	Address					City		Province	Postal Code	
	16108 EAST ISLAND CAUSEWAY					LONG SAULT		ON	K0C 1P0	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make				Model		V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City		Province	Postal Code	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	OEM AUTOMOTIVE HOLDINGS INC.								
File Currency	24MAR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769861296	5	5	12	12	12FEB 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769861296		003	003		20210212 1339 1862 1217				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1921534 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	16108 EAST ISLAND CAUSEWAY				LONG SAULT	ON	K0C 1P0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)


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PROPERTY DESCRIPTION: PT LT 16 S/S SEVENTH ST PL CORNWALL PT 2 52R2252; CORNWALL

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2006/08/21

OWNERS' NAMES

OEM AUTOMOTIVE CORNWALL INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/08/18 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2006/08/21 **						
PLCORNWAL1	1847/10/01	PLAN SUBDIVISION				C
S61404	1968/02/14	LEASE		*** DELETED AGAINST THIS PROPERTY ***	ST.LAWRENCE DRIVE-INS LIMITED	
REMARKS: SKETCH ATTACHED.						
S61446	1968/02/19	ASSIGNMENT LEASE		*** DELETED AGAINST THIS PROPERTY ***	THE BANK OF MONTREAL	
S66916	1969/05/08	NOTICE OF LEASE		*** COMPLETELY DELETED ***	RITCHIE, GEORGE O'CONNOR, KENNETH JAMES	
S112213	1977/01/04	AGREEMENT		*** COMPLETELY DELETED ***		
REMARKS: & LEASE						
S122298	1978/04/20	NO ASSG LESSEE INT		*** DELETED AGAINST THIS PROPERTY ***	MINDY'S LIMITED	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
52R2252	1984/08/22	PLAN REFERENCE				C
S180477	1986/07/31	TRANSFER		*** COMPLETELY DELETED ***	JACK MACDONELL MOTOR SALES LIMITED	
S180478	1986/07/31	ASSIGNMENT LEASE		*** COMPLETELY DELETED ***	JACK MACDONELL MOTOR SALES LTD.	
	REMARKS: S112213					
S259323	1994/12/05	CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
ST31415	2010/09/07	APL (GENERAL)		*** COMPLETELY DELETED *** JACK MACDONELL MOTOR SALES LIMITED		
	REMARKS: DELETE INSTRUMENT NOS. S61404, S61446, S66916, S112213, S122298 & S180478					
ST31416	2010/09/07	APL CH NAME OWNER		*** COMPLETELY DELETED *** JACK MACDONELL MOTOR SALES LIMITED	MACDONELL FAMILY HOLDINGS INC.	
ST32204	2010/10/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
	REMARKS: S259323.					
ST109060	2019/11/12	TRANSFER	\$742,145	MACDONELL FAMILY HOLDINGS INC.	OEM AUTOMOTIVE CORNWALL INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
ST109061	2019/11/12	CHARGE	\$560,000	OEM AUTOMOTIVE CORNWALL INC.	BANK OF MONTREAL	C
ST109062	2019/11/12	NO ASSGN RENT GEN		OEM AUTOMOTIVE CORNWALL INC.	BANK OF MONTREAL	C
	REMARKS: ST109061.					
ST109067	2019/11/12	CHARGE	\$1,000,000	OEM AUTOMOTIVE CORNWALL INC.	MACDONELL, GLENN JOSEPH	C
ST149429	2024/01/19	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	BDO CANADA LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PART LOT 16 SOUTH SIDE SEVENTH STREET PLAN CORNWALL, PARTS 1 AND 2, 52R4375; CITY OF CORNWALL

PROPERTY REMARKS: SUBJECT TO EXECUTION NUMBER 07-0000367 - MACDONELL, RICHARD ALLAN , IF APPLICABLE, AS IN ST109063.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 60180-0066

PIN CREATION DATE:
2019/05/03

OWNERS' NAMES
OEM AUTOMOTIVE HOLDINGS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/05/03 **</div> <div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div> <div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</div> <div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</div> <div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div> <div>**DATE OF CONVERSION TO LAND TITLES: 2019/05/03 **</div>						
52R4375	1991/09/10	PLAN REFERENCE				C
S359118	2011/12/14	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** MACDONELL, DOROTHY RITA	MACDONELL, MICHAEL ALLAN MACDONELL, GLENN JOSEPH	
ST109063	2019/11/12	TRANSFER	\$1,378,270	MACDONELL, MICHAEL ALLAN MACDONELL, GLENN JOSEPH	OEM AUTOMOTIVE HOLDINGS INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
ST109064	2019/11/12	CHARGE	\$1,040,000	OEM AUTOMOTIVE HOLDINGS INC.	BANK OF MONTREAL	C
ST109065	2019/11/12	NO ASSGN RENT GEN		OEM AUTOMOTIVE HOLDINGS INC.	BANK OF MONTREAL	C
REMARKS: ST109064.						
ST109066	2019/11/12	CHARGE	\$1,000,000	OEM AUTOMOTIVE HOLDINGS INC.	MACDONELL, GLENN JOSEPH	C
ST149429	2024/01/19	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	BDO CANADA LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Fourth Report of the Proposal Trustee
Appendix “R”



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Lawyers

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February 15, 2024

Reply To: Vern W. DaRe
Direct Dial: 416.941.8842
E-mail: vdare@foglers.com
Our File No. 236535

VIA EMAIL: CLONERGAN@BDO.CA

BDO Canada Limited
Licensed Insolvency Trustees
20 Wellington E., Suite 500
Toronto, Ontario
M5E 1C5
Attention: Clark Lonergan

Dear Sir:

Re: Bank of Montreal ("BMO") credit facilities to OEM Automotive Solutions Inc. ("Solutions"), OEM Automotive Cornwall Inc. ("Cornwall") and OEM Automotive Holdings Inc. ("Holdings") (collectively, the "Companies")

On December 22, 2023, each of the Companies filed a Notice of Intention to Make a Proposal (collectively, the "**NOIs**") pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**"). In your capacity as proposal trustee under the NOIs (the "**Proposal Trustee**"), you have requested our opinion regarding the validity and enforceability of the security held by BMO in relation to the credit facilities or loans provided in favour of the Companies. In this regard, we have reviewed the following documents in the course of formulating our opinion:

Solutions

- (a) the operative term sheet dated April 21, 2023 between BMO and Solutions, in which BMO established five (5) facilities in favour of Solutions in a maximum aggregate principal amount of \$6,413,640, regarding the following credit facilities: (i) a \$300,000 Demand Operating Loan; (ii) a \$4,000,000 Demand Wholesale Flooring (New) Facility; (iii) a \$300,000 Demand Wholesale Flooring (Used) Facility; (iv) a \$1,763,640 Goodwill Loan and Working Cap Loan; and (v) a \$50,000 Corporate Master Card Facility (collectively, the "**Solutions Credit Facilities**");
- (b) BMO holds, *inter alia*, the following security, as security for the Solutions Credit Facilities: (i) Security Agreement from Solutions dated November 6, 2019 ("**Solutions GSA**"); (ii) various limited and unlimited Guarantees of Solutions' indebtedness to BMO including a guarantee from Seaway Toyota 1990 Inc. dated November 7, 2019 in the limited amount of \$850,000; a guarantee from Caroline Bourret dated November 6, 2019 in the limited amount of \$1,000,000; a guarantee from Caroline Bourret and Cameron Grant dated November, 2019 in

the limited amount of \$1,000,000; an unlimited guarantee from Cornwall dated November 6, 2019; and an unlimited guarantee from Holdings dated November 6, 2019 (collectively, the "**Guarantees of Solutions' Debt to BMO**"); and (iii) Cross-Default Agreement from Cornwall, Holdings and Solutions to BMO dated November 6, 2019 (the "**Cross Default Agreement**") (collectively, "**Solutions Security**");

Holdings

- (c) a predecessor term sheet dated October 31, 2019 between BMO and Holdings, in which BMO established a term loan in favour of Holdings in the amount of \$1,040,000, and the operative term sheet signed July 20, 2021, in which BMO established a term loan in favour of Holdings in the amount of \$1,003,702 (the "**Holdings Credit Facility**");
- (d) BMO holds, *inter alia*, the following security, as security for the Holdings Credit Facility: (i) Security Agreement from Holdings dated November 6, 2019 ("**Holdings GSA**"); (ii) an unlimited guarantee of Holdings' indebtedness to BMO from Cornwall and Solutions dated November 6, 2019 (the "**Guarantee of Holdings' Debt to BMO**"); (iii) Cross-Default Agreement; (iv) Charge/Mortgage of Land from Holdings to BMO, in the principal amount of \$1,040,000, registered as instrument number ST109064 on November 12, 2019 (the "**Holdings Mortgage**") over title to the real property municipally known as 632 Pitt Street, Cornwall, Ontario, legally described as: Part Lot 16 South Side Seventh Street Plan Cornwall, Parts 1 and 2, 52R4375; City of Cornwall (PIN 60180 - 0282 LT) ("**632 Pitt Street**"), as governed by Standard Charge Terms 200821 ("**SCTs 200821**"); and (v) Notice of Assignment of Rents from Holdings to BMO, including General Assignment of Rents signed by Holdings on November 6, 2019, registered as instrument number ST109065 on November 12, 2019 (the "**Holdings Rent Assignment**") over title to 632 Pitt Street (collectively, the "**Holdings Security**");

Cornwall

- (e) a predecessor term sheet dated October 31, 2019 intended to be between BMO and Cornwall, in which BMO established a term loan in favour of Cornwall in the amount of \$560,000, and the operative term sheet signed July 20, 2021, in which BMO established a term loan in favour of Cornwall in the amount of \$540,455 (the "**Cornwall Credit Facility**");
- (f) BMO holds, *inter alia*, the following security, as security for the Cornwall Credit Facility: (i) Security Agreement from Cornwall dated November 6, 2019 ("**Cornwall GSA**"); (ii) an unlimited guarantee of Cornwall's indebtedness to BMO from Holdings and Solutions dated November 6, 2019 (the "**Guarantee of Cornwall's Debt to BMO**"); (iii) Cross-Default Agreement; (iv) Charge/Mortgage of Land from Cornwall to BMO, in the principal amount of \$560,000, registered as instrument number ST109061 on November 12, 2019 (the "**Cornwall Mortgage**") over title to the real property municipally known as 628 Pitt Street,

Cornwall, Ontario, legally described as: Part Lot 16 South Side Seventh Street Plan Cornwall, Part 2, 52R2252; Cornwall (PIN 60180 - 0067 LT) ("**628 Pitt Street**"), as governed by SCTs 200821; and (v) Notice of Assignment of Rents from Cornwall to BMO, including General Assignment of Rents signed by Cornwall on November 6, 2019, registered as instrument number ST109062 on November 12, 2019 (the "**Cornwall Rent Assignment**") over title to 628 Pitt Street (collectively, the "**Cornwall Security**") (the Solutions Security, the Holdings Security and the Cornwall Security are hereinafter referred to, collectively, as, the "**Security**" and the Security shall also include the Cross Collateralization Acknowledgement Agreement signed November 6, 2019 by Cornwall, Holdings and Solutions in favour of BMO (the "**Cross Collateralization Agreement**"); and the Solutions Credit Facilities, the Holdings Credit Facility and the Cornwall Credit Facility are hereinafter referred to, collectively, as, the "**Credit Facilities**").

As set out below and subject to certain assumptions and qualifications, we are of the opinion that BMO's Security is valid and enforceable.

A. Standard Assumptions and Qualifications

In rendering our opinion concerning BMO's Security, we have made the following standard assumptions:

1. The genuineness of all signatures, the legal capacity of natural persons, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies;
2. That all necessary corporate proceedings were taken to authorize the execution and delivery of BMO's Security documentation;
3. That we have been provided with all documentation affecting the validity or enforceability of BMO's Security documentation, and there are no verbal agreements varying the terms of BMO's Security documentation;
4. That valuable consideration was given by BMO to the Companies;
5. That the Companies had the corporate power and capacity to borrow money in Ontario, to provide BMO's Security documentation, to execute and deliver BMO's Security documentation and to perform the covenants contained in BMO's Security documentation on their part to be performed;
6. That there are no laws other than those of Ontario and those of Canada applicable in Ontario that would limit or affect the enforceability of BMO's Security documentation;
7. That the Companies owned the collateral, property or equipment over which BMO was granted a security interest;

8. We express no opinion as to whether BMO's Security can be attacked under the *Bankruptcy and Insolvency Act* (Canada) or any other federal or provincial legislation as a fraudulent conveyance, transfer at undervalue, preference or otherwise;
9. We express no opinion as to the priority of BMO's Security as against unregistered statutory trusts or liens; and
10. We express no opinion as to the validity of any security interest in any contractual rights or crown debts, which, by their terms, cannot be the subject of a security interest without the consent, authorization or approval of third parties.

B. The Credit Facilities

Subject to the assumptions and qualifications made above and the comments made under this section, the Credit Facilities appear to be valid and enforceable as per their terms, and binding on the parties. One qualification concerns the Cornwall Credit Facility regarding the predecessor October 31, 2019 facility with respect to the term loan in favour of Cornwall in the amount of \$560,000: it was not signed and accepted by Cornwall but rather was signed and accepted by Holdings as the borrower. This is an error as the Cornwall Credit Facility regarding the predecessor October 31, 2019 facility with respect to the term loan in favour of Cornwall in the amount of \$560,000 should have been signed and accepted by Cornwall as the borrower. Notwithstanding, we are of the opinion that Cornwall agreed to be bound to the Cornwall Credit Facility as borrower for the following reasons: (1) the operative July 20, 2021 facility with respect to the term loan in favour of Cornwall in the amount of \$540,455 was signed and accepted by Cornwall as borrower (and Holdings and Solutions as corporate guarantors); and (2) Cornwall (and Holdings and Solutions) also signed a Debt Servicing Undertaking and Agreement on November 8, 2019 in respect of BMO's predecessor \$560,000 credit facility to Cornwall, in which, among other things, Cornwall agreed to make all payments of principal and interest to BMO regarding the \$560,000 credit facility on a prompt and timely basis.

The Solutions Credit Facilities document was signed by Solutions as borrower, Holdings and Cornwall as corporate guarantors and Caroline Bourret as personal guarantor but it was not signed by Cameron Grant despite a signature line set out for his signature. As borrower and signatory to the Solutions Credit Facilities, Solutions is bound to the terms of the Solutions Credit Facilities.

C. GSAs

In accordance with the Credit Facilities, the Companies each granted and signed separate security agreements in favour of BMO: the Solutions GSA, the Holdings GSA and the Cornwall GSA (collectively, the "**GSAs**"). The GSAs are valid and enforceable as per their written terms. The GSAs grant BMO, among other things, a security interest in all of the Companies' present and after acquired personal property.

D. Rent Assignments

The Holdings Rent Assignment and Cornwall Rent Assignment appear to be valid and enforceable as per their written terms. The Holdings Rent Assignment to BMO is registered as instrument number ST109065 on November 12, 2019 over title to 632 Pitt Street; and the Cornwall Rent Assignment to BMO is registered as instrument number ST109062 on November 12, 2019 over title to 628 Pitt Street.

E. PPSA Review

BMO has registered financing statements against the Companies under the Ontario *Personal Property Security Act* (the "**PPSA**") to perfect its security interest in the personal property secured under the GSAs. The PPSA search results, as of January 1, 2024, confirm that BMO has a perfected security interest in the personal property of the Companies secured under the GSAs. In particular, BMO's financing statement against Solutions has registration number 20191106 1120 5076 2452. The registration period is 10 years, expiring on November 6, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included.

BMO's financing statement against Holdings has registration number 20191106 1114 5076 2450. The registration period is 10 years, expiring on November 6, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included.

BMO's financing statement against Cornwall has registration number 20191106 1117 5076 2451. The registration period is 10 years, expiring on November 6, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included.

Regarding the Holdings Rent Assignment and the Cornwall Rent Assignment, BMO does not appear to have registered a specific financing statement under the PPSA for the assignments.

BMO's PPSA registrations against the Companies are "first in time" and prior registrations at this time. As of January 1, 2024, the following were subsequent registrations under the PPSA against all or some of the Companies subject to any PMSIs: Christina Grant; Seaway Toyota (1990) Inc.; 1921534 Ontario Inc. (Ltd.); 11678833 Canada Inc.; De Lage Landen Financial Services Canada Inc; and The Bank of Nova Scotia.

F. Mortgages

BMO's interest in 632 Pitt Street is secured by the first-ranking registered Holdings Mortgage, and BMO's interest in 628 Pitt Street is secured by the first-ranking Cornwall Mortgage, as each are governed by SCTs 200821. We reviewed the parcel registers, current to January 5, 2024, for 632 Pitt Street and 628 Pitt Street. The Holdings Mortgage granted to BMO, in the principal amount of \$1,040,000, is registered as instrument number ST109064 on November 12, 2019 over title to the real property municipally known as 632 Pitt Street, Cornwall, Ontario. The Cornwall Mortgage granted to BMO, in the principal amount of \$560,000, is registered as

instrument number ST109061 on November 12, 2019 over title to the real property municipally known as 628 Pitt Street, Cornwall, Ontario.

The Holdings Mortgage and Cornwall Mortgage are valid and enforceable as per their terms. The legal descriptions indicated in the parcel registers are correctly identified on the Holdings Mortgage and Cornwall Mortgage. Pursuant to the SCTs 200821, the Holdings Mortgage secures the Holdings Credit Facility and the Cornwall Mortgage secures the Cornwall Credit Facility. As of January 5, 2024, these are first-ranking mortgages registered on title of the real properties in favour of BMO subject to any priority claims.

The land titles search against 632 Pitt Street and 628 Pitt Street, as of January 5, 2024, show a subsequent registration against title to each of the real properties on November 12, 2019 in favour of Glenn Joseph Macdonell by way of a charge or mortgage granted by Holdings over 632 Pitt Street in the principal amount of \$1,000,000 and by way of a charge or mortgage granted by Cornwall over 628 Pitt Street in the principal amount of \$1,000,000.

G. Guarantees

BMO's Security includes the Guarantees of Solutions' Debt to BMO, the Guarantee of Holdings' Debt to BMO and the Guarantee of Cornwall's Debt to BMO (collectively, the "**Guarantees**"). Subject to the above assumptions and qualifications, the Guarantees appear to be valid and enforceable as per their written terms.

H. Cross Default Agreement and Cross Collateralization Agreement

Generally, under the Cross Default Agreement, any default by one or more of the Companies of any of the Security is deemed to be a default by any or all of the Companies of the Security, and which will allow BMO to exercise any remedy available to it after the default under its Security in relation to the Credit Facilities. Also, generally, under the Cross Collateralization Agreement, Solutions, Holdings and Cornwall agreed with BMO that all of the Security secures payment of all indebtedness and liability of the Companies under the Credit Facilities whether direct or indirect, absolute or contingent, revolving or non-revolving, whether incurred by one or more of the Companies.

I. Other Searches

In addition to the above PPSA and land titles searches, we have conducted corporate profile searches in relation to the Companies, current to January 4, 2024. The Companies are incorporated pursuant to the laws of Canada and Caroline Bourret is shown as the chief officer, manager and director of each of the Companies.

As you know, on January 17, 2024, the Court granted an Order (the "**Court Order**") in the NOI or BIA proceedings of the Companies, including the following relief: administratively consolidating the estates of the Companies; extending the stay of proceedings to March 5, 2024; approving the first report of the Proposal Trustee and its activities as set out in the first report; approving a sale and investment solicitation process including the engagement of a

sales agent; enhancing the powers of the Proposal Trustee; approving interim financing for the Companies; and granting certain super-priority charges. As per your instructions, we registered the Court Order on title of 628 Pitt Street and 632 Pitt Street on January 19, 2024.

J. Opinion

We are of the opinion that the Credit Facilities constitute legal, valid and binding obligations of the Companies to BMO. These obligations are enforceable against the Companies in accordance with the terms of the Credit Facilities. We are also of the opinion that BMO's Security is valid and enforceable against the Companies and that proper registrations have been made regarding BMO's Security. This opinion is subject to the above assumptions, qualifications and comments.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

FOGLER, RUBINOFF LLP

"Vern W. DaRe"

Vern W. DaRe

Fourth Report of the Proposal Trustee
Appendix “S”



Fogler, Rubinoff LLP
Lawyers

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Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

May 8, 2024

Reply To: Vern W. DaRe
Direct Dial: 416.941.8842
E-mail: vdare@foglers.com
Our File No. 236535

VIA EMAIL: CLONERGAN@BDO.CA

BDO Canada Limited
Licensed Insolvency Trustees
20 Wellington E., Suite 500
Toronto, Ontario
M5E 1C5
Attention: Clark Lonergan

Dear Sir:

Re: Glenn Joseph Macdonell ("Macdonell") advance to OEM Automotive Cornwall Inc. ("Cornwall") and OEM Automotive Holdings Inc. ("Holdings") (collectively, with OEM Automotive Solutions Inc., the "Companies")

On December 22, 2023, each of the Companies filed a Notice of Intention to Make a Proposal (collectively, the "**NOIs**") pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**"). In your capacity as proposal trustee under the NOIs (the "**Proposal Trustee**"), you have requested our opinion regarding the validity and enforceability of certain mortgages held by Macdonell in relation to a vendor takeback dated on or about November 12, 2019 (the "**VTB**"), in which Macdonell allegedly advanced one million dollars to Holdings and Cornwall to purchase the premises at 632 Pitt Street, Cornwall, Ontario.

In relation to the VTB, the Companies granted various security, including a collateral mortgage from Holdings dated November 12, 2019 in the principal amount of one million dollars, as registered against title as instrument number ST109066 to the real property municipally known as 632 Pitt Street ("**632 Pitt Street**"), Cornwall, Ontario (the "**Holdings Mortgage**"), and a collateral mortgage from Cornwall dated November 12, 2019 in the principal amount of one million dollars, as registered against title as instrument number ST109067 to the real property municipally known as 628 Pitt Street ("**628 Pitt Street**"), Cornwall, Ontario (the "**Cornwall Mortgage**", together with the Holdings Mortgage, the "**Mortgages**").

As set out below and subject to certain assumptions and qualifications, we are of the opinion that the Mortgages are valid and enforceable.

Standard Assumptions and Qualifications

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

1. The genuineness of all signatures, the legal capacity of natural persons, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies;
2. That all necessary corporate proceedings were taken to authorize the execution and delivery of the Mortgages;
3. That we have been provided with all documentation affecting the validity or enforceability of the Mortgages, and there are no verbal agreements varying the terms of the Mortgages;
4. That valuable consideration was given by Macdonell to any of the Companies;
5. That Cornwall and Holdings had the corporate power and capacity to borrow money in Ontario, to provide the Mortgages, to execute and deliver the Mortgages and to perform the covenants contained in the Mortgages on their part to be performed;
6. That there are no laws other than those of Ontario and those of Canada applicable in Ontario that would limit or affect the enforceability of the Mortgages;
7. That Cornwall and Holdings owned the respective collateral, property or real property over which Macdonell was granted a security interest or charge pursuant to the Mortgages;
8. We express no opinion as to whether the Mortgages can be attacked under the *Bankruptcy and Insolvency Act* (Canada) or any other federal or provincial legislation as a fraudulent conveyance, transfer at undervalue, preference or otherwise;
9. We express no opinion as to the priority of the Mortgages as against unregistered statutory trusts or liens; and
10. We express no opinion as to the validity of any security interest in any contractual rights or crown debts, which, by their terms, cannot be the subject of a security interest without the consent, authorization or approval of third parties.

A. Mortgages

Macdonell's interest in 632 Pitt Street was secured by the Holdings Mortgage, and Macdonell's interest in 628 Pitt Street was secured by the Cornwall Mortgage. We reviewed the applicable parcel registers, current to April 23, 2024, before the sale of 632 Pitt Street and 628 Pitt Street by the Proposal Trustee on or about April 30, 2024, which confirmed that the Holdings Mortgage and Cornwall Mortgage were registered on title of the respective property. After the said sale by the Proposal Trustee and the registration of the applicable Approval and Vesting Order on title, the Holdings Mortgage and Cornwall Mortgage were deleted, removed or expunged from title and under the applicable Approval and Vesting Order, generally the net proceeds from the sale of 632 Pitt Street and 628 Pitt Street shall stand in the place of the respective real property, and

the Mortgages shall attach to the net proceeds with the same priority as they had with respect to 632 Pitt Street and 628 Pitt Street respectively immediately prior to the sale.

B. Other Searches

In addition to the above land titles searches, we have conducted corporate profile searches in relation to the Companies, current to January 4, 2024 (before the above sale by the Proposal Trustee). The Companies are incorporated pursuant to the laws of Canada and Caroline Bourret was shown at that time as the chief officer, manager and director of each of the Companies.

C. Opinion

We are of the opinion that the Mortgages are valid and enforceable, and are valid charges, mortgages or claims against the respective net proceeds from the sale of 632 Pitt Street and 628 Pitt Street. This opinion is subject to the above assumptions, qualifications and comments.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

FOGLER, RUBINOFF LLP

"Vern W. DaRe"

Vern W. DaRe

Fourth Report of the Proposal Trustee
Appendix “T”



Fogler, Rubinoff LLP
Lawyers

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Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

March 1, 2024

Reply To: Vern W. DaRe
Direct Dial: 416.941.8842
E-mail: vdare@foglers.com
Our File No. 236535

VIA EMAIL: CLONERGAN@BDO.CA

BDO Canada Limited
Licensed Insolvency Trustees
20 Wellington E., Suite 500
Toronto, Ontario
M5E 1C5
Attention: Clark Lonergan

Dear Sir:

Re: Grant and 116 loans allegedly guaranteed and secured by OEM Automotive Solutions Inc. ("Solutions"), OEM Automotive Cornwall Inc. ("Cornwall") and OEM Automotive Holdings Inc. ("Holdings") (collectively, the "Companies")

On December 22, 2023, each of the Companies filed a Notice of Intention to Make a Proposal (collectively, the "**NOIs**") pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**"). In your capacity as proposal trustee under the NOIs (the "**Proposal Trustee**"), you have requested our opinion regarding the validity and enforceability of the security held by the Grants and/or related companies (as described below) in relation to certain alleged loans provided by them as guaranteed and secured by the Companies.

The Companies are each wholly owned subsidiaries of Seaway Auto Group Inc. ("**Seaway**"). Seaway is owned by the following shareholders: 51% by Caroline Bourret ("**Bourret**") and 49% by 11678833 Canada Inc. (which is beneficially owned by Cameron Grant) ("**116**").

By way of background to this opinion letter, pursuant to a loan agreement dated November 8, 2019 (the "**Grant Loan Agreement**"), the related lenders, Christina Grant, 1921534 Ontario Ltd. and Seaway Toyota (1990) Inc. (collectively, the "**Grants**") allegedly provided a loan to 116 in the amount of \$1.8 million (the "**Grant Loan**"). The security for the Grant Loan included a guarantee, indemnity, assignment and postponement dated November 8, 2019 from the Companies and others (the "**Companies' Guarantee of the Grant Loan**") and separate security agreements including from each of the Companies respectively dated November 8, 2019 (collectively, the "**Companies' GSAs regarding the Grant Loan**").

In turn, 116 allegedly lent the funds to Seaway (the owner or sole shareholder of the Companies) pursuant to a loan and option agreement dated November 8, 2019 (the "**116 Loan Agreement**") in the amount of \$1.8 million (the "**116 Loan**"). The security for the 116 Loan included a guarantee, indemnity, assignment and postponement dated November 8, 2019 from the Companies and others (the "**Companies' Guarantee of the 116 Loan**") and separate

security agreements including from each of the Companies respectively dated November 8, 2019 (collectively, the "**Companies' GSAs regarding the 116 Loan**").

In this regard, we have reviewed the following documents in the course of formulating our opinion:

Grant Loan

- (a) the Grant Loan Agreement;
- (b) the Companies' GSAs regarding the Grant Loan (collectively, the "**Grants' Security**"); and
- (c) the Companies' Guarantee of the Grant Loan;

116 Loan

- (d) the 116 Loan Agreement;
- (e) the Companies' GSAs regarding the 116 Loan (collectively, "**116's Security**"); and
- (f) the Companies' Guarantee of the 116 Loan.

As set out below and subject to certain assumptions and qualifications, we are of the opinion that the Grants' Security and 116's Security (collectively, the "**Security**") are valid, perfected and enforceable.

A. Standard Assumptions and Qualifications

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

1. The genuineness of all signatures, the legal capacity of natural persons, the conformity to original documents of all documents submitted to us as copies and the authenticity of all of the originals of such copies;
2. That all necessary corporate proceedings were taken to authorize the execution and delivery of the Security documentation;
3. That we have been provided with all documentation affecting the validity or enforceability of the Security documentation, and there are no verbal agreements varying the terms of the Security documentation;
4. That valuable consideration was given by the Grants to 116 and by 116 to Seaway;

5. That 116 and Seaway had the corporate power and capacity to borrow money in Ontario, to execute and deliver the respective Loan Agreements (as defined below) and to perform the covenants contained in the respective Loan Agreements;
6. That the Companies had the corporate power and capacity to grant the Security documentation, to execute and deliver the Security documentation and to perform the covenants contained in the Security documentation on their part to be performed;
7. That the Companies had the corporate power and capacity to grant the Guarantees (as defined below), to execute and deliver the Guarantees and to perform the covenants contained in the Guarantees on their part to be performed;
8. That there are no laws other than those of Ontario and those of Canada applicable in Ontario that would limit or affect the enforceability of the Security and Guarantees;
9. That the Companies owned the collateral, property or equipment over which the Grants and 116 were granted a security interest under the respective Security;
10. We express no opinion as to whether the Security and Guarantees can be attacked under the *Bankruptcy and Insolvency Act* (Canada) or any other federal or provincial legislation as a fraudulent conveyance, transfer at undervalue, preference or otherwise;
11. We express no opinion as to the priority of the Security as against unregistered statutory trusts or liens; and
12. We express no opinion as to the validity of any security interest in any contractual rights or crown debts, which, by their terms, cannot be the subject of a security interest without the consent, authorization or approval of third parties.

B. Grant Loan Agreement and 116 Loan Agreement (collectively, the "Loan Agreements")

Subject to the assumptions and qualifications made above, the Loan Agreements appear to be valid and enforceable as per their terms, and binding on the parties. Under the Loan Agreements, the Companies agreed, among other things, to grant the respective Security and Guarantees.

C. GSAs

In accordance with the Loan Agreements, the Companies each granted and signed separate security agreements: (i) in favour of the Grants: the Companies' GSAs regarding the Grant Loan or the Grants' Security, and (ii) in favour of 116: the Companies' GSAs regarding the 116 Loan or 116's Security. These GSAs appear to be valid and enforceable as per their written terms. Also, these GSAs respectively grant the Grants and 116, among other things, a security interest in the Companies' personal property.

D. PPSA Review

The Grants and 116 have registered financing statements against the Companies under the Ontario *Personal Property Security Act* (the "**PPSA**") to perfect their security interest in the personal property secured under their respective Security. The PPSA search results, as of January 1, 2024, confirm that the Grants and 116 have a perfected security interest in the personal property of the Companies secured under their respective Security.

Regarding Solutions, the Grants' financing statement against Solutions has registration number 20191108 1549 6083 6505. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, and other in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Solutions. There is one minor typing error in the registration, in that one of the Grants or secured parties, is identified or registered as 1921534 Ontario Inc. when in fact the correct name of the secured party is 1921534 Ontario Ltd. A reasonable person would not be misled by this minor typing error and it does not invalidate the registration.

116's financing statement against Solutions has registration number 20191108 1618 1862 1957. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included, in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Solutions.

Regarding Holdings, the Grants' financing statement against Holdings has registration number 20191108 1550 6083 6506. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, and other in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Holdings.

116's financing statement against Holdings has registration number 20191108 1626 1862 1959. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included, in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Holdings.

Regarding Cornwall, the Grants' financing statement against Cornwall has registration number 20191108 1551 6083 6507. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, and other in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Cornwall.

116's financing statement against Cornwall has registration number 20191108 1627 1862 1960. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included, in the amount of \$1.8 million. The general collateral description refers to a General Security Agreement on all present and future property of Cornwall.

Regarding the Companies' Guarantee of the Grant Loan and the Companies Guarantee of the 116 Loan, each of which include a guarantee, indemnity, assignment and postponement (collectively, the "**Guarantees**"), the Grants and 116 appear to have registered specific financing statements against the Companies under the PPSA.

Regarding the Companies' Guarantee of the Grant Loan, the Grants' financing statement against the Companies (and Seaway) has registration number 20210212 1339 1862 1217. The registration period is 9 years, expiring on February 12, 2030. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, and other in the amount of \$1.8 million. The general collateral description refers to a Guarantee, Indemnity, Assignment and Postponement. We note that the Companies' Guarantee of the Grant Loan is dated November 8, 2019 but that the applicable PPSA registration was made on February 12, 2021, more than a year later.

Regarding the Companies' Guarantee of the 116 Loan, 116's financing statement against the Companies has registration number 20191108 1628 1862 1962. The registration period is 10 years, expiring on November 8, 2029. The PPSA registration checks-off the following collateral: inventory, equipment, accounts, other and motor vehicle included, in the amount of \$1.8 million. The general collateral description refers to a Guarantee, Indemnity, Assignment and Postponement.

Subject to the above assumptions and comments, the Security and Guarantees appear to be validly perfected pursuant to the above PPSA registrations.

E. Guarantees

The Guarantees appear to be properly signed and valid as per their written terms. We raise one minor technical issue. Each of the signed Guarantees has on the top of the title page, the word or words: Schedule "A". We would have preferred a clean signed version of the Guarantees without the reference to Schedule "A" on the top of the title pages.

F. Other Searches

In addition to the above PPSA searches, we have conducted corporate profile searches in relation to the Companies, current to January 4, 2024. The Companies are incorporated pursuant to the laws of Canada and Caroline Bourret is shown as the chief officer, manager and director of each of the Companies.

G. Opinion

We are of the opinion that the Loan Agreements give rise to legal, valid and binding obligations of the Companies respectively to the Grants and 116. These obligations are enforceable against the Companies in accordance with the terms of the Loan Agreements. We are also of the opinion that the Security is valid and enforceable against the Companies and that proper registrations under the PPSA have been made regarding the Security. Finally, the Guarantees

appear to be valid as per their terms, and registrations have been made under the PPSA. This opinion is subject to the above assumptions, qualifications and comments.

If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

FOGLER, RUBINOFF LLP

"Vern W. DaRe"

Vern W. DaRe

Fourth Report of the Proposal Trustee
Appendix “U”

May 16, 2024

VIA EMAIL to vdare@foglers.com

Vern DaRe
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
Toronto, ON, M5K1G8

Re: Loan by Christina Grant et. al. to 11678833 Canada Inc. ("116") and Loan by 116 to Seaway Auto Group Inc. ("Seaway Auto") et. al.

Dear Sir,

We are lawyers for Christina Grant, 1921534 Ontario Ltd., and Seaway Toyota (1990) Inc. (collectively the "**192 Lenders**") and 116.

As you are aware pursuant to a Loan Agreement dated November 8, 2019 (the "**192 Loan Agreement**"), the 192 Lenders made a loan to 116 in the principal amount of \$1,800,000 (the "**First Loan**"). The amounts owing by 116 to the 192 Lenders were guaranteed by, among others, Seaway Auto, OEM Automotive Solutions Inc., OEM Automotive Holdings Inc. and OEM Automotives Cornwall Inc. (collectively, "**Seaway**"). Seaway's obligations under their guarantees are secured by General Security Agreements each dated November 8, 2019, copies of which have been previously provided to BDO Canada Limited in its capacity as the proposal trustee of Seaway.

As you are also aware, the amounts advanced by the 192 Lenders under the 192 Loan Agreement to 116 were reloaned to Seaway Auto as borrower (the "**Second Loan**") pursuant to the terms of the Loan and Option Agreement dated November 8, 2019 (the "**Second Loan Agreement**"). Seaway Auto's obligations to 116 were also secured by unlimited guarantees from OEM Automotive Solutions Inc., OEM Automotive Holdings Inc. and OEM Automotives Cornwall Inc.

Pursuant to the above referenced agreements, all funds repaid under the Second Loan were used by 116 to repay its obligations to the 192 Lenders.

On behalf of 116 and the 192 Lenders, the following amounts are required to pay as of May 16, 2024 to discharge the obligations of Seaway under the Second Loan and the obligation of 116 as guaranteed by Seaway under the First Loan:

Principal	\$882,000
Accrued Interest to May 16, 2024	\$54,198.98
Legal Fees	\$47,048.48
Total	\$983,247.46

Per diem interest rate of: \$153.73

Payment of all amounts is to be sent by wire transfer drawn on your law firm's trust account payable to **Chaitons LLP, in trust**, and sent to our office.

To complete a wire transfer to our account and since the wire is being sent from your law firm's trust account which is at a Canadian location and funds are in CAD, particulars to complete same are noted below:

Chaitons LLP In Trust

5000 Yonge Street, 10th Floor

Toronto, ON M2N 7E9

Bank of Montreal

4841 Yonge Street

Toronto, Ontario M2N 5X2

Bank ID: 001

Transit #: 24892

Account No.: 1029662

SWIFT CODE (if needed) BOFMCAM2

Please notify our office immediately when the wire is completed and provide a copy of the wire confirmation so that we may advise our accounting department.

Should you have any questions or wish to discuss this matter with us, please contact the undersigned.

Yours truly,
CHAITONS LLP

MAYA POLIAK

Maya Poliak
PARTNER
CC: BDO CANADA LIMITED

Fourth Report of the Proposal Trustee
Appendix “V”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

(IN BANKRUPTCY & INSOLVENCY)

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C.,
1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE
CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.**

**AFFIDAVIT OF CLARK LONERGAN
(Sworn May 21, 2024)**

I, **CLARK LONERGAN**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. On December 22, 2023 (the “**Filing Date**”), OEM Automotive Solutions Inc. (“**Solutions**”), OEM Automotive Cornwall Inc. (“**Cornwall**”), and OEM Automotive Holdings Inc. (“**Holdings**”, collectively with Solutions and Cornwall, the “**Companies**”) each filed a Notice of Intention to Make a Proposal (“**NOI(s)**”) pursuant to section 50.4 of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in each of the Companies’ proposal proceedings (collectively, the “**Proposal Proceedings**”).
3. On January 11, 2024, the Proposal Trustee finalized its First Report to the Court in which it outlined its activities with respect to Proposal Proceedings.

4. On February 22, 2024, the Proposal Trustee finalized its Second Report to the Court in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of December 22, 2023, to January 19, 2024, and those of its legal counsel.
5. On March 27, 2024, the Proposal Trustee finalized its Third Report to the Court in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of January 20, 2024, to March 22, 2024, and those of its legal counsel.
6. On May 22, 2024, the Proposal Trustee finalized its Fourth Report to the Court in which it outlined additional activities undertaken with respect to the Proposal Proceedings, as well as provided information with respect to the Proposal Trustee's fees and disbursements for the period of March 23, 2024, to May 16, 2024, (the "**Period**") and those of its legal counsel.
7. The Proposal Trustee commenced its activities on the Filing Date, the Proposal Trustee has been engaged in carrying out the administration of the Proposal Proceedings and the Court approved sales process.
8. The Proposal Trustee has provided services and incurred disbursements, in the amount of \$151,853.00 and \$2,371.36 (all excluding HST), during the Period with respect to services provided. Attached hereto and marked as **Exhibit "A"** and **Exhibit "B"** to this Affidavit is a summary of all invoices, courtesy discounts, and disbursements, respectively, rendered by the Proposal Trustee, on a periodic basis during the Period (the "**Proposal Trustee's Accounts**").

9. True copies of the Proposal Trustee's Accounts, which include a fair and accurate description of the services provided, along with hours and applicable rates claimed by the Proposal Trustee, are attached as **Exhibit "C"** to this my Affidavit.
10. In the course of performing its duties as set out above at paragraph 7, the Proposal Trustee's staff expended a total of 344.2 hours during the Period. Attached as **Exhibit "D"** to this my affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Proposal Trustee's appointment and the hours and applicable rates claimed by the Proposal Trustee for the Period. The average hourly rate billed by the Proposal Trustee during this Period is \$441.18.
11. The Proposal Trustee requests that this Court approve its Proposal Trustee's Accounts for the Period, in the total amount of \$154,224.36 (excluding HST) for services rendered and recorded during the Period.
12. The time and amounts shown in the detailed account attached as Exhibits A-D are a fair and accurate description of the services provided and the amounts charged by the Proposal Trustee, which reflect the Proposal Trustee's time as billed at the standard billing rates.
13. Fogler, Rubinoff LLP ("**Fogler**"), as independent legal counsel to the Proposal Trustee, has provided legal services to the Proposal Trustee throughout the Proposal Proceedings in a manner consistent with the instructions of the Proposal Trustee and has prepared an affidavit with respect to the services rendered in the period from March 26, 2024, to May 15, 2024, (the "**Counsel's Period**"). The Proposal Trustee has reviewed the invoices rendered by Fogler during the Counsel's Period.
14. To the best of my knowledge, the rates charged by the Proposal Trustee and Fogler are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.

15. I verily believe that the fees and disbursements incurred by BDO, in its respective capacity as Proposal Trustee, and Fogler are fair and reasonable in the circumstances
16. This affidavit is sworn in support of the Companies' motion for, among other things, approval of the Proposal Trustee's fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN before me at the City of)
Toronto, in the Province)
of Ontario this 21st day of May)
2024)



A commissioner, etc.

**Sabrina Santolanni, a Commissioner, etc.,
City of Toronto, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires February 12, 2027.**



CLARK LONERGAN

This is Exhibit "A" referred to in the Affidavit of
Clark Lonergan, sworn before me this 21st day of
May, 2024.



A Commissioner for Taking Affidavits

SABRINA SANTOIANNI

**Sabrina Santoianni, a Commissioner, etc.,
City of Toronto, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires February 12, 2027.**

EXHIBIT "A"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND OEM AUTOMOTIVE HOLDINGS INC.
FEES SUMMARY FROM MARCH 23, 2024 TO MAY 16, 2024

Invoice #	Entity	Period	Fees Incurred	Courtesy Discount	Disbursements	HST	Total
CINV2889200	OEM Automotive Solutions Inc.	March 23, 2024 to May 3, 2024	\$ 90,646.00	-\$ 10,000.00	\$ 2,186.55	\$ 10,768.23	\$ 93,600.78
CINV2889139	OEM Automotive Cornwall Inc.	March 23, 2024 to May 3, 2024	19,741.50	- 5,000.00	-	1,916.40	16,657.90
CINV2889199	OEM Automotive Holdings Inc.	March 23, 2024 to May 3, 2024	19,741.50	- 5,000.00	-	1,916.40	16,657.90
CINV2892589	OEM Automotive Solutions Inc.	May 4, 2024 to May 16, 2024	34,652.00	- 5,000.00	184.81	3,878.79	33,715.60
CINV2892590	OEM Automotive Cornwall Inc.	May 4, 2024 to May 16, 2024	7,536.00	- 1,500.00	-	784.68	6,820.68
CINV2892591	OEM Automotive Holdings Inc.	May 4, 2024 to May 16, 2024	7,536.00	- 1,500.00	-	784.68	6,820.68
			<u>\$ 179,853.00</u>	<u>-\$ 28,000.00</u>	<u>\$ 2,371.36</u>	<u>\$ 20,049.17</u>	<u>\$ 174,273.53</u>

This is Exhibit “B” referred to in the Affidavit of
Clark Lonergan, sworn before me this 21st day of
May, 2024.



A Commissioner for Taking Affidavits

SABRINA SANTOIANNI

**Sabrina Santoianni, a Commissioner, etc.,
City of Toronto, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires February 12, 2027.**

EXHBIT "B"

BDO CANADA LIMITED

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND OEM
AUTOMOTIVE HOLDINGS INC.**

DISBURSEMENTS SUMMARY FROM MARCH 23, 2024 TO MAY 16, 2024

Travel, Meals, and Lodging	1,956.16
IT Equipment	230.39
Miscellaneous	184.81
Total	\$ 2,371.36

This is Exhibit "C" referred to in the Affidavit of
Clark Lonergan, sworn before me this 21st day of
May, 2024.



A Commissioner for Taking Affidavits

SABRINA SANTOIANNI

Sabrina Santoianni, a Commissioner, etc.,
City of Toronto, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires February 12, 2027.



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Solutions Inc
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

May 13, 2024

Invoice

CINV2889200

RE: OEM Automotive Solutions - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period March 23, 2024 to May 3, 2024 as per the details below.

Our Fee	\$ 90,646.00
Courtesy Discount	\$ (10,000.00)
Disbursements: Meal, Lodging	1,956.16
Disbursements: IT Equipment	230.39
Sub Total	82,832.55
HST - 13.00% (#R101518124)	10,768.23
TOTAL	\$ 93,600.78

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	62.6	735.00	46,011.00
H. Yin, Analyst	113.0	395.00	44,635.00
Total	175.6		\$ 90,646.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	25-Mar-24	Drafting Third Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavit from Counsel, review of SISP process, EOI and LOI summaries, discussion with Company and Bank's counsel re: upcoming motion and timing of distribution motion, various discussions with the BDO team, etc.	5.0
H. Yin	25-Mar-24	Correspondence with C. Lonergan re: Third Court Report; Correspondence with J. Raymond and purchaser re: due diligence materials, environmental reports, etc.; Email V. Dare re environmental reports; Call with C. Wolf re various accounting matters and update to the cash flow forecast; Conduct cash flow variance analysis of the previous week; Draft new cash flow projection for the Third Court Report, etc.	2.6
C. Lonergan	26-Mar-24	Various discussions and correspondence with Counsel re: orders and motion materials, drafting Third Report, review of Revised Cash Flows and discussions with BDO team re: the same, various calls and revisions to the Third Report with Counsel, review of environmental reports, various calls with Sales Agent and Purchaser re: APA, update with Counsels re: the same, cash flow variance analysis review, Confidential Supplementary Report framework set up, review of BDO fee schedules, etc.	4.0
H. Yin	26-Mar-24	Call with M. Paquette re update to the sales figures on revised cash flow forecast; Conduct cash flow variance analysis for the period up to March 24, 2024 for the Third Court Report; Continue new revised cash flow projection for the Third Court Report, correspondence with C. Bourret re: revised cash flows for signatures. Review draft BDO professional fees and send to C. Lonergan for review.	5.8
C. Lonergan	27-Mar-24	Drafting and Finalizing the Third Report and Confidential Supplementary Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavits of Proposal Trustee and its counsel, review of SISP process, EOI and LOI summaries, etc.	6.0
H. Yin	27-Mar-24	Finalize BDO professional fees invoices; Draft fee affidavit and exhibits for C. Lonergan to review and sign off; Compile appendices for the Third Court Report and Confidential Supplementary Report; Correspondence with City of Cornwall re: work order search; Correspondence with Pinchin re: status of the remediation report; Correspondence with J. Raymond re: various items related to the purchase agreement; Correspondence with V. Dare re: purchase agreement and the Third Court Report and its supplementary; Review of Third Court Report and Confidential Supplementary Report, finalize re: same and send to Counsel, etc.	6.2
C. Lonergan	28-Mar-24	Finalizing APA, finalizing Third Report and Confidential Supplementary Report, respond to the Shareholder email, follow up re: city work orders and Pinchin re: environmental report, various	1.2



Staff	Date	Comments	Hours
		discussion with Counsel and BDO team re: the same and next steps, etc.	
H. Yin	28-Mar-24	Draft DIP funding request letter for C. Bourret's signature; Correspondence with C. Lonergan re: next steps and review correspondence from shareholder re: vehicles sales, WIP, etc.; Draft response to shareholders re: the same, etc.	0.4
C. Lonergan	01-Apr-24	Critical vendor email to Company and stakeholders, Review of APA, review of Court materials, update correspondence with Bank's counsel re: the same, set up APA preliminary waterfall framework for BDO team, follow up with APA items including work orders and environmental reports, pre-filing vendors payments review and discussion with BDO team re: the same, etc.	1.4
H. Yin	01-Apr-24	Review all pre-filing payments made to date and summarize, draft email re: same for C. Lonergan; Review email correspondence receive from the Company re: various items; Correspondence with C. Wolf re: payments to be made; Correspondence with C. Bourret re: DIP financing request, sales process update, etc.; Correspondence with Aird and Berlis re: invoice payment status; Correspondence with City of Cornwall re: open work order follow up; Correspondence with Pinchin re:status of remediation report, etc.	2.0
C. Lonergan	02-Apr-24	Update call with the Company and BDO team re: Court process, sales process, APA, next steps to close, critical vendor update, outstanding vehicles AR to collect, various correspondence with shareholder's counsel re: confidential summary, review and update on preliminary APA waterfall analysis, review of BMO monthly reporting, etc.	2.3
H. Yin	02-Apr-24	Review prior week's cash activities and conduct variance analysis; Prepare monthly reporting package to BMO and draft email re: same; Call with D. Poirier re disbursements, etc.; Call with J. Raymond re: next steps, closing checklist, etc.; Call with G. Macdonell re: sales process, distributions, etc.; Meeting with C. Lonergan and C. Bourret re: various items, sales process, closing process, next steps, etc.; Correspondence with BMO re: current balance owed on various indebtedness, prepare preliminary waterfall analysis for C. Lonergan to review.	5.0
C. Lonergan	03-Apr-24	Preparation and review of materials for Court, attendance at Court for the extension hearing, Third Report approval and sale approval, call with Shareholders counsel re: the same, update call with Bank and counsel following Court, etc.	2.3
H. Yin	03-Apr-24	Correspondence with C. Wolf re: separating HST filing to month to month, finalize figures for filing, professional fees payments, etc.; Review C. Wolf's email re: floor plan repayments, etc.; Call with C. Bourret re: deal closing; Correspondence with DSMA re: next steps, time sheets update, etc.; Correspondence with the purchaser re: information requests; Correspondence with vendors re: outstanding payments, etc.	1.5



Staff	Date	Comments	Hours
C. Lonergan	08-Apr-24	Call with Sales Agent, Company, BDO team and Purchaser re: next steps re: closing, employee meeting, critical parts purchases, review of closing item checklist, etc.	1.4
H. Yin	08-Apr-24	Correspondence with Pinchin re: environmental remediation update; Correspondence with C. Wolf re: disbursements, various accounting matters, professional fees, cash flow, etc.; Meet with DSMA and purchaser re: next steps; Correspond with C. Lonergan re: next steps; Call with C. Bourret re: next steps, professional fees, pre-filing invoices, missing vehicle payments, etc.; Review emails received from Purchaser re: due diligence; Draft email to C. Lonergan re: closing checklist. Review previous week's bank activities and cash flow variance analysis; Review various emails received from the Company, etc.	4.0
C. Lonergan	10-Apr-24	Review of closing agreements, updating closing item check list, correspondence with Volkswagen, etc.	0.8
H. Yin	10-Apr-24	Compiling court materials and corresponding with IT team to update website with latest documents, etc.	0.4
C. Lonergan	12-Apr-24	Finalize closing item checklist, Update call with Mark Motors, Sales Agent and BDO team re: IT, vehicle and parts inventories, employees, ownership and other closing items, etc.	1.7
H. Yin	12-Apr-24	Call with C. Lonergan and J. Raymond re: meeting with Purchaser, updates, steps forward/closing items, etc.; Meeting with Purchaser team re: previous week onsite work, IT needs, steps forward/closing items, etc.; Correspond with Purchaser re: IT migration plan; Call with C. Bourret re: payments, vendor issues, redacted APA, etc.	1.8
C. Lonergan	16-Apr-24	Update with BDO team re: Purchaser closing items, and DSMA billings and assistance with closing the APA, cash flows/cash position, etc.	0.8
H. Yin	16-Apr-24	Correspondence with N. Rajewski re IT, inventory count, supplier continuity, and various other closing items; Call with J. Raymond re: DSMA billing and next steps; Call with S. Tourangeau re SERTI contract, etc.; Conduct cash flow variance analysis, Update call with C. Lonergan re: Purchaser closing items, DSMA assistance and next steps, cash flow variance, etc.	2.6
H. Yin	17-Apr-24	Correspondence with C. Wolf re: vehicle repayments, floor plan status, accounting matters, HST remittance, etc.; Review email received from N. Rajewski re: various IT concerns and questions, etc.	1.6
C. Lonergan	18-Apr-24	Update on closing items, review of environmental report and BDO team summary re: the same, update email to Company and Counsel re: cash flows and vehicle payment letters, etc.	1.6
H. Yin	18-Apr-24	Receive and review Pinchin remediation report, draft summary email to C. Lonergan for review; Correspondence with C. Lonergan re: closing items, next steps, Pinchin report, and outstanding Company information/requirements, etc.; Correspondence with V. Dare re: Pinchin report and closing items, next steps, etc.; Call with	2.5

Staff	Date	Comments	Hours
		M. Paquette re: vehicles sales variance, trade in and lien payouts, inventory report, etc.	
C. Lonergan	19-Apr-24	Follow up with Purchaser re: closing items, IT update, employee update, VW agreement and OMVIC status, discussion with BDO team and Counsel re: closing items, etc.	1.0
H. Yin	19-Apr-24	Review IT discovery report from Purchaser, correspondence with N. Rajewski re: the same and plan forward on IT items; Correspondence with C. Lonergan re: update to the Purchaser; Meeting with C. Lonergan and V. Dare re next steps and environmental.	1.1
C. Lonergan	22-Apr-24	Follow-up with Volkswagen Canada re: remaining closing items, parts and warranty cut-off and Purchaser approval, environmental assesement on APA, etc.	0.7
C. Lonergan	23-Apr-24	Update call with Sales Agent, BDO team, and Purchaser re: OMVIC and other closing items, update discussions with VW Canada re: outstanding items, review of APA for outstanding items and follow-up with BDO team on inventory count, employee status, additionally discussions surrounding the Environmental report, etc.	2.4
H. Yin	23-Apr-24	Review various emails received from C. Wolf and M. Paquette re: floor line repayments, payroll, lien payout, etc.; Conduct variance analysis and cash flow monitoring of previous week's cash flow; Correspondence with S. Tourangeau re: Clover service agreement, IT questions, etc.; Review emails received from Purchaser; Call with V. Dare re: purchase agreement, etc.; Prepare for and meet with Purchaser, DSMA and C. Lonergan re: next steps and ongoing questions, concerns re: environmental, tasks, etc.; Follow-up discussion with C. Lonergan re: next steps, progress update, inventory count plan, etc.; Call with J. Raymond re: OMVIC approval, billing, etc.; Call with G. Paquette re IT systems; Draft email to BMO re: floor line balance; Correspondence with N. Rajewski on inventory count plan, etc. Draft email to OMVIC re: Court approval of the sale; Draft email to shareholders re: changes to access to services after April 30 closing, etc.	5.4
C. Lonergan	24-Apr-24	Purchaser update call and closing items, APA review with Purchaser re: employment requirements, update call with BDO team re: the same, cash flow and post-fling payment update and review, etc.	1.0
H. Yin	24-Apr-24	Meeting with C. Lonergan re: status update, next step, prepare for call with purchaser; Prepare for and meet with purchaser re: next steps, pending items before close, etc.; Correspondence with Cushman & Wakefield re: issuing a reliance letter to purchaser for appraisal on real properties; Correspondence with J. Wingrove re: various closing action items for Volkswagen prior to closing; Draft email to M. Ayache re: warranty receivables amount for purchaser to assume; Draft email to S. Yakovenko re: parts statements and payment cycle; Correspondence with BMO re: floor line, draft email to B. Bertram from VCI re: floor line status; Correspondence with Pinchin re: environmental remediation report; Correspondence with Purchaser and C. Wolf re payroll continuity plan and transition; Call with G. Paquette re: various IT related items and back up of Keyloop system, correspondence with Keyloop re: the same; Correspondence	7.3



Staff	Date	Comments	Hours
		with N. Rajewski re: inventory count plan and other closing items, etc.	
C. Lonergan	25-Apr-24	Closing framework, call with BDO team and plan for upcoming parts and vehicle inventory count; Volkswagen Credit update on BMO Floor-line amount, wires instructions and cut-off, Sales Agent update on potential valuation issues including the environment remediation report, Volkswagen Canada update re: vehicle cut-off and vehicles in transit/parts and warranty update, etc. Employee discussion re: dealer principal with Purchaser and consulting agreement vs. Volkswagen engaging, etc.	4.0
H. Yin	25-Apr-24	Call with C. Lonergan re: various outstanding items prior to close, plan forward, etc.; Call with V. Dare re: closing items, transition agreement, statement of adjustments, etc.; Meeting with Pinchin to finalize remediation letter and reliance letter; Draft email to purchaser re finalized Pinchin remediation letter, Phase I report, discussion with Pinchin, etc.; Call with J. Raymond re remediation letter, status of closing, plan for going forward, etc.; Correspondence with B. Bertram re floor plan payout, floor line status, etc., correspondence with C. Prem from BMO re same; Call with J. Wingrove re various VW related items, warranty, pausing vehicle delivery and parts delivery, etc.; Call with G. Paquette and email correspondence with Keyloop re system backup.	5.3
C. Lonergan	26-Apr-24	Update call and planning discussions with BDO team re: weekend closing items, status of cash and post-filing payments, review of vehicles sales and BMO repayments re: the same, update discussion with Purchaser re: closing items and environmental issues, etc.	2.4
H. Yin	26-Apr-24	Call with C. Lonergan re: plan ahead of closing and weekend closing items (existence and valuation of assets) plan; Correspondence with N. Rajewski re: various tasks to be performed onsite in preparation of closing the sales transaction, including inventory counts to be performed, etc.; Correspondence with C. Bourret re: next steps; Correspondence with Purchaser's transition team onsite re: parts inventory count approach, perform reviews of count sheet by recounting judgmentally selected parts, etc.	6.8
C. Lonergan	27-Apr-24	Update with BDO team and Purchaser regarding asset methodology/framework for existence and valuation, update on employees and consulting agreements for excluded employees, updating the transition services agreement and discussion with BDO team and Counsel re: the same, vehicle inventory update, etc.	3.3
H. Yin	27-Apr-24	Correspondence with N. Rajewski and C. Bourret re: progress update; Correspondence with C. Lonergan to determine inventory count strategy for existence and valuation, and establish course of action for count staff and dealership staff to perform the on-site inventory count for parts, etc.; Perform parts count for OEM parts under 12 months with large monetary amounts and judgmentally sample count sheet numbers by Purchaser from previous day's inventory counts, etc.	8.5
C. Lonergan	28-Apr-24	Update with BDO team/Purchaser and Company re: inventory counts, HST, Volkswagen Credit and Canada switch over steps and	3.7



Staff	Date	Comments	Hours
		funding, parts inventory update, purchase price framework, update calls with Purchaser re: closing items, employees, day 1 transition items/cut-off, Pinchin update, etc.	
H. Yin	28-Apr-24	Continue to perform parts count for OEM parts, enter count sheet data into Excel and extrapolate results to finalize parts inventory valuation. Draft email to all parties re: parts inventory value, etc.; Perform preliminary used vehicle count, document condition of each vehicles, and perform valuation of used vehicles in preparation for next day; Correspondence with N. Rajewski, C. Lonergan and C. Bourret re: status update on inventory counts, next steps, Volkswagen Credit and Volkswagen Canada requirements, vehicle HST analysis, etc.	9.5
C. Lonergan	29-Apr-24	Meet with BDO team to update vehicle inventory and parts inventory analysis, HST analysis re: vehicles, employee update with Purchaser, environmental update with Purchaser, call with Pinchin re: clarifications with regards to the remediation report, update call with Company re: excluded assets, updating the purchase price analysis, follow up with Counsels, re: closing items, calls with Volkswagen Credit and Volkswagen Canada re: closing items, warranty analysis, review of cash position, identification of potential cut-off issues, post-filing obligations, and other cash related items, multiple calls with BDO team and Purchaser re: the same, etc.	5.2
H. Yin	29-Apr-24	Meet with Purchaser and C. Lonergan re: progress of inventory count, go forward plan, vehicle HST adjustments, etc.; Correspondence with C. Lonergan and VW Financial Services re: floor plan audit and results, etc.; Work with Purchaser's transition team to agree on valuation of all used vehicles, parts valuations, etc.; Perform analysis of vehicle inventory valuation and allocation of payment from VW and the Purchaser, reconcile payment to be received from VW Financial Services floorplan to vehicle inventory; Multiple correspondence with VW Canada and the Company re: warranty receivable, perform analysis over warranty receivable and create ledger to present to Purchaser; Finalize all valuations for new and used vehicles, parts, and warranty receivables; Present finalized vehicle valuation to C. Lonergan, purchaser, VW Finance, and C. Bourret; Perform purchase price analysis and draft email to all parties; Multiple correspondences with VW Canada amid closing the transaction for April 30, 2024.	10.2
C. Lonergan	30-Apr-24	Review of closing documentation, executing closing documentation, finalizing inventory listing for new vehicles, finalizing inventory listing of used vehicles, finalizing parts inventory listing, finalizing employee lists, review of employee contract, follow up with Purchaser, Company and BDO team re: excluded employees, benefits, excluded assets, etc., finalize purchase price with BDO team, update call with Counsels re: closing items, update call the Purchaser regarding final purchase price calculation and negotiations re: the same including environmental issues, follow up with Counsel re: wire amounts and closing certificates, follow up with Sales Agent re: close, warranty analysis, calls with Volkswagen Credit and Volkswagen Canada re: closing items, warranty, switch-	6.5



Staff	Date	Comments	Hours
		over to new dealer, review of Volkswagen release and discussion with Counsel re: the same, update call with Company Counsel and Banks counsel re: the close, etc.	
H. Yin	30-Apr-24	Call with C. Lonergan and update on purchase price analysis, etc.; Work with C. Lonergan re: vehicle purchase price allocation adjustments, etc.; Meeting with all parties to finalize purchase price; Review multiple correspondence from counsel and purchaser's counsel amid anticipated deal close.; Correspondence with C. Bourret re: various outstanding to-do items for the Company prior and after the close of the transaction, etc; Correspondence with Purchaser re: cut off issues and plan forward, multiple discussions with employees and C. Bourret, etc.	7.9
C. Lonergan	01-May-24	Post closing follow up calls with BDO team/Purchaser, warranty follow re: plan to submit outstanding claims, IT switch-over, call with VW Canada re: outstanding items, etc.	1.4
H. Yin	01-May-24	Meet with Purchaser and C. Lonergan re: post closing items and plan forward, access for C. Bourret, etc.; Meet with employees not hired by purchaser re: next steps; Correspondence with VW Canada re: various post close items, etc.; Multiple correspondence with the Company, Purchaser, C. Lonergan re: post closing items; Investigate cut off issues; Correspondence with C. Wolf re: floor plan repayment analysis, outstanding invoices, next steps for HST returns, post filing obligations, etc.	7.4
C. Lonergan	02-May-24	Update correspondence to stakeholders regarding the sale transaction, update calls with BDO team and Purchaser re: employee matters, parts and vehicles inventories, transition service agreement items, update call with Pinchin, etc.	1.2
H. Yin	02-May-24	Correspondence with various personnel from the Purchaser's transition team to sort out cut off issues, plan forward, etc.; Correspondence with C. Lonergan and Purchaser re: various matters related to employees, adjustments to parts and vehicle inventories, Multiple discussion with C. Bourret and Company/Purchaser employees, etc.	4.4
C. Lonergan	03-May-24	Follow up with BDO team regarding cut-off items - vehicles sales, chattels not paid off, deposits received, remaining cash requirements analysis, review of Volkswagen correspondence, etc.	1.3
H. Yin	03-May-24	Review emails and follow ups from Purchaser; Correspondence with N. Rajewski re: status of employees, access for C. Bourret onsite and for Serti, and various matters regarding post closing adjustments; Correspondence with C. Lonergan and M. Brunet re: vehicle cut off issues; Draft email to M. Paquette re outstanding lien on a vehicle sold to purchaser; Draft email to J. Wingrove re: various items including outstanding Trade Assist case, etc.; Call with C. Lonergan re: next steps and current updates; Call with C. Bourret re: update and next steps; Call with K. Plunkett re: outstanding invoices owed by the Company; Email to the Company's counsel and BDO's counsel for updates on outstanding invoices owed by the Company.	2.8



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20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Cornwall Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date	Invoice
May 13, 2024	CINV2889139

RE: OEM Automotive Cornwall Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period March 23, 2024 to May 3, 2024 as per the details below.

Our Fee	\$ 19,741.50
Courtesy Discount	(5,000.00)
Sub Total	14,741.50
HST - 13.00% (#R101518124)	1,916.40
TOTAL	<u>\$ 16,657.90</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	13.8	735.00	10,143.00
H. Yin, Analyst	24.3	395.00	9,598.50
Total	<u>38.1</u>		<u>\$ 19,741.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	25-Mar-24	Drafting Third Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavit from Counsel, review of SISP process, EOI and LOI summaries, discussion with Company and Bank's counsel re: upcoming motion and timing of distribution motion, various discussions with the BDO team, etc.	1.0
H. Yin	25-Mar-24	Correspondence with C. Lonergan re: Third Court Report; Correspondence with J. Raymond and purchaser re: due diligence materials, environmental reports, etc.; Email V. Dare re environmental reports; Call with C. Wolf re various accounting matters and update to the cash flow forecast; Conduct cash flow variance analysis of the previous week; Draft new cash flow projection for the Third Court Report, etc.	0.6
C. Lonergan	26-Mar-24	Various discussions and correspondence with Counsel re: orders and motion materials, drafting Third Report, review of Revised Cash Flows and discussions with BDO team re: the same, various calls and revisions to the Third Report with Counsel, review of environmental reports, various calls with Sales Agent and Purchaser re: APA, update with Counsels re: the same, cash flow variance analysis review, Confidential Supplementary Report framework set up, review of BDO fee schedules, etc.	0.9
H. Yin	26-Mar-24	Call with M. Paquette re update to the sales figures on revised cash flow forecast; Conduct cash flow variance analysis for the period up to March 24, 2024 for the Third Court Report; Continue new revised cash flow projection for the Third Court Report, correspondence with C. Bourret re: revised cash flows for signatures. Review draft BDO professional fees and send to C. Lonergan for review.	1.2
C. Lonergan	27-Mar-24	Drafting and Finalizing the Third Report and Confidential Supplementary Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review, and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavits of Proposal Trustee and its counsel, review of SISP process, EOI and LOI summaries, etc.	1.3
H. Yin	27-Mar-24	Finalize BDO professional fees invoices; Draft fee affidavit and exhibits for C. Lonergan to review and sign off; Compile appendices for the Third Court Report and Confidential Supplementary Report; Correspondence with City of Cornwall re: work order search; Correspondence with Pinchin re: status of the remediation report; Correspondence with J. Raymond re: various items related to the purchase agreement; Correspondence with V. Dare re: purchase agreement and the Third Court Report and its supplementary; Review of Third Court Report and Confidential Supplementary Report, finalize re: same and send to Counsel, etc.	1.3
C. Lonergan	28-Mar-24	Finalizing APA, finalizing Third Report and Confidential Supplementary Report, respond to the Shareholder email, follow up re: city work	0.3

Staff	Date	Comments	Hours
		orders and Pinchin re: environmental report, various discussion with Counsel and BDO team re: the same and next steps, etc.	
H. Yin	28-Mar-24	Draft DIP funding request letter for C. Bourret's signature; Correspondence with C. Lonergan re: next steps and review correspondence from shareholder re: vehicles sales, WIP, etc.; Draft response to shareholders re: the same, follow up with APA items including work orders and environmental reports, etc., etc.	0.1
C. Lonergan	01-Apr-24	Critical vendor email to Company and stakeholders, Review of APA, review of Court materials, update correspondence with Bank's counsel re: the same, set up APA preliminary waterfall framework for BDO team, follow up with APA items including work orders and environmental reports, pre-filing vendors payments review and discussion with BDO team re: the same, etc.	0.3
H. Yin	01-Apr-24	Review all pre-filing payments made to date and summarize, draft email re: same for C. Lonergan; Review email correspondence receive from the Company re: various items; Correspondence with C. Wolf re: payments to be made; Correspondence with C. Bourret re: DIP financing request, sales process update, etc.; Correspondence with Aird and Berlis re: invoice payment status; Correspondence with City of Cornwall re: open work order follow up; Correspondence with Pinchin re: status of remediation report, etc.	0.4
C. Lonergan	02-Apr-24	Update call with the Company and BDO team re: Court process, sales process, APA, next steps to close, critical vendor update, outstanding vehicles AR to collect, various correspondence with shareholder's counsel re: confidential summary, review and update on preliminary APA waterfall analysis, review of BMO monthly reporting, etc.	0.5
H. Yin	02-Apr-24	Review prior week's cash activities and conduct variance analysis; Prepare monthly reporting package to BMO and draft email re: same; Call with D. Poirier re disbursements, etc.; Call with J. Raymond re: next steps, closing checklist, etc.; Call with G. Macdonell re: sales process, distributions, etc.; Meeting with C. Lonergan and C. Bourret re: various items, sales process, closing process, next steps, etc.; Correspondence with BMO re: current balance owed on various indebtedness, prepare preliminary waterfall analysis for C. Lonergan to review.	1.1
C. Lonergan	03-Apr-24	Preparation and review of materials for Court, attendance at Court for the extension hearing, Third Report approval and sale approval, call with Shareholders counsel re: the same, update call with Bank and counsel following Court, etc.	0.6
H. Yin	03-Apr-24	Correspondence with C. Wolf re: separating HST filing to month to month, finalize figures for filing, professional fees payments, etc.; Review C. Wolf's email re: floor plan repayments, etc.; Call with C. Bourret re: deal closing; Correspondence with DSMA re: next steps, time sheets update, etc.; Correspondence with the purchaser re: information requests; Correspondence with vendors re: outstanding payments, etc.	0.4



Staff	Date	Comments	Hours
C. Lonergan	08-Apr-24	Call with Sales Agent, Company, BDO team and Purchaser re: next steps re: closing, employee meeting, critical parts purchases, review of closing item checklist, etc.	0.3
H. Yin	08-Apr-24	Correspondence with Pinchin re: environmental remediation update; Correspondence with C. Wolf re: disbursements, various accounting matters, professional fees, cash flow, etc.; Meet with DSMA and purchaser re: next steps; Correspond with C. Lonergan re: next steps; Call with C. Bourret re: next steps, professional fees, pre-filing invoices, missing vehicle payments, etc.; Review emails received from Purchaser re: due diligence; Draft email to C. Lonergan re: closing checklist. Review previous week's bank activities and cash flow variance analysis; Review various emails received from the Company, etc.	0.8
C. Lonergan	10-Apr-24	Review of closing agreements, updating closing item check list, correspondence with Volkswagen, etc.	0.1
H. Yin	10-Apr-24	Compiling court materials and corresponding with IT team to update website with latest documents, etc.	0.1
C. Lonergan	12-Apr-24	Finalize closing item checklist, Update call with Mark Motors, Sales Agent and BDO team re: IT, vehicle and parts inventories, employees, ownership, and other closing items, etc.	0.4
H. Yin	12-Apr-24	Call with C. Lonergan and J. Raymond re: meeting with Purchaser, updates, steps forward/closing items, etc.; Meeting with Purchaser team re: previous week onsite work, IT needs, steps forward/closing items, etc.; Correspond with Purchaser re: IT migration plan; Call with C. Bourret re: payments, vendor issues, redacted APA, etc.	0.3
C. Lonergan	16-Apr-24	Update with BDO team re: Purchaser closing items, and DSMA billings and assistance with closing the APA, cash flows/cash position, etc.	0.1
H. Yin	16-Apr-24	Correspondence with N. Rajewski re IT, inventory count, supplier continuity, and various other closing items; Call with J. Raymond re: DSMA billing and next steps; Call with S. Tourangeau re SERTI contract, etc.; Conduct cash flow variance analysis, Update call with C. Lonergan re: Purchaser closing items, DSMA assistance and next steps, cash flow variance, etc.	0.6
H. Yin	17-Apr-24	Correspondence with C. Wolf re: vehicle repayments, floor plan status, accounting matters, HST remittance, etc.; Review email received from N. Rajewski re: various IT concerns and questions, etc.	0.3
C. Lonergan	18-Apr-24	Update on closing items, review of environmental report and BDO team summary re: the same, update email to Company and Counsel re: cash flows and vehicle payment letters, etc.	0.4
H. Yin	18-Apr-24	Receive and review Pinchin remediation report, draft summary email to C. Lonergan for review; Correspondence with C. Lonergan re: closing items, next steps, Pinchin report, and outstanding Company information/requirements, etc.; Correspondence with V. Dare re: Pinchin report and closing items, next steps, etc.; Call with M. Paquette re: vehicles sales variance, trade in and lien payouts, inventory report, etc.	0.5

Staff	Date	Comments	Hours
C. Lonergan	19-Apr-24	Follow up with Purchaser re: closing items, IT update, employee update, VW agreement and OMVIC status, discussion with BDO team and Counsel re: closing items, etc.	0.2
H. Yin	19-Apr-24	Review IT discovery report from Purchaser, correspondence with N. Rajewski re: the same and plan forward on IT items; Correspondence with C. Lonergan re: update to the Purchaser; Meeting with C. Lonergan and V. Dare re next steps and environmental.	0.3
C. Lonergan	22-Apr-24	Follow-up with Volkswagen Canada re: remaining closing items, parts and warranty cut-off and Purchaser approval, environmental assessment on APA, etc.	0.2
C. Lonergan	23-Apr-24	Update call with Sales Agent, BDO team, and Purchaser re: OMVIC and other closing items, update discussions with VW Canada re: outstanding items, review of APA for outstanding items and follow-up with BDO team on inventory count, employee status, additionally discussions surrounding the Environmental report, etc.	0.5
H. Yin	23-Apr-24	Review various emails received from C. Wolf and M. Paquette re: floor line repayments, payroll, lien payout, etc.; Conduct variance analysis and cash flow monitoring of previous week's cash flow; Correspondence with S. Tourangeau re: Clover service agreement, IT questions, etc.; Review emails received from Purchaser; Call with V. Dare re: purchase agreement, etc.; Prepare for and meet with Purchaser, DSMA and C. Lonergan re: next steps and ongoing questions, concerns re: environmental, tasks, etc.; Follow-up discussion with C. Lonergan re: next steps, progress update, inventory count plan, etc.; Call with J. Raymond re: OMVIC approval, billing, etc.; Call with G. Paquette re IT systems; Draft email to BMO re: floor line balance; Correspondence with N. Rajewski on inventory count plan, etc. Draft email to OMVIC re: Court approval of the sale; Draft email to shareholders re: changes to access to services after April 30 closing, etc.	1.1
C. Lonergan	24-Apr-24	Purchaser update call and closing items, APA review with Purchaser re: employment requirements, update call with BDO team re: the same, cash flow and post-fling payment update and review, etc.	0.2
H. Yin	24-Apr-24	Meeting with C. Lonergan re: status update, next step, prepare for call with purchaser; Prepare for and meet with purchaser re: next steps, pending items before close, etc.; Correspondence with Cushman & Wakefield re: issuing a reliance letter to purchaser for appraisal on real properties; Correspondence with J. Wingrove re: various closing action items for Volkswagen prior to closing; Draft email to M. Ayache re: warranty receivables amount for purchaser to assume; Draft email to S. Yakovenko re: parts statements and payment cycle; Correspondence with BMO re: floor line, draft email to B. Bertram from VCI re: floor line status; Correspondence with Pinchin re: environmental remediation report; Correspondence with Purchaser and C. Wolf re payroll continuity plan and transition; Call with G. Paquette re: various IT related items and back up of Keyloop system, correspondence with Keyloop re: the same; Correspondence with N. Rajewski re: inventory count plan and other closing items, etc.	1.6



Staff	Date	Comments	Hours
C. Lonergan	25-Apr-24	Closing framework, call with BDO team and plan for upcoming parts and vehicle inventory count; Volkswagen Credit update on BMO Floor-line amount, wires instructions and cut-off, Sales Agent update on potential valuation issues including the environment remediation report, Volkswagen Canada update re: vehicle cut-off and vehicles in transit/parts and warranty update, etc. Employee discussion re: dealer principal with Purchaser and consulting agreement vs. Volkswagen engaging, etc.	0.9
H. Yin	25-Apr-24	Call with C. Lonergan re various outstanding items prior to close, plan forward, etc.; Call with V. Dare re closing items, transition agreement, statement of adjustments, etc.; Meeting with Pinchin to finalize remediation letter and reliance letter; Draft email to purchaser re finalized Pinchin remediation letter, Phase I report, discussion with Pinchin, etc.; Call with J. Raymond re remediation letter, status of closing, plan for going forward, etc.; Correspondence with B. Bertram re floor plan payout, floor line status, etc., correspondence with C. Prem from BMO re same; Call with G. Paquette and email correspondence with Keyloop re system backup.	1.1
C. Lonergan	26-Apr-24	Update call and planning discussions with BDO team re: weekend closing items, status of cash and post-filing payments, review of vehicles sales and BMO repayments re: the same, update discussion with Purchaser re: closing items and environmental issues, etc.	0.5
H. Yin	26-Apr-24	Call with C. Lonergan re: plan ahead of closing and weekend closing items (existence and valuation of assets) plan; Correspondence with N. Rajewski re: various tasks to be performed onsite in preparation of closing the sales transaction, including inventory counts to be performed, etc.; Correspondence with C. Bourret re: next steps; Correspondence with Purchaser's transition team onsite re: parts inventory count approach, perform reviews of count sheet by recounting judgmentally selected parts, etc.	1.5
C. Lonergan	27-Apr-24	Update with BDO team and Purchaser regarding asset methodology/framework for existence and valuation, update on employees and consulting agreements for excluded employees, updating the transition services agreement and discussion with BDO team and Counsel re: the same, vehicle inventory update, etc.	0.7
H. Yin	27-Apr-24	Correspondence with N. Rajewski and C. Bourret re: progress update; Correspondence with C. Lonergan to determine inventory count strategy for existence and valuation, and establish course of action for count staff and dealership staff to perform the on-site inventory count for parts, etc.; Perform parts count for OEM parts under 12 months with large monetary amounts and judgementally sample count sheet numbers by Purchaser from previous day's inventory counts, etc.	2.0
C. Lonergan	28-Apr-24	Update with BDO team/Purchaser and Company re: inventory counts, HST, Volkswagen Credit and Canada switch over steps and funding, parts inventory update, purchase price framework, update calls with Purchaser re: closing items, employees, day 1 transition items/cut-off, Pinchin update, etc.	0.8



Staff	Date	Comments	Hours
H. Yin	28-Apr-24	Continue to perform parts count for OEM parts, enter count sheet data into Excel and extrapolate results to finalize parts inventory valuation. Draft email to all parties re: parts inventory value, etc.; Perform preliminary used vehicle count, document condition of each vehicle, and perform valuation of used vehicles in preparation for next day; Correspondence with N. Rajewski, C. Lonergan and C. Bourret re: status update on inventory counts, next steps, Volkswagen Credit and Volkswagen Canada requirements, vehicle HST analysis, etc.	2.0
C. Lonergan	29-Apr-24	Meet with BDO team to update vehicle inventory and parts inventory analysis, HST analysis re: vehicles, employee update with Purchaser, environmental update with Purchaser, call with Pinchin re: clarifications with regards to the remediation report, update call with Company re: excluded assets, updating the purchase price analysis, follow up with Counsels, re: closing items, calls with Volkswagen Credit and Volkswagen Canada re: closing items, warranty analysis, review of cash position, identification of potential cut-off issues, post-filing obligations, and other cash related items, multiple calls with BDO team and Purchaser re: the same, etc.	1.2
H. Yin	29-Apr-24	Meet with Purchaser and C. Lonergan re: progress of inventory count, go forward plan, vehicle HST adjustments, etc.; Correspondence with C. Lonergan and VW Financial Services re: floor plan audit and results, etc.; Work with Purchaser's transition team to agree on valuation of all used vehicles, parts valuations, etc.; Perform analysis of vehicle inventory valuation and allocation of payment from VW and the Purchaser, reconcile payment to be received from VW Financial Services floorplan to vehicle inventory; Multiple correspondence with VW Canada and the Company re: warranty receivable, perform analysis over warranty receivable and create ledger to present to Purchaser; Finalize all valuations for new and used vehicles, parts, and warranty receivables; Present finalized vehicle valuation to C. Lonergan, purchaser, VW Finance, and C. Bourret; Perform purchase price analysis and draft email to all parties; Multiple correspondences with VW Canada amid closing the transaction for April 30, 2024.	2.0
C. Lonergan	30-Apr-24	Review of closing documentation, executing closing documentation, finalizing inventory listing for new vehicles, finalizing inventory listing of used vehicles, finalizing parts inventory listing, finalizing employee lists, review of employee contract, follow up with Purchaser, Company and BDO team re: excluded employees, benefits, excluded assets, etc., finalize purchase price with BDO team, update call with Counsels re: closing items, update call the Purchaser regarding final purchase price calculation and negotiations re: the same including environmental issues, follow up with Counsel re: wire amounts and closing certificates, follow up with Sales Agent re: close, etc.	1.5
H. Yin	30-Apr-24	Call with C. Lonergan and update on purchase price analysis, etc.; Work with C. Lonergan re: vehicle purchase price allocation adjustments, etc.; Meeting with all parties to finalize purchase price; Review multiple correspondence from counsel and purchaser's counsel amid anticipated deal close.; Correspondence with C. Bourret re: various outstanding to-do items for the Company prior and after the close of the transaction, etc.; Correspondence with Purchaser re: cut	1.8



Staff	Date	Comments	Hours
		off issues and plan forward, multiple discussions with employees and C. Bourett, etc.	
C. Lonergan	01-May-24	Post closing follow up calls with BDO team/Purchaser, warranty follow re: plan to submit outstanding claims, IT switch-over, call with VW Canada re: outstanding items, etc.	0.3
H. Yin	01-May-24	Meet with Purchaser and C. Lonergan re: post closing items and plan forward, access for C. Bourret, etc.; Meet with employees not hired by purchaser re: next steps; Correspondence with VW Canada re: various post close items, etc.; Multiple correspondence with the Company, Purchaser, C. Lonergan re: post closing items; Investigate cut off issues; Correspondence with C. Wolf re: floor plan repayment analysis, outstanding invoices, next steps for HST returns, post filing obligations, etc.	1.6
C. Lonergan	02-May-24	Update correspondence to stakeholders regarding the sale transaction, update calls with BDO team and Purchaser re: employee matters, parts and vehicles inventories, transition service agreement items, update call with Pinchin, etc.	0.3
H. Yin	02-May-24	Correspondence with various personnel from the Purchaser's transition team to sort out cut off issues, plan forward, etc.; Correspondence with C. Lonergan and Purchaser re: various matters related to employees, adjustments to parts and vehicle inventories, Multiple discussion with C. Bourret and Company/Purchaser employees, etc.	0.9
C. Lonergan	03-May-24	Follow up with BDO team regarding cut-off items - vehicles sales, chattels not paid off, deposits received, remaining cash requirements analysis, review of Volkswagen correspondence, etc.	0.3
H. Yin	03-May-24	Review emails and follow ups from Purchaser; Correspondence with N. Rajewski re: status of employees, access for C. Bourret onsite and for Serti, and various matters regarding post closing adjustments; Correspondence with C. Lonergan and M. Brunet re: vehicle cut off issues; Draft email to M. Paquette re outstanding lien on a vehicle sold to purchaser; Draft email to J. Wingrove re: various items including outstanding Trade Assist case, etc.; Call with C. Lonergan re: next steps and current updates; Call with C. Bourret re: update and next steps; Call with K. Plunkett re: outstanding invoices owed by the Company; Email to the Company's counsel and BDO's counsel for updates on outstanding invoices owed by the Company.	0.7



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BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Holdings Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

May 13, 2024

Invoice

CINV2889199

RE: OEM Automotive Holdings Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period March 23, 2024 to May 3, 2024 as per the details below.

Our Fee	\$ 19,741.50
Courtesy Discount	(5,000.00)
Sub Total	14,741.50
HST - 13.00% (#R101518124)	1,916.40
TOTAL	<u>\$ 16,657.90</u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Loneragan, Partner	13.8	735.00	10,143.00
H. Yin, Analyst	24.3	395.00	9,598.50
Total	38.1		<u>\$ 19,741.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	25-Mar-24	Drafting Third Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review, and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavit from Counsel, review of SISP process, EOI and LOI summaries, discussion with Company and Bank's counsel re: upcoming motion and timing of distribution motion, various discussions with the BDO team, etc.	1.0
H. Yin	25-Mar-24	Correspondence with C. Lonergan re: Third Court Report; Correspondence with J. Raymond and purchaser re: due diligence materials, environmental reports, etc.; Email V. Dare re environmental reports; Call with C. Wolf re various accounting matters and update to the cash flow forecast; Conduct cash flow variance analysis of the previous week; Draft new cash flow projection for the Third Court Report, etc.	0.6
C. Lonergan	26-Mar-24	Various discussions and correspondence with Counsel re: orders and motion materials, drafting Third Report, review of Revised Cash Flows and discussions with BDO team re: the same, various calls and revisions to the Third Report with Counsel, review of environmental reports, various calls with Sales Agent and Purchaser re: APA, update with Counsels re: the same, cash flow variance analysis review, Confidential Supplementary Report framework set up, review of BDO fee schedules, etc.	0.9
H. Yin	26-Mar-24	Call with M. Paquette re update to the sales figures on revised cash flow forecast; Conduct cash flow variance analysis for the period up to March 24, 2024 for the Third Court Report; Continue new revised cash flow projection for the Third Court Report, correspondence with C. Bourret re: revised cash flows for signatures. Review draft BDO professional fees and send to C. Lonergan for review.	1.2
C. Lonergan	27-Mar-24	Drafting and Finalizing the Third Report and Confidential Supplementary Report, review and negotiation of the APA, various discussion with Sales Agent, Purchaser and Counsels re: the same, review of cash flow variance analysis, review, and discussion re: Revised Cash Flows, Pinchin environmental update, review of fee affidavits of Proposal Trustee and its counsel, review of SISP process, EOI and LOI summaries, etc.	1.3
H. Yin	27-Mar-24	Finalize BDO professional fees invoices; Draft fee affidavit and exhibits for C. Lonergan to review and sign off; Compile appendices for the Third Court Report and Confidential Supplementary Report; Correspondence with City of Cornwall re: work order search; Correspondence with Pinchin re: status of the remediation report; Correspondence with J. Raymond re: various items related to the purchase agreement; Correspondence with V. Dare re: purchase agreement and the Third Court Report and its supplementary; Review of Third Court Report and Confidential Supplementary Report, finalize re: same and send to Counsel, etc.	1.3
C. Lonergan	28-Mar-24	Finalizing APA, finalizing Third Report and Confidential Supplementary Report, respond to the Shareholder email, follow up re: city work	0.3



Staff	Date	Comments	Hours
		orders and Pinchin re: environmental report, various discussion with Counsel and BDO team re: the same and next steps, etc.	
H. Yin	28-Mar-24	Draft DIP funding request letter for C. Bourret's signature; Correspondence with C. Lonergan re: next steps and review correspondence from shareholder re: vehicles sales, WIP, etc.; Draft response to shareholders re: the same, follow up with APA items including work orders and environmental reports, etc., etc.	0.1
C. Lonergan	01-Apr-24	Critical vendor email to Company and stakeholders, Review of APA, review of Court materials, update correspondence with Bank's counsel re: the same, set up APA preliminary waterfall framework for BDO team, follow up with APA items including work orders and environmental reports, pre-filing vendors payments review and discussion with BDO team re: the same, etc.	0.3
H. Yin	01-Apr-24	Review all pre-filing payments made to date and summarize, draft email re: same for C. Lonergan; Review email correspondence receive from the Company re: various items; Correspondence with C. Wolf re: payments to be made; Correspondence with C. Bourret re: DIP financing request, sales process update, etc.; Correspondence with Aird and Berlis re: invoice payment status; Correspondence with City of Cornwall re: open work order follow up; Correspondence with Pinchin re: status of remediation report, etc.	0.4
C. Lonergan	02-Apr-24	Update call with the Company and BDO team re: Court process, sales process, APA, next steps to close, critical vendor update, outstanding vehicles AR to collect, various correspondence with shareholder's counsel re: confidential summary, review and update on preliminary APA waterfall analysis, review of BMO monthly reporting, etc.	0.5
H. Yin	02-Apr-24	Review prior week's cash activities and conduct variance analysis; Prepare monthly reporting package to BMO and draft email re: same; Call with D. Poirier re disbursements, etc.; Call with J. Raymond re: next steps, closing checklist, etc.; Call with G. Macdonell re: sales process, distributions, etc.; Meeting with C. Lonergan and C. Bourret re: various items, sales process, closing process, next steps, etc.; Correspondence with BMO re: current balance owed on various indebtedness, prepare preliminary waterfall analysis for C. Lonergan to review.	1.1
C. Lonergan	03-Apr-24	Preparation and review of materials for Court, attendance at Court for the extension hearing, Third Report approval and sale approval, call with Shareholders counsel re: the same, update call with Bank and counsel following Court, etc.	0.6
H. Yin	03-Apr-24	Correspondence with C. Wolf re: separating HST filing to month to month, finalize figures for filing, professional fees payments, etc.; Review C. Wolf's email re: floor plan repayments, etc.; Call with C. Bourret re: deal closing; Correspondence with DSMA re: next steps, time sheets update, etc.; Correspondence with the purchaser re: information requests; Correspondence with vendors re: outstanding payments, etc.	0.4



Staff	Date	Comments	Hours
C. Lonergan	08-Apr-24	Call with Sales Agent, Company, BDO team and Purchaser re: next steps re: closing, employee meeting, critical parts purchases, review of closing item checklist, etc.	0.3
H. Yin	08-Apr-24	Correspondence with Pinchin re: environmental remediation update; Correspondence with C. Wolf re: disbursements, various accounting matters, professional fees, cash flow, etc.; Meet with DSMA and purchaser re: next steps; Correspond with C. Lonergan re: next steps; Call with C. Bourret re: next steps, professional fees, pre-filing invoices, missing vehicle payments, etc.; Review emails received from Purchaser re: due diligence; Draft email to C. Lonergan re: closing checklist. Review previous week's bank activities and cash flow variance analysis; Review various emails received from the Company, etc.	0.8
C. Lonergan	10-Apr-24	Review of closing agreements, updating closing item check list, correspondence with Volkswagen, etc.	0.1
H. Yin	10-Apr-24	Compiling court materials and corresponding with IT team to update website with latest documents, etc.	0.1
C. Lonergan	12-Apr-24	Finalize closing item checklist, Update call with Mark Motors, Sales Agent and BDO team re: IT, vehicle and parts inventories, employees, ownership and other closing items, etc.	0.4
H. Yin	12-Apr-24	Call with C. Lonergan and J. Raymond re: meeting with Purchaser, updates, steps forward/closing items, etc.; Meeting with Purchaser team re: previous week onsite work, IT needs, steps forward/closing items, etc.; Correspond with Purchaser re: IT migration plan; Call with C. Bourret re: payments, vendor issues, redacted APA, etc.	0.3
C. Lonergan	16-Apr-24	Update with BDO team re: Purchaser closing items, and DSMA billings and assistance with closing the APA, cash flows/cash position, etc.	0.1
H. Yin	16-Apr-24	Correspondence with N. Rajewski re IT, inventory count, supplier continuity, and various other closing items; Call with J. Raymond re: DSMA billing and next steps; Call with S. Tourangeau re SERTI contract, etc.; Conduct cash flow variance analysis, Update call with C. Lonergan re: Purchaser closing items, DSMA assistance and next steps, cash flow variance, etc.	0.6
H. Yin	17-Apr-24	Correspondence with C. Wolf re: vehicle repayments, floor plan status, accounting matters, HST remittance, etc.; Review email received from N. Rajewski re: various IT concerns and questions, etc.	0.3
C. Lonergan	18-Apr-24	Update on closing items, review of environmental report and BDO team summary re: the same, update email to Company and Counsel re: cash flows and vehicle payment letters, etc.	0.4
H. Yin	18-Apr-24	Receive and review Pinchin remediation report, draft summary email to C. Lonergan for review; Correspondence with C. Lonergan re: closing items, next steps, Pinchin report, and outstanding Company information/requirements, etc.; Correspondence with V. Dare re: Pinchin report and closing items, next steps, etc.; Call with M. Paquette re: vehicles sales variance, trade in and lien payouts, inventory report, etc.	0.5

Staff	Date	Comments	Hours
C. Lonergan	19-Apr-24	Follow up with Purchaser re: closing items, IT update, employee update, VW agreement and OMVIC status, discussion with BDO team and Counsel re: closing items, etc.	0.2
H. Yin	19-Apr-24	Review IT discovery report from Purchaser, correspondence with N. Rajewski re: the same and plan forward on IT items; Correspondence with C. Lonergan re: update to the Purchaser; Meeting with C. Lonergan and V. Dare re next steps and environmental.	0.3
C. Lonergan	22-Apr-24	Follow-up with Volkswagen Canada re: remaining closing items, parts and warranty cut-off and Purchaser approval, environmental assessment on APA, etc.	0.2
C. Lonergan	23-Apr-24	Update call with Sales Agent, BDO team, and Purchaser re: OMVIC and other closing items, update discussions with VW Canada re: outstanding items, review of APA for outstanding items and follow-up with BDO team on inventory count, employee status, additionally discussions surrounding the Environmental report, etc.	0.5
H. Yin	23-Apr-24	Review various emails received from C. Wolf and M. Paquette re: floor line repayments, payroll, lien payout, etc.; Conduct variance analysis and cash flow monitoring of previous week's cash flow; Correspondence with S. Tourangeau re: Clover service agreement, IT questions, etc.; Review emails received from Purchaser; Call with V. Dare re: purchase agreement, etc.; Prepare for and meet with Purchaser, DSMA and C. Lonergan re: next steps and ongoing questions, concerns re: environmental, tasks, etc.; Follow-up discussion with C. Lonergan re: next steps, progress update, inventory count plan, etc.; Call with J. Raymond re: OMVIC approval, billing, etc.; Call with G. Paquette re IT systems; Draft email to BMO re: floor line balance; Correspondence with N. Rajewski on inventory count plan, etc. Draft email to OMVIC re: Court approval of the sale; Draft email to shareholders re: changes to access to services after April 30 closing, etc.	1.1
C. Lonergan	24-Apr-24	Purchaser update call and closing items, APA review with Purchaser re: employment requirements, update call with BDO team re: the same, cash flow and post-fling payment update and review, etc.	0.2
H. Yin	24-Apr-24	Meeting with C. Lonergan re: status update, next step, prepare for call with purchaser; Prepare for and meet with purchaser re: next steps, pending items before close, etc.; Correspondence with Cushman & Wakefield re: issuing a reliance letter to purchaser for appraisal on real properties; Correspondence with J. Wingrove re: various closing action items for Volkswagen prior to closing; Draft email to M. Ayache re: warranty receivables amount for purchaser to assume; Draft email to S. Yakovenko re: parts statements and payment cycle; Correspondence with BMO re: floor line, draft email to B. Bertram from VCI re: floor line status; Correspondence with Pinchin re: environmental remediation report; Correspondence with Purchaser and C. Wolf re payroll continuity plan and transition; Call with G. Paquette re: various IT related items and back up of Keyloop system, correspondence with Keyloop re: the same; Correspondence with N. Rajewski re: inventory count plan and other closing items, etc.	1.6

Staff	Date	Comments	Hours
C. Lonergan	25-Apr-24	Closing framework, call with BDO team and plan for upcoming parts and vehicle inventory count; Volkswagen Credit update on BMO Floor-line amount, wires instructions and cut-off, Sales Agent update on potential valuation issues including the environment remediation report, Volkswagen Canada update re: vehicle cut-off and vehicles in transit/parts and warranty update, etc. Employee discussion re: dealer principal with Purchaser and consulting agreement vs. Volkswagen engaging, etc.	0.9
H. Yin	25-Apr-24	Call with C. Lonergan re various outstanding items prior to close, plan forward, etc.; Call with V. Dare re closing items, transition agreement, statement of adjustments, etc.; Meeting with Pinchin to finalize remediation letter and reliance letter; Draft email to purchaser re finalized Pinchin remediation letter, Phase I report, discussion with Pinchin, etc.; Call with J. Raymond re remediation letter, status of closing, plan for going forward, etc.; Correspondence with B. Bertram re floor plan payout, floor line status, etc., correspondence with C. Prem from BMO re same; Call with G. Paquette and email correspondence with Keyloop re system backup.	1.1
C. Lonergan	26-Apr-24	Update call and planning discussions with BDO team re: weekend closing items, status of cash and post-filing payments, review of vehicles sales and BMO repayments re: the same, update discussion with Purchaser re: closing items and environmental issues, etc.	0.5
H. Yin	26-Apr-24	Call with C. Lonergan re: plan ahead of closing and weekend closing items (existence and valuation of assets) plan; Correspondence with N. Rajewski re: various tasks to be performed onsite in preparation of closing the sales transaction, including inventory counts to be performed, etc.; Correspondence with C. Bourret re: next steps; Correspondence with Purchaser's transition team onsite re: parts inventory count approach, perform reviews of count sheet by recounting judgmentally selected parts, etc.	1.5
C. Lonergan	27-Apr-24	Update with BDO team and Purchaser regarding asset methodology/framework for existence and valuation, update on employees and consulting agreements for excluded employees, updating the transition services agreement and discussion with BDO team and Counsel re: the same, vehicle inventory update, etc.	0.7
H. Yin	27-Apr-24	Correspondence with N. Rajewski and C. Bourret re: progress update; Correspondence with C. Lonergan to determine inventory count strategy for existence and valuation, and establish course of action for count staff and dealership staff to perform the on-site inventory count for parts, etc.; Perform parts count for OEM parts under 12 months with large monetary amounts and judgementally sample count sheet numbers by Purchaser from previous day's inventory counts, etc.	2.0
C. Lonergan	28-Apr-24	Update with BDO team/Purchaser and Company re: inventory counts, HST, Volkswagen Credit and Canada switch over steps and funding, parts inventory update, purchase price framework, update calls with Purchaser re: closing items, employees, day 1 transition items/cut-off, Pinchin update, etc.	0.8

Staff	Date	Comments	Hours
H. Yin	28-Apr-24	Continue to perform parts count for OEM parts, enter count sheet data into Excel and extrapolate results to finalize parts inventory valuation. Draft email to all parties re: parts inventory value, etc.; Perform preliminary used vehicle count, document condition of each vehicle, and perform valuation of used vehicles in preparation for next day; Correspondence with N. Rajewski, C. Lonergan and C. Bourret re: status update on inventory counts, next steps, Volkswagen Credit and Volkswagen Canada requirements, vehicle HST analysis, etc.	2.0
C. Lonergan	29-Apr-24	Meet with BDO team to update vehicle inventory and parts inventory analysis, HST analysis re: vehicles, employee update with Purchaser, environmental update with Purchaser, call with Pinchin re: clarifications with regards to the remediation report, update call with Company re: excluded assets, updating the purchase price analysis, follow up with Counsels, re: closing items, calls with Volkswagen Credit and Volkswagen Canada re: closing items, warranty analysis, review of cash position, identification of potential cut-off issues, post-filing obligations, and other cash related items, multiple calls with BDO team and Purchaser re: the same, etc.	1.2
H. Yin	29-Apr-24	Meet with Purchaser and C. Lonergan re: progress of inventory count, go forward plan, vehicle HST adjustments, etc.; Correspondence with C. Lonergan and VW Financial Services re: floor plan audit and results, etc.; Work with Purchaser's transition team to agree on valuation of all used vehicles, parts valuations, etc.; Perform analysis of vehicle inventory valuation and allocation of payment from VW and the Purchaser, reconcile payment to be received from VW Financial Services floorplan to vehicle inventory; Multiple correspondence with VW Canada and the Company re: warranty receivable, perform analysis over warranty receivable and create ledger to present to Purchaser; Finalize all valuations for new and used vehicles, parts, and warranty receivables; Present finalized vehicle valuation to C. Lonergan, purchaser, VW Finance, and C. Bourret; Perform purchase price analysis and draft email to all parties; Multiple correspondences with VW Canada amid closing the transaction for April 30, 2024.	2.0
C. Lonergan	30-Apr-24	Review of closing documentation, executing closing documentation, finalizing inventory listing for new vehicles, finalizing inventory listing of used vehicles, finalizing parts inventory listing, finalizing employee lists, review of employee contract, follow up with Purchaser, Company and BDO team re: excluded employees, benefits, excluded assets, etc., finalize purchase price with BDO team, update call with Counsels re: closing items, update call the Purchaser regarding final purchase price calculation and negotiations re: the same including environmental issues, follow up with Counsel re: wire amounts and closing certificates, follow up with Sales Agent re: close, etc.	1.5
H. Yin	30-Apr-24	Call with C. Lonergan and update on purchase price analysis, etc.; Work with C. Lonergan re: vehicle purchase price allocation adjustments, etc.; Meeting with all parties to finalize purchase price; Review multiple correspondence from counsel and purchaser's counsel amid anticipated deal close.; Correspondence with C. Bourret re: various outstanding to-do items for the Company prior and after the close of the transaction, etc.; Correspondence with Purchaser re: cut	1.8



Staff	Date	Comments	Hours
		off issues and plan forward, multiple discussions with employees and C. Bourett, etc.	
C. Lonergan	01-May-24	Post closing follow up calls with BDO team/Purchaser, warranty follow re: plan to submit outstanding claims, IT switch-over, call with VW Canada re: outstanding items, etc.	0.3
H. Yin	01-May-24	Meet with Purchaser and C. Lonergan re: post closing items and plan forward, access for C. Bourret, etc.; Meet with employees not hired by purchaser re: next steps; Correspondence with VW Canada re: various post close items, etc.; Multiple correspondence with the Company, Purchaser, C. Lonergan re: post closing items; Investigate cut off issues; Correspondence with C. Wolf re: floor plan repayment analysis, outstanding invoices, next steps for HST returns, post filing obligations, etc.	1.6
C. Lonergan	02-May-24	Update correspondence to stakeholders regarding the sale transaction, update calls with BDO team and Purchaser re: employee matters, parts and vehicles inventories, transition service agreement items, update call with Pinchin, etc.	0.3
H. Yin	02-May-24	Correspondence with various personnel from the Purchaser's transition team to sort out cut off issues, plan forward, etc.; Correspondence with C. Lonergan and Purchaser re: various matters related to employees, adjustments to parts and vehicle inventories, Multiple discussion with C. Bourret and Company/Purchaser employees, etc.	0.9
C. Lonergan	03-May-24	Follow up with BDO team regarding cut-off items - vehicles sales, chattels not paid off, deposits received, remaining cash requirements analysis, review of Volkswagen correspondence, etc.	0.3
H. Yin	03-May-24	Review emails and follow ups from Purchaser; Correspondence with N. Rajewski re: status of employees, access for C. Bourret onsite and for Serti, and various matters regarding post closing adjustments; Correspondence with C. Lonergan and M. Brunet re: vehicle cut off issues; Draft email to M. Paquette re outstanding lien on a vehicle sold to purchaser; Draft email to J. Wingrove re: various items including outstanding Trade Assist case, etc.; Call with C. Lonergan re: next steps and current updates; Call with C. Bourret re: update and next steps; Call with K. Plunkett re: outstanding invoices owed by the Company; Email to the Company's counsel and BDO's counsel for updates on outstanding invoices owed by the Company.	0.7



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Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Solutions Inc
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

May 16, 2024

Invoice

CINV2892589

RE: OEM Automotive Solutions - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period May 4, 2024 to May 16, 2024 as per the details below.

Our Fee	\$ 34,652.00
Courtesy Discount	\$ (5,000.00)
Disbursements: miscellaneous	184.81
Sub Total	29,836.81
HST - 13.00% (#R101518124)	3,878.79
TOTAL	\$ 33,715.60

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	27.1	735.00	19,918.50
H. Yin, Analyst	37.3	395.00	14,733.50
Total	64.4		\$ 34,652.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	06-May-24	Call with BDO team re: next steps, payroll, accounting items, etc.; Call with Company and BDO team re: payroll and other matters, plan going forward, etc.; review of email correspondence with BMO; Review various emails from Counsel, review of employee AR, payroll, commissions and other items, etc.	2.0
H. Yin	06-May-24	Call with C. Lonergan re: next steps; Call with C. Wolf re: upcoming payroll and other outstanding accounting items; Email correspondence with M. Beaudoin re: Keyloop system back up for Serti; Call with C. Lonergan and C. Bourret re: payroll and other matters, plan going forward, etc.; Review of bank activities, draft email correspondence with BMO re: same; Revise waterfall analysis for C. Lonergan to review; Review various emails from counsel; Various correspondence with VCI re: outstanding payments not received, call with M. Paquette re: same; Review payroll email from C. Wolf, etc.	2.9
C. Lonergan	07-May-24	Drafting and updating of waterfall analysis; Call with BDO team re: waterfall analysis; Meeting with BDO team and Counsels re: next steps; review of Company correspondence, review of vehicle sales and funding with Volkswagen Credit; correspondence with Volkswagen Canada; review of professional fee analysis, various discussion with Purchaser re: transition items, review of Company's banking transactions, etc.	2.5
H. Yin	07-May-24	Call with C. Lonergan re: waterfall analysis; Review various emails received from the Company; Review Company's daily cash activities; Update professional fees disbursement schedule and reconciliation for C. Lonergan to review; Call with B. Smith re: outstanding vehicle payment not received from VCI, draft email to VCI re: same, update C. Lonergan; Correspondence with J. Wingrove re: IT issues purchaser is experiencing; Call with T. Rohmer re: trade assist issue on a vehicle delivered to customer, draft email to Volkswagen and C. Bourret re: same; Review of BDO invoices; Meeting with C. Lonergan, G. Phoenix, V. Dare re options for next steps, etc.	3.8
C. Lonergan	08-May-24	Review of post-filing obligations, Follow with BDO team re: Company follow-up items (AR, Warranty, etc.) and other next steps. Follow up with Volkswagen Canada and Volkswagen Credit re: transition items and vehicles fundings, drafting stakeholder update correspondence framework/email and discussion with BDO team and Counsel re: the same, incorporate their changes as required, etc.; Review Counsel enhanced powers narrative; Call with BDO team re: the same, etc.	2.8
H. Yin	08-May-24	Review various emails received from Counsel re: Proposal Trustee's enhanced powers, next steps options, distribution of proceeds, post-filing obligations, etc. Correspondence with C. Lonergan re: same; Correspondence with VCI re: outstanding documentation for vehicle fundings; Correspondence with C. Wolf re: EFT set up, post-filing obligations, HST obligations, etc.; Call with C. Bourret re: various matters, including CEBA loan, warranty claims, etc. Update C. Lonergan re: same; Review payroll submitted for period ending April 30, 2024; Review and suggest changes on OEM Update email from C. Lonergan, combine changes suggested by counsel and send to C. Lonergan for final review; Draft list of outstanding items to be	5.3

Staff	Date	Comments	Hours
		completed for C. Bourret; Draft email update to Volkswagen Canada and correspond with J. Wingrove re: in progress items; Call with G. MacDonell re: current situation and provide update on sales process, etc.	
C. Lonergan	09-May-24	Finalizing draft waterfall analysis, review of remaining asset realizations, review security documents re: the same, review of APA and asset allocations, employee status and other potential transition costs. Call with the Company and BDO team re: waterfall analysis, next steps, vendor payments, AR collections, employee matters and other outstanding items, etc.; Call with BDO and Counsel regarding post-closing matters, updates, next steps, etc.; Finalize email re: Company stakeholders re: waterfall analysis and potential next steps, etc.	3.7
H. Yin	09-May-24	Call with C. Lonergan re updates to waterfall analysis, next steps, etc.; Call with C. Bourret and C. Lonergan re vendor payments, outstanding items, AR collections, employee matters, etc.; Correspondence with T. Montesano re setting up Proposal Trustee's bank account and moving sales proceeds/deposit out of in-transit account; Correspondence with S. Yakovenko re receivable from VW Canada; Correspondence with K. Blackburn re parts rebilling to purchaser; Correspondence with S. Taneja re parts account after closing; Draft email to counsel re professional fees paid; Call with C. Lonergan and V. Dare re various post-closing matters, updates, next steps, etc.; Call with C. Bourret re employee issues, professional fees, etc.; Correspondence with Volkswagen Canada re warranty claims window extension request, draft email to J. Wingrove re same; Review various emails received from counsel re distribution motion for BMO, next steps, etc.; Receive email from BMO re 2023 floor line activities and start analysis on vehicle sales for pre-filing HST; Start performing post-filing HST obligations calculation and correspondence with C. Wolf re: the same.	5.3
C. Lonergan	10-May-24	Review of Purchaser correspondence re: previous owner transition interference, transition items and employees; Conference call with Purchaser and BDO team re: the same; Review of cash disbursement and banking protocols; Update call with Bank's counsel re: waterfall analysis and Court update; Update call with Company and BDO team re: outstanding items, next steps and other items; Review of invoice analysis and other professional fees, etc.; Review of Bank counsel correspondence; Review of VW correspondence, etc.	2.3
H. Yin	10-May-24	Continue to work on post-filing HST calculation working paper; Call with C. Lonergan and C. Bourret re: updates, outstanding items, and next steps; Finalize BDO professional fees and invoice analysis for C. Lonergan's review; Correspondence with Counsels re: overpayment on professional fees, correspondence with C. Bourret re: same; Draft email to J. Wingrove re: warranty extension; Meeting with C. Lonergan and Purchaser re: transition items, previous owner's interruption to the business, employee status, etc.; Review emails from Purchaser re: the same, etc.	4.0
C. Lonergan	12-May-24	Review correspondence from shareholder's Counsel, Respond to Counsel re: the same; Review of distribution schedule, etc.	0.2



Staff	Date	Comments	Hours
C. Lonergan	13-May-24	Update calls and correspondence with Counsel and BDO team re: next steps, Court timing, Court report and relief being sought; Update call with Company and BDO team re: remaining activities to complete including vehicle AR, warranty claims, shareholder purchased assets, drafting framework of the Fourth Report; Update with VW and BMO re: new vehicle floor lines, etc.	1.4
H. Yin	13-May-24	Call with C. Lonergan re: next steps, outstanding items, remaining collection activities, etc. Call with C. Bourret re: the same; Call with Counsel and C. Lonergan re: next steps, next court date, court report outline, etc.; Correspondence with Purchaser re: purchase price adjustment for parts, access issues for C. Bourret, etc.; Correspondence with BMO re: recalling duplicate payment error; Call with P. Hoosain re: outstanding invoice to A&B; Email correspondence with VW Canada re: warranty access issues experienced by the Company, request for extension, etc.; Follow up on Trade Assist pending amount with VW Canada; Email correspondence with D. Poirier re: information provided on AR/AP, etc.; Correspondence with C. Bourret re: detailed parts listing, purchase price workbook questions, etc.; Correspondence with S. Martel re: business insurance instalments owed, options for cancelling business insurance, and reducing auto insurance, etc.; Call with B. Bertram from VCI re: vehicle chattel issues, call with P. Smulski from BMO re: same; Review Holdco HST filing information, draft email to C. Wolf re the same, etc.	3.6
C. Lonergan	14-May-24	Call with Company, Counsel and the BDO team re: employee layoffs, IT, outstanding items, etc.; review of correspondence to the Purchaser re: various requests made by the Company; call with Purchaser re: Company issues and transition items, review of remaining items listing; review of usage of remaining cash schedule, professional fee update, post-filing obligations; Update with professional fee payments, etc.	2.2
H. Yin	14-May-24	Call with C. Bourret, C. Lonergan, G. Phoenix re: employee layoffs, outstanding items, etc.; Call with C. Bourret re: issues with IT, VW Canada, and requests; Draft email to the Purchaser re: various requests made by the Company; Call with N. Rajewski and F. Swayty re: the same; Call with Counsels re: forwarding duplicate invoice payments to BDO; Receive emails from the Company re: vendor invoices, issues, etc.; Correspondence with S. Martel re: business insurance; Receive and review emails received from V. Dare re: next Court appearance, motion, etc.; Call with V. Dare re: same; Draft email to C. Bourret re: professional fees duplicate payment, etc.	3.1
C. Lonergan	15-May-24	Drafting Fourth Court Report, review of draft orders, update call with BDO re: IT, transition items, AR collection letters; Discussions with the Bank re: DIP repayment, floor line facilities, etc.; Follow up with Purchaser re: remaining matters (employees, IT, etc.); Review correspondence from shareholder's legal counsel; Review of email correspondence with G. MacDonell, discussion with BDO team and Counsel re: the same, etc.	4.0
H. Yin	15-May-24	Call with C. Bourret re: next steps and current issues related to IT, transition items, etc.; Update call with C. Lonergan; Call with N.	4.0



Staff	Date	Comments	Hours
		Rajewski re: assistance needed; Email correspondence with the Purchaser, F. Swayty, N. Rajewski re: various issues requiring the Purchaser's assistance; Draft email to M. Brunet re: vehicle issue; Call with G. Macdonell re: proceeding updates and distributions, draft email re: the same; Call with C. Bourret re: bill of sales needed, AR letters needed, IT issues, etc.; Correspondence with C. Wolf re: various accounting matters including HST, post-filing invoices, insurance, etc.; Call with D. Poirier re: AR/AP related matters and vehicle sales/purchase information; Review BMO payout statement for DIP and draft cheque requisition for payout; Review DSMA invoices and draft cheque requisition for payment etc.	
C. Lonergan	16-May-24	Continue to draft the Fourth Court Report; Review of fee affidavits; Update invoice; Review of motion materials and draft orders; Update waterfall analysis; Review remaining asset monetization plan; Follow up with Purchaser re: transition services agreement and remaining matters (employees, IT, etc.); Discussions with BDO team and Counsel re: the same, Review of updated Payout statements, etc.	6.0
H. Yin	16-May-24	Correspondence with C. Wolf re: cash flow variance analysis; Conduct cash flow variance analysis for the Fourth Court Report; Draft Fourth Court Report activities section, make appendices, assist C. Lonergan in drafting the Fourth Court Report; Draft R&D schedules; Draft invoices and fee affidavit; etc.	5.3



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Cornwall Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

May 16, 2024

Invoice

CINV2892590

RE: OEM Automotive Cornwall Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period May 4, 2024 to May 16, 2024 as per the details below.

Our Fee	\$ 7,536.00
Courtesy Discount	(1,500.00)
Sub Total	6,036.00
HST - 13.00% (#R101518124)	784.68
TOTAL	\$ 6,820.68

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	5.9	735.00	4,336.50
H. Yin, Analyst	8.1	395.00	3,199.50
Total	14.0		\$ 7,536.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	06-May-24	Call with BDO team re: next steps, payroll, accounting items, etc.; Call with Company and BDO team re: payroll and other matters, plan going forward, etc.; review of email correspondence with BMO; Review various emails from Counsel, review of employee AR, payroll, commissions and other items, etc.	0.4
H. Yin	06-May-24	Call with C. Lonergan re: next steps; Call with C. Wolf re: upcoming payroll and other outstanding accounting items; Email correspondence with M. Beaudoin re: Keyloop system back up for Serti; Call with C. Lonergan and C. Bourret re: payroll and other matters, plan going forward, etc.; Review of bank activities, draft email correspondence with BMO re: same; Revise waterfall analysis for C. Lonergan to review; Review various emails from counsel; Various correspondence with VCI re: outstanding payments not received, call with M. Paquette re: same; Review payroll email from C. Wolf, etc.	0.7
C. Lonergan	07-May-24	Drafting and updating of waterfall analysis; Call with BDO team re: waterfall analysis; Meeting with BDO team and Counsels re: next steps; review of Company correspondence, review of vehicle sales and funding with Volkswagen Credit; correspondence with Volkswagen Canada; review of professional fee analysis, various discussion with Purchaser re: transition items, review of Company's banking transactions, etc.	0.5
H. Yin	07-May-24	Call with C. Lonergan re: waterfall analysis; Review various emails received from the Company; Review Company's daily cash activities; Update professional fees disbursement schedule and reconciliation for C. Lonergan to review; Call with B. Smith re: outstanding vehicle payment not received from VCI, draft email to VCI re: same, update C. Lonergan; Correspondence with J. Wingrove re: IT issues purchaser is experiencing; Call with T. Rohmer re: trade assist issue on a vehicle delivered to customer, draft email to Volkswagen and C. Bourret re: same; Review of BDO invoices; Meeting with C. Lonergan, G. Phoenix, V. Dare re options for next steps, etc.	0.7
C. Lonergan	08-May-24	Review of post-filing obligations, Follow with BDO team re: Company follow-up items (AR, Warranty, etc.) and other next steps. Follow up with Volkswagen Canada and Volkswagen Credit re: transition items and vehicles fundings, drafting stakeholder update correspondence framework/email and discussion with BDO team and Counsel re: the same, incorporate their changes as required, etc.; Review Counsel enhanced powers narrative; Call with BDO team re: the same, etc.	0.6
H. Yin	08-May-24	Review various emails received from Counsel re: Proposal Trustee's enhanced powers, next steps options, distribution of proceeds, post-filing obligations, etc. Correspondence with C. Lonergan re: same; Correspondence with VCI re: outstanding documentation for vehicle fundings; Correspondence with C. Wolf re: EFT set up, post-filing obligations, HST obligations, etc.; Call with C. Bourret re: various matters, including CEBA loan, warranty claims, etc. Update C.	1.2



Staff	Date	Comments	Hours
		Loneragan re: same; Review payroll submitted for period ending April 30, 2024; Review and suggest changes on OEM Update email from C. Lonergan, combine changes suggested by counsel and send to C. Lonergan for final review; Draft list of outstanding items to be completed for C. Bourret; Draft email update to Volkswagen Canada and correspond with J. Wingrove re: in progress items; Call with G. MacDonell re: current situation and provide update on sales process, etc.	
C. Lonergan	09-May-24	Finalizing draft waterfall analysis, review of remaining asset realizations, review security documents re: the same, review of APA and asset allocations, employee status and other potential transition costs. Call with the Company and BDO team re: waterfall analysis, next steps, vendor payments, AR collections, employee matters and other outstanding items, etc.; Call with BDO and Counsel regarding post-closing matters, updates, next steps, etc.; Finalize email re: Company stakeholders re: waterfall analysis and potential next steps, etc.	0.8
H. Yin	09-May-24	Call with C. Lonergan re updates to waterfall analysis, next steps, etc.; Call with C. Bourret and C. Lonergan re vendor payments, outstanding items, AR collections, employee matters, etc.; Correspondence with T. Montesano re setting up Proposal Trustee's bank account and moving sales proceeds/deposit out of in-transit account; Correspondence with S. Yakovenko re receivable from VW Canada; Correspondence with K. Blackburn re parts rebilling to purchaser; Correspondence with S. Taneja re parts account after closing; Draft email to counsel re professional fees paid; Call with C. Lonergan and V. Dare re various post-closing matters, updates, next steps, etc.; Call with C. Bourret re employee issues, professional fees, etc.; Correspondence with Volkswagen Canada re warranty claims window extension request, draft email to J. Wingrove re same; Review various emails received from counsel re distribution motion for BMO, next steps, etc.; Receive email from BMO re 2023 floor line activities and start analysis on vehicle sales for pre-filing HST; Start performing post-filing HST obligations calculation and correspondence with C. Wolf re: the same.	1.1
C. Lonergan	10-May-24	Review of Purchaser correspondence re: previous owner transition interference, transition items and employees; Conference call with Purchaser and BDO team re: the same; Review of cash disbursement and banking protocols; Update call with Bank's counsel re: waterfall analysis and Court update; Update call with Company and BDO team re: outstanding items, next steps and other items; Review of invoice analysis and other professional fees, etc.; Review of Bank counsel correspondence; Review of VW correspondence, etc.	0.5
H. Yin	10-May-24	Continue to work on post-filing HST calculation working paper; Call with C. Lonergan and C. Bourret re: updates, outstanding items, and next steps; Finalize BDO professional fees and invoice analysis for C. Lonergan's review; Correspondence with Counsels re: overpayment on professional fees, correspondence with C. Bourret re: same; Draft email to J. Wingrove re: warranty extension; Meeting with C. Lonergan and Purchaser re: transition items, previous owner's	0.9



Staff	Date	Comments	Hours
		interruption to the business, employee status, etc.; Review emails from Purchaser re: the same, etc.	
C. Lonergan	12-May-24	Review correspondence from shareholder's Counsel, Respond to Counsel re: the same; Review of distribution schedule, etc.	0.1
C. Lonergan	13-May-24	Update calls and correspondence with Counsel and BDO team re: next steps, Court timing, Court report and relief being sought; Update call with Company and BDO team re: remaining activities to complete including vehicle AR, warranty claims, shareholder purchased assets, drafting framework of the Fourth Report; Update with VW and BMO re: new vehicle floor lines, etc.	0.3
H. Yin	13-May-24	Call with C. Lonergan re: next steps, outstanding items, remaining collection activities, etc. Call with C. Bourret re: the same; Call with Counsel and C. Lonergan re: next steps, next court date, court report outline, etc.; Correspondence with Purchaser re: purchase price adjustment for parts, access issues for C. Bourret, etc.; Correspondence with BMO re: recalling duplicate payment error; Call with P. Hoosain re: outstanding invoice to A&B; Email correspondence with VW Canada re: warranty access issues experienced by the Company, request for extension, etc.; Follow up on Trade Assist pending amount with VW Canada; Email correspondence with D. Poirier re: information provided on AR/AP, etc.; Correspondence with C. Bourret re: detailed parts listing, purchase price workbook questions, etc.; Correspondence with S. Martel re: business insurance instalments owed, options for cancelling business insurance, and reducing auto insurance, etc.; Call with B. Bertram from VCI re: vehicle chattel issues, call with P. Smulski from BMO re: same; Review Holdco HST filing information, draft email to C. Wolf re the same, etc.	0.8
C. Lonergan	14-May-24	Call with Company, Counsel and the BDO team re: employee layoffs, IT, outstanding items, etc.; review of correspondence to the Purchaser re: various requests made by the Company; call with Purchaser re: Company issues and transition items, review of remaining items listing; review of usage of remaining cash schedule, professional fee update, post-filing obligations; Update with professional fee payments, etc.	0.5
H. Yin	14-May-24	Call with C. Bourret, C. Lonergan, G. Phoenix re: employee layoffs, outstanding items, etc.; Call with C. Bourret re: issues with IT, VW Canada, and requests; Draft email to the Purchaser re: various requests made by the Company; Call with N. Rajewski and F. Swayty re: the same; Call with Counsels re: forwarding duplicate invoice payments to BDO; Receive emails from the Company re: vendor invoices, issues, etc.; Correspondence with S. Martel re: business insurance; Receive and review emails received from V. Dare re: next Court appearance, motion, etc.; Call with V. Dare re: same; Draft email to C. Bourret re: professional fees duplicate payment, etc.	0.7
C. Lonergan	15-May-24	Drafting Fourth Court Report, review of draft orders, update call with BDO re: IT, transition items, AR collection letters; Discussions with the Bank re: DIP repayment, floor line facilities, etc.; Follow up with Purchaser re: remaining matters (employees, IT, etc.); Review	0.9



Staff	Date	Comments	Hours
		correspondence from shareholder's legal counsel; Review of email correspondence with G. MacDonell, discussion with BDO team and Counsel re: the same, etc.	
H. Yin	15-May-24	Call with C. Bourret re: next steps and current issues related to IT, transition items, etc.; Update call with C. Lonergan; Call with N. Rajewski re: assistance needed; Email correspondence with the Purchaser, F. Swayty, N. Rajewski re: various issues requiring the Purchaser's assistance; Draft email to M. Brunet re: vehicle issue; Call with G. Macdonell re: proceeding updates and distributions, draft email re: the same; Call with C. Bourret re: bill of sales needed, AR letters needed, IT issues, etc.; Correspondence with C. Wolf re: various accounting matters including HST, post-filing invoices, insurance, etc.; Call with D. Poirier re: AR/AP related matters and vehicle sales/purchase information; Review BMO payout statement for DIP and draft cheque requisition for payout; Review DSMA invoices and draft cheque requisition for payment etc.	0.9
C. Lonergan	16-May-24	Continue to draft the Fourth Court Report; Review of fee affidavits; Update invoice; Review of motion materials and draft orders; Update waterfall analysis; Review remaining asset monetization plan; Follow up with Purchaser re: transition services agreement and remaining matters (employees, IT, etc.); Discussions with BDO team and Counsel re: the same, Review of updated Payout statements, etc.	1.3
H. Yin	16-May-24	Correspondence with C. Wolf re: cash flow variance analysis; Conduct cash flow variance analysis for the Fourth Court Report; Draft Fourth Court Report activities section, make appendices, assist C. Lonergan in drafting the Fourth Court Report; Draft R&D schedules; Draft invoices and fee affidavit; etc.	1.1



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

OEM Automotive Holdings Inc.
c/o BDO Canada Limited
20 Wellington Street E, Suite 500
Toronto, ON M5E 1C5

Date

May 16, 2024

Invoice

CINV2892591

RE: OEM Automotive Holdings Inc. - NOI

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with our engagement as Trustee in the above noted matter for the period May 4, 2024 to May 16, 2024 as per the details below.

Our Fee	\$ 7,536.00
Courtesy Discount	(1,500.00)
Sub Total	6,036.00
HST - 13.00% (#R101518124)	784.68
TOTAL	\$ 6,820.68

Summary of Time Charges:

	Hours	Rate	Amount
C. Loneragan, Partner	5.9	735.00	4,336.50
H. Yin, Analyst	8.1	395.00	3,199.50
Total	14.0		\$ 7,536.00

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
Commerce Court
199 Bay Street
Toronto, ON M5L 1G9
Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
Bank Institution #: 010
Transit #: 00002
Account #: 91-26910
Swift Reference #: CIBCCATT

Staff	Date	Comments	Hours
C. Lonergan	06-May-24	Call with BDO team re: next steps, payroll, accounting items, etc.; Call with Company and BDO team re: payroll and other matters, plan going forward, etc.; review of email correspondence with BMO; Review various emails from Counsel, review of employee AR, payroll, commissions and other items, etc.	0.4
H. Yin	06-May-24	Call with C. Lonergan re: next steps; Call with C. Wolf re: upcoming payroll and other outstanding accounting items; Email correspondence with M. Beaudoin re: Keyloop system back up for Serti; Call with C. Lonergan and C. Bourret re: payroll and other matters, plan going forward, etc.; Review of bank activities, draft email correspondence with BMO re: same; Revise waterfall analysis for C. Lonergan to review; Review various emails from counsel; Various correspondence with VCI re: outstanding payments not received, call with M. Paquette re: same; Review payroll email from C. Wolf, etc.	0.7
C. Lonergan	07-May-24	Drafting and updating of waterfall analysis; Call with BDO team re: waterfall analysis; Meeting with BDO team and Counsels re: next steps; review of Company correspondence, review of vehicle sales and funding with Volkswagen Credit; correspondence with Volkswagen Canada; review of professional fee analysis, various discussion with Purchaser re: transition items, review of Company's banking transactions, etc.	0.5
H. Yin	07-May-24	Call with C. Lonergan re: waterfall analysis; Review various emails received from the Company; Review Company's daily cash activities; Update professional fees disbursement schedule and reconciliation for C. Lonergan to review; Call with B. Smith re: outstanding vehicle payment not received from VCI, draft email to VCI re: same, update C. Lonergan; Correspondence with J. Wingrove re: IT issues purchaser is experiencing; Call with T. Rohmer re: trade assist issue on a vehicle delivered to customer, draft email to Volkswagen and C. Bourret re: same; Review of BDO invoices; Meeting with C. Lonergan, G. Phoenix, V. Dare re options for next steps, etc.	0.7
C. Lonergan	08-May-24	Review of post-filing obligations, Follow with BDO team re: Company follow-up items (AR, Warranty, etc.) and other next steps. Follow up with Volkswagen Canada and Volkswagen Credit re: transition items and vehicles fundings, drafting stakeholder update correspondence framework/email and discussion with BDO team and Counsel re: the same, incorporate their changes as required, etc.; Review Counsel enhanced powers narrative; Call with BDO team re: the same, etc.	0.6
H. Yin	08-May-24	Review various emails received from Counsel re: Proposal Trustee's enhanced powers, next steps options, distribution of proceeds, post-filing obligations, etc. Correspondence with C. Lonergan re: same; Correspondence with VCI re: outstanding documentation for vehicle fundings; Correspondence with C. Wolf re: EFT set up, post-filing obligations, HST obligations, etc.; Call with C. Bourret re: various matters, including CEBA loan, warranty claims, etc. Update	1.2



Staff	Date	Comments	Hours
		C. Lonergan re: same; Review payroll submitted for period ending April 30, 2024; Review and suggest changes on OEM Update email from C. Lonergan, combine changes suggested by counsel and send to C. Lonergan for final review; Draft list of outstanding items to be completed for C. Bourret; Draft email update to Volkswagen Canada and correspond with J. Wingrove re: in progress items; Call with G. MacDonell re: current situation and provide update on sales process, etc.	
C. Lonergan	09-May-24	Finalizing draft waterfall analysis, review of remaining asset realizations, review security documents re: the same, review of APA and asset allocations, employee status and other potential transition costs. Call with the Company and BDO team re: waterfall analysis, next steps, vendor payments, AR collections, employee matters and other outstanding items, etc.; Call with BDO and Counsel regarding post-closing matters, updates, next steps, etc.; Finalize email re: Company stakeholders re: waterfall analysis and potential next steps, etc.	0.8
H. Yin	09-May-24	Call with C. Lonergan re updates to waterfall analysis, next steps, etc.; Call with C. Bourret and C. Lonergan re vendor payments, outstanding items, AR collections, employee matters, etc.; Correspondence with T. Montesano re setting up Proposal Trustee's bank account and moving sales proceeds/deposit out of in-transit account; Correspondence with S. Yakovenko re receivable from VW Canada; Correspondence with K. Blackburn re parts rebilling to purchaser; Correspondence with S. Taneja re parts account after closing; Draft email to counsel re professional fees paid; Call with C. Lonergan and V. Dare re various post-closing matters, updates, next steps, etc.; Call with C. Bourret re employee issues, professional fees, etc.; Correspondence with Volkswagen Canada re warranty claims window extension request, draft email to J. Wingrove re same; Review various emails received from counsel re distribution motion for BMO, next steps, etc.; Receive email from BMO re 2023 floor line activities and start analysis on vehicle sales for pre-filing HST; Start performing post-filing HST obligations calculation and correspondence with C. Wolf re: the same.	1.1
C. Lonergan	10-May-24	Review of Purchaser correspondence re: previous owner transition interference, transition items and employees; Conference call with Purchaser and BDO team re: the same; Review of cash disbursement and banking protocols; Update call with Bank's counsel re: waterfall analysis and Court update; Update call with Company and BDO team re: outstanding items, next steps and other items; Review of invoice analysis and other professional fees, etc.; Review of Bank counsel correspondence; Review of VW correspondence, etc.	0.5
H. Yin	10-May-24	Continue to work on post-filing HST calculation working paper; Call with C. Lonergan and C. Bourret re: updates, outstanding items, and next steps; Finalize BDO professional fees and invoice analysis for C. Lonergan's review; Correspondence with Counsels re: overpayment on professional fees, correspondence with C. Bourret re: same; Draft email to J. Wingrove re: warranty extension; Meeting with C. Lonergan and Purchaser re: transition items,	0.9

Staff	Date	Comments	Hours
		previous owner's interruption to the business, employee status, etc.; Review emails from Purchaser re: the same, etc.	
C. Lonergan	12-May-24	Review correspondence from shareholder's Counsel, Respond to Counsel re: the same; Review of distribution schedule, etc.	0.1
C. Lonergan	13-May-24	Update calls and correspondence with Counsel and BDO team re: next steps, Court timing, Court report and relief being sought; Update call with Company and BDO team re: remaining activities to complete including vehicle AR, warranty claims, shareholder purchased assets, drafting framework of the Fourth Report; Update with VW and BMO re: new vehicle floor lines, etc.	0.3
H. Yin	13-May-24	Call with C. Lonergan re: next steps, outstanding items, remaining collection activities, etc. Call with C. Bourret re: the same; Call with Counsel and C. Lonergan re: next steps, next court date, court report outline, etc.; Correspondence with Purchaser re: purchase price adjustment for parts, access issues for C. Bourret, etc.; Correspondence with BMO re: recalling duplicate payment error; Call with P. Hoosain re: outstanding invoice to A&B; Email correspondence with VW Canada re: warranty access issues experienced by the Company, request for extension, etc.; Follow up on Trade Assist pending amount with VW Canada; Email correspondence with D. Poirier re: information provided on AR/AP, etc.; Correspondence with C. Bourret re: detailed parts listing, purchase price workbook questions, etc.; Correspondence with S. Martel re: business insurance instalments owed, options for cancelling business insurance, and reducing auto insurance, etc.; Call with B. Bertram from VCI re: vehicle chattel issues, call with P. Smulski from BMO re: same; Review Holdco HST filing information, draft email to C. Wolf re the same, etc.	0.8
C. Lonergan	14-May-24	Call with Company, Counsel and the BDO team re: employee layoffs, IT, outstanding items, etc.; review of correspondence to the Purchaser re: various requests made by the Company; call with Purchaser re: Company issues and transition items, review of remaining items listing; review of usage of remaining cash schedule, professional fee update, post-filing obligations; Update with professional fee payments, etc.	0.5
H. Yin	14-May-24	Call with C. Bourret, C. Lonergan, G. Phoenix re: employee layoffs, outstanding items, etc.; Call with C. Bourret re: issues with IT, VW Canada, and requests; Draft email to the Purchaser re: various requests made by the Company; Call with N. Rajewski and F. Swayty re: the same; Call with Counsels re: forwarding duplicate invoice payments to BDO; Receive emails from the Company re: vendor invoices, issues, etc.; Correspondence with S. Martel re: business insurance; Receive and review emails received from V. Dare re: next Court appearance, motion, etc.; Call with V. Dare re: same; Draft email to C. Bourret re: professional fees duplicate payment, etc.	0.7
C. Lonergan	15-May-24	Drafting Fourth Court Report, review of draft orders, update call with BDO re: IT, transition items, AR collection letters; Discussions with the Bank re: DIP repayment, floor line facilities, etc.; Follow	0.9



Staff	Date	Comments	Hours
		up with Purchaser re: remaining matters (employees, IT, etc.); Review correspondence from shareholder's legal counsel; Review of email correspondence with G. MacDonell, discussion with BDO team and Counsel re: the same, etc.	
H. Yin	15-May-24	Call with C. Bourret re: next steps and current issues related to IT, transition items, etc.; Update call with C. Lonergan; Call with N. Rajewski re: assistance needed; Email correspondence with the Purchaser, F. Swayty, N. Rajewski re: various issues requiring the Purchaser's assistance; Draft email to M. Brunet re: vehicle issue; Call with G. Macdonell re: proceeding updates and distributions, draft email re: the same; Call with C. Bourret re: bill of sales needed, AR letters needed, IT issues, etc.; Correspondence with C. Wolf re: various accounting matters including HST, post-filing invoices, insurance, etc.; Call with D. Poirier re: AR/AP related matters and vehicle sales/purchase information; Review BMO payout statement for DIP and draft cheque requisition for payout; Review DSMA invoices and draft cheque requisition for payment etc.	0.9
C. Lonergan	16-May-24	Continue to draft the Fourth Court Report; Review of fee affidavits; Update invoice; Review of motion materials and draft orders; Update waterfall analysis; Review remaining asset monetization plan; Follow up with Purchaser re: transition services agreement and remaining matters (employees, IT, etc.); Discussions with BDO team and Counsel re: the same, Review of updated Payout statements, etc.	1.3
H. Yin	16-May-24	Correspondence with C. Wolf re: cash flow variance analysis; Conduct cash flow variance analysis for the Fourth Court Report; Draft Fourth Court Report activities section, make appendices, assist C. Lonergan in drafting the Fourth Court Report; Draft R&D schedules; Draft invoices and fee affidavit; etc.	1.1

This is Exhibit “D” referred to in the Affidavit of
Clark Lonergan, sworn before me this 21st day of
May, 2024.



A Commissioner for Taking Affidavits

SABRINA SANTOIANNI

**Sabrina Santoianni, a Commissioner, etc.,
City of Toronto, for Fogler, Rubinoff LLP,
Barristers and Solicitors.
Expires February 12, 2027.**

EXHIBIT "D"

BDO CANADA LIMITED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OEM AUTOMOTIVE SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC., AND
OEM AUTOMOTIVE HOLDINGS INC.

TIME SUMMARY FROM MARCH 23, 2024 TO MAY 16, 2024

	Hours	Rate	Amount
Clark Lonergan, Partner	129.10	\$ 735.00	94,888.50
Heron Yin, Senior Analyst	215.10	395.00	84,964.50
Subtotal	<u>344.20</u>		<u>179,853.00</u>
Less: Courtesy Discount			<u>- 28,000.00</u>
Total			<u>151,853.00</u>
 Average Hourly Amount			 <u><u>\$ 441.18</u></u>

Fourth Report of the Proposal Trustee
Appendix “W”

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF OEM AUTOMOTIVE
SOLUTIONS INC., OEM AUTOMOTIVE CORNWALL INC.
AND OEM AUTOMOTIVE HOLDINGS INC.

AFFIDAVIT OF SCOTT R. VENTON
SWORN May 15, 2024

I, Scott R. Venton, of the City of Toronto, in the Province of Ontario, Barrister and
Solicitor, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer with the law firm of Fogler, Rubino LLP ("**FR**") and have knowledge of the matters hereinafter deposed to.
2. Attached hereto as **Exhibit "A"** is a true copy of the interim account dated April 17, 2024, rendered for the work done from March 26, 2024 to April 3, 2024, by FR to BDO Canada Limited, in its capacity as the Proposal Trustee of OEM Automotive Solutions Inc., OEM Automotive Cornwall Inc. and OEM Automotive Holdings Inc. (in such capacity, the "**Proposal Trustee**"), which account sets out the particulars of the work performed by FR with respect to this matter.

3. Attached hereto as **Exhibit "B"** is a true copy of the interim account dated May 3, 2024, rendered for the work done from April 1, 2024 to May 2, 2024 by FR to the Proposal Trustee, which account sets out the particulars of the work performed by FR with respect to this matter. A courtesy discount of approximately \$7,000.00 was provided in this invoice to the Proposal Trustee.

4. Attached hereto as **Exhibit "C"** is a true copy of the interim account dated May 15, 2024, rendered for the work done from April 30, 2024 to May 15, 2024 by FR to the Proposal Trustee, which account sets out the particulars of the work performed by FR with respect to this matter.

5. The total of the fees, disbursements and applicable taxes from March 26, 2024 to May 15, 2024 is the sum of \$66,794.47.

6. The said accounts by FR to the Proposal Trustee are summarized as follows:

Date	Fees	Disbursements	HST	Total
April 17, 2024	\$26,980.00	\$744.27	\$3,604.16	\$31,328.43
May 3, 2024	\$23,384.60	\$294.03	\$3,071.72	\$26,750.35
May 15, 2024	\$7,688.00	\$25.00	\$1,002.69	\$8,715.69
TOTAL	\$58,052.60	\$1,063.30	\$7,678.57	\$66,794.47

7. The following are the billing rates of the lawyers who have worked upon the matter together with their year of call.

Timekeeper	Hourly Rate	Year of Call
Vern W. DaRe	\$710.00 (2024; Normal Hourly Rate)	1991
Shirley Bai	\$365.58 (2024; Discounted Rate)	2014
Roberto De Pasquale	\$330.93 (2024; Discounted Rate)	2019
Sahar Sayyad	\$292.45 (2024; Discounted Rate)	2021
Paniz Rahdari	\$277.06 (2024; Discounted Rate)	2022
Julien Cohen	\$500.00 (2024; Normal Hourly Rate)	2023

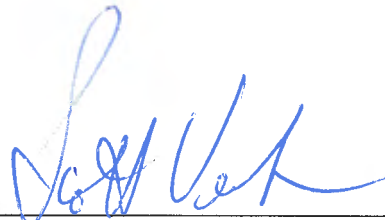
8. The hourly billing rates applied are FR's normal hourly rates as well as discounted rates for this client.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
May 15, 2024



Commissioner for Taking Affidavits
(or as may be)

Robert Timothy Duncan



SCOTT R. VENTON

This is Exhibit "A" referred to in the Affidavit of Scott R. Venton
sworn May 15, 2024.

A handwritten signature in black ink, consisting of a stylized 'E' followed by a 'J' and a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

Invoice Num: 22406037

April 17, 2024

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto ON
M5E 1C5
Attention: Clark Lonergan
Partner / Senior Vice President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

**fogler
rubinoff**

Our File: B3169 / 236535
BDO Canada Limited as Proposal Trustee for OEM Automotive Holdings Inc.,
OEM Automotive Solutions Inc. and OEM Automotive Cornwall Inc.

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter to April 17, 2024, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Mar-26-24	VWD	Finalize notice of motion, draft Approval and Vesting Order, draft Ancillary Order, Factum; review draft Third Report of Proposal Trustee and propose revisions; emails to Purchaser's lawyer regarding draft Sale Agreement; emails to and from client regarding same.	10.60	7,526.00
Mar-27-24	VWD	Review emails from BMO's lawyer regarding draft Approval and Vesting Order; reply to same; revise draft Approval and Vesting Order; emails to and from Purchaser's lawyer regarding same; emails from and to Companies' counsel; review revised draft Agreement of Purchase and Sale by Purchaser's lawyer; telephone conversations with client regarding same; several email exchanges with Purchaser's lawyer regarding her proposed revisions to draft Agreement of Purchase and Sale.	4.20	2,982.00
Mar-27-24	VWD	Review next version of the draft Third Report; review the Confidential Supplementary Report; consider further proposed changes by Purchaser's lawyer to the draft Agreement of Purchase and Sale; further email exchanges with BMO's lawyer.	3.20	2,272.00

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Mar-28-24	VWD	Revise, finalize and have executed Agreement of Purchase and Sale in light of proposed revisions by Purchaser or Purchaser's counsel; revise Third Report of the Proposal Trustee; revise Confidential Supplementary Report of Proposal Trustee; revise draft Ancillary Order and Approval and Vesting Order; email and telephone communications with client; email exchanges with counsel for BMO and the Companies.	10.20	7,242.00
Apr-01-24	VWD	Email exchanges with BMO's lawyer.	0.30	213.00
Apr-02-24	VWD	For tomorrow's motion, review motion materials including notice of motion, Third Report and Confidential Supplementary Report including Appendices, draft Ancillary Order and Approval and Vesting Order and Factum; emails from and to client.	4.20	2,982.00
Apr-03-24	VWD	Prepare for today's attendance before Justice Kershman by reviewing Motion Record and Supplementary Motion Record including draft Orders, Third Report and appendices; review Factum; prepare submissions; attend Motion; communications with client and Grants' lawyer.	5.30	3,763.00
TOTAL FEES:				\$26,980.00
OUR FEE HEREIN:				\$26,980.00

Disbursements

Taxable	Courier & Delivery	\$52.77	
Taxable	Prints	\$691.50	
Total Disbursements			\$744.27
Total Fees and Disbursements			\$27,724.27
HST @ 13% on Fees and Taxable Disbursements			\$3,604.16
Total Fees, Disbursements and Taxes this Bill			\$31,328.43
Balance Due:			\$31,328.43

fogler
rubinoff

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

Vern W. DaRe

(electronically-generated signature)

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 5.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

per: **Scott R. Venton**

For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "B" referred to in the Affidavit of Scott R. Venton sworn May 15, 2024.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.

Commissioner for Taking Affidavits (or as may be)

Invoice Num: 22407649

May 3, 2024

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto ON
M5E 1C5
Attention: Clark Lonergan
Partner / Senior Vice President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

**fogler
rubinoff**

Our File: B3169 / 236535
BDO Canada Limited as Proposal Trustee for OEM Automotive Holdings Inc.,
OEM Automotive Solutions Inc. and OEM Automotive Cornwall Inc.

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter to May 3, 2024, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Apr-01-24	VWD	Teams call with client.	0.30	163.93
Apr-04-24	SB	Review AVO; review APS; prepare closing agenda.	1.20	438.70
Apr-04-24	KP	Commission Affidavit of Service of M. Pham.	0.10	28.46
Apr-05-24	RDP	Brief review of purchase agreement and order, meeting with FR team to discuss transaction and next steps.	1.00	330.93
Apr-05-24	PR	Meeting with S. Bai and V. DaRe re: file; reviewing excel spreadsheet; reviewed APS.	2.75	761.94
Apr-05-24	SB	Phone call with V. DaRe; R. De Pasquale; P. Rahdari; discussion with P. Rahdari.	0.70	255.89
Apr-08-24	PR	Reviewing APS.	1.17	324.18
Apr-09-24	RDP	Meeting with S. Bai to discuss transaction and next steps, correspondence.	0.15	49.64
Apr-09-24	PR	Drafting closing agenda; reviewing and highlighting APS.	3.33	922.62
Apr-09-24	SB	Correspondence to purchaser's solicitor; phone call discussion with R. De Pasquale.	0.31	113.32
Apr-10-24	RDP	Meeting with S. Sayyad to provide transaction background and instructions re: preparation of closing documents.	0.15	49.64
Apr-10-24	SS	Reviewing emails; meeting with R. De Pasquale to discuss matter and next steps.	0.20	58.49
Apr-10-24	PR	Preparing closing agenda.	2.67	739.76
Apr-11-24	PR	Reviewing closing agenda; email re: next steps.	2.10	581.84
Apr-11-24	SB	Review and comment on closing agenda; discussion with P. Rahdari re: closing matters.	0.82	299.76

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Apr-12-24	SB	Review revised closing agenda.	0.30	109.67
Apr-16-24	RDP	Review authorization letter, various correspondence.	0.30	99.28
Apr-16-24	SS	Reviewing emails and draft acknowledgement; email to R. De Pasquale re: same; call with R. De Pasquale re: same; email to S. Bai re: same; reviewing APS and emails; reviewing and revising draft closing agenda.	1.20	350.94
Apr-16-24	SB	Correspondence from purchaser's solicitor; look up HST numbers of debtors; revise authorization re: off-titles.	0.40	146.22
Apr-17-24	RDP	Call with S. Sayyad to provide guidance re closing agenda, correspondence.	0.05	16.54
Apr-17-24	SS	Reviewing and revising draft closing agenda; call with R. De Pasquale re: same; email to P. Rahdari re: same.	1.00	292.44
Apr-17-24	PR	Revising closing agenda; drafting closing documents.	2.82	781.31
Apr-17-24	SB	Correspondence from purchaser's solicitor; correspondence to BDO; phone call with V. DaRe; phone call with C. Lonegan.	0.30	109.67
Apr-18-24	RDP	Various correspondence, call with S. Bai to discuss transaction matters.	0.10	33.11
Apr-18-24	PR	Call with S. Bai and V. DaRe re: remediation report.	0.50	138.54
Apr-18-24	SB	Discussion with V. DaRe; correspondence from purchaser's lawyer; review report.	0.30	109.67
Apr-19-24	VWD	Call with client regarding closing the sale transaction.	0.30	163.93
Apr-19-24	RDP	Review of draft agenda, various correspondence.	0.30	99.28
Apr-19-24	SS	Drafting ancillary closing documents; email to P. Rahdari re: same.	0.30	87.73
Apr-19-24	PR	Finalizing of closing documents; discussion with S. Bai re: same.	3.80	1,052.84
Apr-19-24	SB	Review and finalize closing agenda; correspondence to purchaser's solicitor; discussion with P. Rahdari re: closing documents.	0.50	182.80
Apr-20-24	PR	Review of closing documents.	1.50	415.61
Apr-22-24	RDP	Call with S. Sayyad re: transaction matters, correspondence.	0.15	49.64
Apr-22-24	SS	Update call with R. De Pasquale.	0.10	29.23
Apr-22-24	PR	Preparing statement of adjustments.	1.17	324.18
Apr-22-24	PR	Discussions with S. Bai re: closing documents.	1.33	368.51
Apr-22-24	SB	Review revised closing agenda from purchaser's solicitor; correspondence re: closing matters; review and revise closing documents.	1.80	658.01
Apr-23-24	VWD	Deal with AVO and closing issue by discussing same with Shirley Bai and client; email exchanges with client and Graham Phoenix.	1.20	655.70
Apr-23-24	RDP	Review of various file related correspondence.	0.10	33.11

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Apr-23-24	PR	Preparing statement of adjustments; discussions with S. Bai re: same.	2.45	678.82
Apr-23-24	SB	Review and revise undertaking to readjust; various correspondence re: closing matters; phone call with V. DaRe; review and revise SOA.	1.30	475.24
Apr-24-24	SS	Attention to emails; reviewing purchaser's draft resolutions; email to P. Rahdari with comments re: same.	0.50	146.22
Apr-24-24	PR	Email correspondences to and from purchaser's lawyer re: closing documents; review of draft documents prepared by purchaser's counsel; revising assignment and assumption agreement.	2.10	581.84
Apr-24-24	SB	Various correspondence re: Assignment of Warranties; review draft application for vesting order.	0.55	201.07
Apr-25-24	VWD	Telephone conversations with client regarding issues regarding next week's closing; email exchanges with client regarding same; review final Pinchin remediation letter.	1.30	710.36
Apr-25-24	RDP	Review of various correspondence.	0.10	33.11
Apr-25-24	SS	Reviewing revised resolutions; email to P. Rahdari re: same; reviewing draft tax election form; message to P. Rahdari re: same.	0.50	146.22
Apr-25-24	PR	Email correspondences to and from purchaser's lawyer re: closing documents.	1.17	324.18
Apr-25-24	SB	Review Pinchin report; phone call with V. DaRe; review revised closing documents from purchasers' solicitor.	0.60	219.35
Apr-26-24	PR	Emails re: closing and next steps; sending statement of adjustments; revising closing agenda.	1.80	498.73
Apr-26-24	SB	Various correspondence re: closing matters; review and revise DRA, SOA.	1.20	438.70
Apr-27-24	RDP	Review of various correspondence, review of outstanding items on agenda and consent requirement in purchase agreement, correspondence with FR team.	0.35	115.82
Apr-29-24	VWD	Review and revise draft Transition Services Agreement.	1.30	710.36
Apr-29-24	VWD	Telephone conversations with client regarding tomorrow's scheduled closing; review VW Canada letter of consent; email to client regarding same.	1.30	710.36
Apr-29-24	SS	Attention to emails.	0.20	58.49
Apr-29-24	PR	Email correspondences to and from purchaser's lawyer and client re: outstanding items; closing documents.	3.93	1,088.85
Apr-29-24	SB	Various correspondence, attend to closing matters.	1.00	365.57

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Apr-30-24	VWD	Telephone conversation with VW Canada's lawyer; Teams call with client, Purchaser and Purchaser's lawyer; telephone conversations with client; assist with today's closing regarding several closing issues.	3.20	1,748.57
Apr-30-24	PR	Closing day; email correspondences to and from purchaser's lawyer; discussions with S. Bai; calls with client; preparing letter re: change of ownership.	4.89	1,354.84
Apr-30-24	SB	Phone call discussion with V. DaRe; various correspondence, phone calls; prepare acknowledgement re excluded assets; review SOA; attend to closing matters.	1.90	694.59
May-01-24	VWD	Deal with post-closing matters.	0.60	327.85
May-01-24	PR	Arranging for letter re: change of ownership to be sent by fax.	0.33	91.37
May-01-24	SB	Post-closing matters.	0.10	36.55
May-02-24	VWD	Review and revise draft email from Proposal Trustee to various stakeholders regarding the closing of the sale and potential distribution.	0.30	163.93
May-02-24	SB	Various correspondence; discussion with V. DaRe re: email.	0.10	36.55
TOTAL FEES:				\$23,384.60
OUR FEE HEREIN - Reduced from \$30,384.60 as a courtesy to you:				\$23,384.60

Disbursements

Taxable	Agents' Fees	\$60.00	
Taxable	Binding Supplies	\$41.70	
Taxable	Copies of Instruments	\$3.00	
Taxable	Courier & Delivery	\$76.50	
Taxable	Faxes	\$3.35	
Exempt	Filing Fee	\$50.00	
Taxable	Postage/Registered Mail	\$6.38	
Taxable	Prints	\$0.90	
Taxable	Search of Title	\$52.20	
Total Disbursements			\$294.03
Total Fees and Disbursements			\$23,678.63
HST @ 13% on Fees and Taxable Disbursements			\$3,071.72
Total Fees, Disbursements and Taxes this Bill			\$26,750.35



Balance Due: \$26,750.35

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

Vern W. DaRe

(electronically-generated signature)

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 5.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

per: **Scott R. Venton**

For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "C" referred to in the Affidavit of Scott R. Venton
sworn May 15, 2024.

A handwritten signature in black ink, consisting of stylized, overlapping letters, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Invoice Num: 22407992

May 15, 2024

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto ON
M5E 1C5
Attention: Clark Lonergan
Partner / Senior Vice President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

fogler
rubinoff

Our File: B3169 / 236535
BDO Canada Limited as Proposal Trustee for OEM Automotive Holdings Inc.,
OEM Automotive Solutions Inc. and OEM Automotive Cornwall Inc.

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter to May 15, 2024, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Fees</u>
Apr-30-24	JCC	Receipt of question from V. DaRe; call with V. DaRe.	0.75	375.00
May-07-24	VWD	Teams call with client and counsel for Companies.	1.00	710.00
May-08-24	VWD	Review VTB mortgages and prepare opinion letter for Proposal Trustee regarding their validity and enforceability; review emails from client regarding distribution issues and reply to same.	3.30	2,343.00
May-09-24	VWD	Email and telephone communications with client regarding distribution issues.	0.50	355.00
May-14-24	VWD	Begin drafting notice of motion for motion returnable May 28, 2024; telephone call with BMO's lawyer regarding motion; email exchanges with client.	1.30	923.00
May-15-24	VWD	Complete first draft of notice of motion and draft Orders for May 28 motion; email exchanges with client.	4.20	2,982.00
TOTAL FEES:				\$7,688.00
OUR FEE HEREIN:				\$7,688.00

Disbursements

Taxable	Wired Funds Charge	\$25.00	
	Total Disbursements		\$25.00
	Total Fees and Disbursements		\$7,713.00



HST @ 13% on Fees and Taxable Disbursements	\$1,002.69
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Total Fees, Disbursements and Taxes this Bill	\$8,715.69
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Balance Due:	\$8,715.69
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**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

Vern W. DaRe

(electronically-generated signature)

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 5.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

per: **Scott R. Venton**

For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3, AS AMENDED

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF OEM AUTOMOTIVE SOLUTIONS INC.,
OEM AUTOMOTIVE CORNWALL INC. AND OEM AUTOMOTIVE HOLDINGS INC.**

District of Ontario
Division No. 12 - Ottawa
Court File No. BK-23-03025642-0033
Bankruptcy Estate File No. 33-3025642

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Ottawa

FEE AFFIDAVIT

FOGLER, RUBINOFF LLP

Toronto-Dominion Centre
77 King Street West
Suite 3000, PO Box 95
Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842

Fax: 416.941.8852

Email: vdare@foglers.com

Lawyers for BDO Canada Limited,
in its capacity as the Proposal Trustee