

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

LIQUID CAPITAL EXCHANGE CORP.

Applicant

- and -

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

Respondents

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

DISCHARGE ORDER

THIS MOTION, made by BDO Canada Limited., in its capacity as the Court-appointed receiver (the “Receiver”) of the lands and premises known as 518 King St., Port Colborne, Ontario and having Property Identification Number (PIN) 64147-0114 (the “Real Property”) owned by David Taylor (the “Debtor”) for an order, *inter alia*:

1. approving the activities of the Receiver as set out in the fifth report of the Receiver dated April 18, 2022 (the “Report”), the confidential appendices thereto (the “Confidential Appendices”), and the Supplement to the Fifth Report of the Receiver dated April 22, 2022 (the “Supplement”);

2. approving the fees and disbursements of the Receiver and its counsel;
3. approving the distribution of the net proceeds available in the estate of the Debtor, subject to the provisions of this Order, to Ra-Tech Services CAD Inc. (“Ra-Tech”), on account of proven indebtedness under the first and second mortgage, Liquid Capital Exchange Corp (“LCX”), on account of proven indebtedness under the third mortgage; and, to the extent funds are available, to Canada Revenue Agency (“CRA”) on account of obligations secured under the lien registered on title to the Real property;
4. discharging BDO Canada Limited as Receiver of the undertaking, property and assets of the Debtors in respect of the Real Property; and
5. releasing BDO Canada Limited. from any and all liability, as set out in paragraph 8 of this Order,

was heard this day at 330 University Avenue, Toronto, Ontario, via Zoom teleconference.

ON READING the Report, the Confidential Appendices, the Supplement, and the affidavits of the Receiver and its counsel as to fees appended to the Report (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver and such other counsel or other persons as appearing as recorded on the attendance slip, no one appearing for any other person on the service list, no one else appearing although served as evidenced by the Affidavits of Amanda Adamo sworn April 19 and 22, 2022, filed;

1. THIS COURT ORDERS that the time for service of the Report, the Confidential Appendices, the Supplement and the motion record in respect of this motion is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.
2. THIS COURT ORDERS that the activities of the Receiver as set out in the Report, the Confidential Appendices and the Supplement, are hereby approved.
3. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, including the Fee Accrual, each as defined in the Report and as set out in the Report and the Fee Affidavits (collectively the “Approved Administrative Fees”), are hereby approved.

4. THIS COURT ORDERS that the Receiver be and his hereby authorized and directed to holdback the amount of \$525,000.00 (the “Holdback”), on account of amounts potentially claimable by Ra-Tech under the first and second mortgage registered on title to the property.

5. THIS COURT ORDERS that, after payment of the amounts set out in paragraph 3 hereof for approved fees and disbursements and reserving the Holdback, the Receiver shall pay all remaining funds in its hands, to the extent possible, as follows:

- (a) first, to LCX, in an amount up to the total indebtedness of the Debtor due and payable under the third mortgage registered on title to the Real Property and proven to the satisfaction of the Receiver; and
- (b) second, to the extent there are available funds in the receivership estate, to CRA in an amount up to the total indebtedness of the Debtor secured by the lien in favour of the CRA registered on title to the Real Property on July 2, 2019.

6. THIS COURT ORDERS that determination Ra-Tech’s entitlements on account of amounts potentially claimable under the first and second mortgages shall be determined at a hearing before this Honourable Court, returnable on May 25, 2022 (the “Ra-Tech Hearing”), which hearing is peremptory on Ra-Tech, provided further that:

- (a) in connection with such hearing or any other matter herein, Ra-Tech shall not be entitled to any costs against the Receiver or any person; and
- (b) the Receiver shall be entitled to be paid its fees and disbursements to the limited extent they relate to the Ra-Tech Hearing out of any amount determined to be payable to Ra-Tech, provided that such fees and disbursements must approved by this Honourable Court (if any, the “Receiver’s Further Fees”).

7. THIS COURT ORDERS that upon (a) payment of the amounts set out in paragraphs 3 and 5; (b) the conclusion of the Ra-Tech Hearing; (c) payment of the Receiver’s Further Fees, if any; and, (d) the distribution of any entitlements due to Ra-Tech under the first and second mortgage ordered by the Court, and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report, the Receiver shall be discharged as Receiver of the

undertaking, property and assets of the Debtor specifically with respect to the Real Property, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO Canada Limited, in its capacity as Receiver.

8. THIS COURT ORDERS AND DECLARES that BDO Canada Limited is hereby released and discharged from any and all liability that BDO Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO Canada Limited while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, BDO Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

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



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Respondents

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(Commercial List)**

Proceedings commenced at TORONTO

DISCHARGE ORDER

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