

Superior Court of Justice, Family Court (Name of Court)

Court File Number 252/15

Form 25: Order (general)

at 469 Montreal St., Kingston, Ontario, K7K 3H9

(Court office address) Temporary

Applicant(s)

(Full legal name & address for service: street, number,

municipality, postal code telephone & fax numbers & e-mail

X Final

Lawyer's name & address: street, number, municipality, postal code, telephone & fax numbers & e-mail address (if

address (if any).
Mervin Brian Schick
2845 Washburn Road
Inverary, Ontario
K0H 1X0

Mark S. LaFrance Kamin, LaFrance Barristers and Solicitors 797 Princess Street, Suite 300 Kingston, Ontario K7L 1G1

Tel: 613-549-3294 Fax: 613-549-2615 mark.lafrance@kingston.net

The Honourable Justice

T. Minnema

Respondent(s)

Judge (Print or type name)
April 6, 2023

Date of order

Full legal name & address for service: street, number, municipality, postal code telephone & fax numbers & e-mail address (if any).

Lawyer's name & address: street, number, municipality, postal code, telephone & fax numbers & e-mail address (if any).

Deborah Lynn Cardinal (formerly Schick) c/o Counsel Gene C. Colman/Kulbir K. Rahal Vaid Gene C. Colman Family Law Centre Barristers and Solicitors

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1475459 Ontario Inc. (operating as End of The Roll)

695 Gardiners Road Kingston ON K7M 3Y4

Schick's Holdings Inc. 695 Gardiners Road Kingston ON K7M 3Y4

This order is made pursuant to provincial legislation only.

The Court heard a motion made by:

The Applicant, Mervin Brian Schick, for an Order, *inter alia*, (i) approving the Second Report – Corporate of the Sales Officer, dated March 27, 2023 (the "Second Report – Corporate") and the activities of the Sales Officer set out therein, (ii) approving the fees and disbursements of the Sales Officer and its legal counsel, (iii) winding up 1475459 Ontario Inc. ("OPCO") and Schick's Holdings Inc. ("HOLDCO", together with OPCO, the "Companies") pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA"), and (iv) amending, expanding and confirming the powers of BDO Canada Limited ("BDO") in respect of the Companies pursuant to section 207 of the OBCA.

The following persons were in court:

The Applicant, Mervin Brian Schick and his counsel, the Respondent, Deborah Lynn Cardinal (formerly Schick) BDO Canada Limited and its counsel;

The Court received evidence and heard submissions on behalf of:

The Applicant, Mervin Brian Schick and the Respondent, Deborah Lynn Cardinal (formerly Schick), BDO Canada Limited;

PURSUANT TO THE FAMILY LAW RULES, THE COURTS of JUSTICE ACT and THE BUSINESS CORPORATIONS ACT:

SERVICE

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

APPROVAL OF ACTIVITIES AND FEES OF THE SALES OFFICER

- 2. **THIS COURT ORDERS** that the Second Report Corporate and the Sales Officer's activities dated March 27, 2023 set out therein are hereby approved.
- 3. **THIS COURT ORDERS** that the Interim Statements of Receipts and Disbursements of the Sales Officer as set forth in its Second Report Corporate dated March 27, 2023 be and the same are hereby approved.
- 4. **THIS COURT ORDERS** that the professional fees and disbursements of BDO in its capacity as Sales Officer for the period from January 31, 2022 to February 28, 2023 in the amount of \$66,342.50 and HST of \$8,624.53 for a total of \$74,967.03, as set out in the Affidavit of Matthew Marchand, sworn March 24, 2023 and attached as Appendix "D" to the Second Report Corporate dated March 27, 2023, are hereby approved and the Sales Officer is authorized to pay such fees and disbursements, with 50% to be paid on account of OPCO and 50% to be paid on account of HOLDCO.

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5. **THIS COURT ORDERS** that the professional fees and disbursements of Fogler, Rubinoff LLP, legal counsel to the Sales Officer for the period from January 31, 2022 to February 28, 2023, in the amount of \$72,321.75 plus disbursements of \$452.98 and HST of \$9,452.10 for total of \$82,226.83 as set out in the Affidavit of Alexander Evangelista, sworn March 24, 2023 and attached as Appendix "F" to the Second Report – Corporate dated March 27, 2023, are hereby approved and the Sales Officer is authorized to pay such fees and disbursements with 50% to be paid on account of OPCO and 50% to be paid on account of HOLDCO.

APPLICATION

6. **THIS COURT ORDERS** that each of the Companies shall be wound up pursuant to section 207 of the OBCA with effect as of the date of this Order.

APPOINTMENT

7. **THIS COURT ORDERS** that pursuant to section 210 of the OBCA, BDO is hereby appointed liquidator (in such capacity, the "**Liquidator**"), of all of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing all of their assets, undertakings and properties, including all proceeds thereof (the "**Property**"), and the Companies' officers, directors, employees, consultants, agents, experts, accountants and counsel and such other persons currently retained or employed by the Companies shall co-operate fully with the Liquidator in the exercise of its powers and the discharge of its obligations and provide the Liquidator with the assistance that is necessary to enable the Liquidator to fully carry out its functions.

LIQUIDATOR'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- insofar as it may be advisable or beneficial for the winding up of the Companies, to manage, operate, and carry on the business of the Companies, including the powers to enter into any agreements, repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify and/or terminate any contracts or agreements to which the Companies or either of them are a party;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including without limitation those conferred by this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
- (f) to settle, extend or compromise any indebtedness owing to the Companies;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of either of the Companies, for any purpose pursuant to this Order;

- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Liquidator, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to file an assignment in bankruptcy on behalf of either of the Companies, or to consent to the making of a bankruptcy order against either of the Companies;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
 - and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property and the winding up, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Liquidator, in the name of either of the Companies;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have;
- (q) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies;
- (r) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;
- (s) obtain any and all applicable clearance certificates from governmental authorities;
- (t) establish and implement a claims process in respect of any or all of the Companies;
- (u) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) rateably among the registered shareholders thereof according to their rights and interests or according to such further order of this Court;
- (v) at any time after the affairs of the Companies have been fully wound up, make an application to theCourt for an order dissolving any or all of the Companies; and
- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

- 9. **THIS COURT ORDERS** that (i) the Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.
- 10. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator 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 (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 11 or in paragraph 12 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE LIQUIDATOR

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

NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY

13. **THIS COURT ORDERS** that no Proceeding against or in respect of the Companies or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Companies or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that all rights and remedies against the Companies, the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Liquidator or the Companies to carry on any business which the Companies are not lawfully entitled to carry on, (ii) exempt the Liquidator or the Companies from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE LIQUIDATOR

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

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the either of the Companies are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Companies' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Liquidator or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

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

EMPLOYEES

18. **THIS COURT ORDERS** that all employees of the Companies shall be deemed terminated as of the date of this Order. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay.

PIPEDA

19. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection* and *Electronic Documents Act*, the Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Liquidator, 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 Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE LIQUIDATOR'S LIABILITY

21. **THIS COURT ORDERS** that the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the provisions of the OBCA or by any other applicable legislation.

LIQUIDATOR'S ACCOUNTS

22. **THIS COURT ORDERS** that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "Liquidator's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Liquidator's Charge shall

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form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person. For greater certainty, the Liquidator's Charge against the Property for its fees and disbursements shall apply to all Property, regardless of whether the Property is an asset, undertaking or property of OPCO or of HOLDCO, and regardless of whether the fees and disbursements of the Liquidator and its counsel secured thereby relate solely to OPCO or relate solely HOLDCO.

- 23. **THIS COURT ORDERS** that the Liquidator and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.
- 24. **THIS COURT ORDERS** that prior to the passing of its accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.
- 25. **THIS COURT ORDERS** that the filing, registration or perfection of the Liquidator's Charge shall not be required, and that the Liquidator's Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Liquidator's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
- 26. **THIS COURT ORDERS** that the Liquidator's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Liquidator's Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e)

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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 that binds the Companies or either of them, and notwithstanding any provision to the contrary in any agreement:

- (a) the creation of the Liquidator's Charge shall not 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 creation of the Liquidator's Charge; and
- (c) the payments made by the Companies pursuant to this Order and the granting of the Liquidator's Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or any other challengeable, reviewable, void or voidable transactions under any applicable law.

SERVICE AND NOTICE

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator is 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 prepaid ordinary 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.

GENERAL

- 29. **THIS COURT ORDERS** that this Order is effective from the date it is made and it is enforceable without any need for entry and filing.
- 30. **THIS COURT ORDERS** that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 31. **THIS COURT ORDERS** that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of either of the Companies.
- 32. **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 Liquidator 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

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- 33. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator 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.
- 34. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Liquidator and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Put a line through any blank space left on this page.

April 6, 2023

Date of signature

Signature of judge