

Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF  
THE LION'S SHARE GROUP INC.**

**APPLICATION RECORD**

March 28, 2024

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000

Toronto, ON M5K 1E7

Fax: 416.216.3930

**Jennifer Stam LSO#: 46735J**

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Lawyers for the Proposal Trustee and  
Proposed Receiver

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF  
THE LION'S SHARE GROUP INC.**

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**TAB 1**

Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF  
THE LION'S SHARE GROUP INC.**

**NOTICE OF APPLICATION**

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by The Fuller Landau Group Inc., in its capacity as proposal trustee of The Lion's Share Group Inc. (Estate File No. 32-305-6681) (the "**Applicant**"). The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

Video conference details to be provided by the Court

*(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)*

on Wednesday, April 3, 2024, at 12:00 p.m., before a judge presiding over the Commercial List (*or on a day to be set by the registrar*).

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the

evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue  
Toronto ON M5G 1R7

TO THE SERVICE LIST

## APPLICATION

1. The Fuller Landau Group Inc. ("**Fuller**") in its capacity as proposal trustee of The Lion's Share Group Inc. (the "**Debtor**" or "**LS**") makes an application for:

- (a) An order abridging, if necessary, the time for service of this Application and validating service of notice thereof;
- (b) An order appointing Fuller as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties (the "**Property**") of the Debtor, pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended; and
- (c) Such further and other Relief as to this Honourable Court may deem just.

2. The grounds for the application are:

- (a) The Debtor is a company incorporated pursuant to the *Canada Business Corporations Act*, with its registered head office in Freelon, Ontario;
- (b) The Debtor is privately owned real estate investment and consulting company;
- (c) The Debtor's operations consisted principally of the issuance of unsecured promissory notes to individuals and corporations (the "**LS Lenders**") to generate funds, which it then used to advance loans by way of, for the most part, unsecured promissory notes to corporate entities and individuals;
- (d) The Debtor has over 400 LS Lenders to whom it owes amounts under promissory notes estimated to total over \$89 million and over 1,000 outstanding promissory notes owing to it including over 700 promissory notes owing to it by members of

the Balboa group, which entities are subject to proceedings pursuant to the *Companies' Creditors Arrangement Act*;

- (e) On March 16, 2024, given the cessation of payments from, largely the Balboa entities, among others, and the ensuing demands received from LS Lenders, the Debtor filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), (the "**NOI Proceedings**");
- (f) Fuller is the Proposal Trustee in the NOI Proceedings;
- (g) LS agreed that subsequent to the commencement of the NOI Proceedings, that further controls by Fuller through a receivership were appropriate in the circumstances;
- (h) Fuller has also since been contacted by Aird & Berlis LLP ("**A&B**") who represent a number of the LS Lenders and who have taken the position that the NOI Proceedings should be terminated and that a receiver be appointed pursuant to this Application;
- (i) Given the consent of LS and the position of the LS Lenders represented by A&B, the Proposal Trustee has agreed to bring this application;
- (j) Section 101 of the *Courts of Justice Act* (Ontario) and Rules 3.02 and 14.05(2) and (3) of the *Rules of Civil Procedure* (Ontario); and
- (k) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of the application:

- (a) The first report of the Proposal Trustee and Pre-Filing Report the proposed receiver dated March 28, 2024;
- (b) The consent of Fuller to act as Receiver; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 28, 2024

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000

Toronto ON M5K 1E7

**Jennifer Stam LSO#: 46735J**

Tel: 416.202.6707

Fax: 416.216.3930

[jennifer.stam@nortonrosefulbright.com](mailto:jennifer.stam@nortonrosefulbright.com)

Lawyers for the Proposal Trustee and  
Proposed Receiver



Court File No. \_\_\_\_\_

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

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**NOTICE OF APPLICATION**

---

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000  
Toronto ON M5K 1E7

**Jennifer Stam LSO#: 46735J**

Tel: 416.202.6707  
jennifer.stam@nortonrosefulbright.com

Lawyers for the Proposal Trustee and Proposed Receiver

**TAB 2**

Court File No. \_\_\_\_\_  
Estate File No. 32-305-6681

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
THE LION'S SHARE GROUP INC.**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF  
THE LION'S SHARE GROUP INC.**

**FIRST REPORT OF THE PROPOSAL TRUSTEE**

**AND**

**PRE-FILING REPORT OF THE PROPOSED RECEIVER**

**MARCH 28, 2024**

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A – Certificate of Appointment

B – Notice to Creditors dated March 22, 2024

C – Signed consent of The Fuller Landau Group Inc.

## A. INTRODUCTION AND BACKGROUND

1. The Lion's Share Group Inc. ("LS") is a corporation incorporated pursuant to the *Canada Business Corporations Act*, with its registered office located at 16 Noble Kirk Drive, Freelon, ON L2R 1K0. LS is privately owned real estate investment and consulting company. LS's operations consisted principally of the issuance of unsecured promissory notes to individuals and corporations (the "**LS Lenders**") to generate funds, which it then used to advance loans by way of, for the most part, unsecured promissory notes to corporate entities and individuals (the "**LS Borrowers**").
2. On January 23, 2024, a significant LS Borrower group, Balboa Inc., DSPLN Inc., Happy Gilmore Inc., Interlude Inc., Multiville Inc., The Pink Flamingo Inc., Hometown Housing Inc., The Mulligan Inc., Horses In The Back Inc., Neat Nests Inc. and Joint Captain Real Estate Inc. (collectively, "**Balboa**") commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**LS CCAA Borrowers**"). Subsequent to the CCAA filing, The Fuller Landau Group Inc. ("**Fuller**") was retained by LS, The Windrose Group Inc. ("**Windrose**"), a related corporate entity, and Clare Drage ("**Ms. Drage**"), the principal of LS and Windrose, as financial advisor. Fuller has subsequently terminated its engagement with Windrose and Ms. Drage.
3. After the commencement of the CCAA proceedings, many of LS's borrowers who are not LS CCAA Borrowers (the "**Non-CCAA Borrowers**") nevertheless ceased paying monthly interest to LS. LS attributed this largely to the negative press resulting from the Balboa CCAA proceedings. The result of both of these events was that LS was unable to make interest payments to the LS Lenders or repay loans that had matured or were the subject of demands for repayment and statements of claim.
4. As a result, on March 16, 2024 (the "**NOI Filing Date**"), LS filed with the Official Receiver a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). On March 18, 2024, Office of the Superintendent of Bankruptcy (Canada) confirmed the filing. Fuller was named as proposal trustee (in such capacity the "**Proposal Trustee**") under the NOI. A copy of the filing certificate is attached hereto as **Appendix "A"**.

## B. PURPOSES OF THIS REPORT

5. The purpose of this First Report of the Proposal Trustee and pre-filing report of Fuller in its capacity as proposed receiver of the Property (defined below) (the “**First Report**”) is to:
- (a) summarize LS’s financial position, assets and liabilities;
  - (b) advise the Court of the Proposal Trustee’s recommendation that the NOI proceedings be terminated and that, as a result of the subsequent bankruptcy, Fuller be appointed as bankruptcy trustee;
  - (c) recommend that the Court appoint Fuller as equitable receiver (in such capacity, the “**Receiver**”) over the property, assets and undertakings (the “**Property**”) of LS;
  - (d) update the Court on the Proposal Trustee’s discussions with Aird & Berlis LLP (“**A&B**”) who represent 54 LS Lenders who hold in excess of \$15,500,000 of promissory notes, and recommend that A&B be appointed as representative counsel to the LS Lenders;
  - (e) summarize the Proposal Trustee’s activities before and since the NOI Filing Date; and
  - (f) recommend that the Court make orders:
    - i) authorizing the Proposal Trustee to bring the receivership application and terminating the NOI proceeding;
    - ii) appointing Fuller as Receiver over the Property; and
    - iii) appointing A&B as representative counsel pursuant to the proposed Representative Counsel Appointment Order (defined below).

## C. RESTRICTIONS

6. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by LS’s representatives, the books and records of LS, projections and discussions with LS representatives. The Proposal Trustee has not performed an audit or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a

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manner that complies with Canadian Accounting Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information.

7. This First Report has been prepared for the use of this Court and the LS’s stakeholders as general information relating to LS. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.
8. Unless otherwise noted, all currency references in this First Report are to Canadian dollars.

#### **D. FINANCIAL POSITION**

9. LS’s records as at February 29, 2024 reflect \$89,417,887.80 owing to 447 LS Lenders. This amount represents principal advances received by LS pursuant to the promissory notes, unpaid and accrued interest and penalties and fees. The Proposal Trustee is not aware of any secured or unsecured debt other than the LS Lenders and one claim for severance by a former employee.
10. Based on discussions that the Proposal Trustee has had with representatives of LS to date, the Proposal Trustee understands that LS’s assets include:
  - (a) 16 secured mortgages registered against properties owned by LS CCAA Borrowers with a principal amount of \$2,472,094 and a total payout amount of \$2,898,559 as of January 23, 2024;
  - (b) 737 unsecured promissory notes due from the LS CCAA Borrowers with a principal amount of \$40,920,520 and a total payout amount of \$50,813,289 as of January 23, 2024;
  - (c) 367 unsecured promissory notes due from the Non-CCAA Borrowers with a principal amount of \$30,337,103 and a total payout amount of \$34,298,087 as of February 29, 2024; and
  - (d) 3 secured mortgages registered against properties owned by Non-CCAA Borrowers with a principal amount owed of \$361,000 and a total payout amount of \$380,142.



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11. To date, the Proposal Trustee has not independently verified all of the information provided to it and will continue to do so upon its appointment as Receiver/trustee including assessing and diligencing the claim that LS has against the Balboa group.
12. The Proposal Trustee is not aware of any other material assets owned by LS.

#### **E. BANKRUPTCY AND THE APPOINTMENT OF AN EQUITABLE RECEIVER**

13. Prior to the filing of the NOI, Fuller held multiple discussions with the principal of LS and its counsel to discuss the options available to LS given the demands that LS had begun to receive from its various creditors.
14. Ultimately, it was agreed with Ms. Drage, that as a result of the many demands for repayment and claims made against LS, an immediate stay was required to institute an orderly process for the benefit of all creditors. Accordingly, the NOI was filed on March 16, 2024.
15. Further, with the consent of LS, it was contemplated that an additional proceeding would be brought forward by the Proposal Trustee for possession and control by Fuller of LS's assets for the benefit of LS's creditors. LS agreed that this was the best course of action to maximize recoveries from the LS Borrowers as well as provide comfort to the LS Lenders that the Property was being administered by a court appointed officer.
16. As discussed below, on March 15, 2024, A&B sent demands on behalf of a number of creditors and also reached out to Fuller and its counsel to commence discussions regarding the structure of the LS proceedings, given the relatively significant number of LS Lenders who had engaged A&B. As a result of the discussions and the preferences expressed by those LS Lenders represented by A&B, Fuller and LS agreed that relief would be sought to terminate the NOI proceedings and to appoint of Fuller as equitable receiver. Fuller has consented to act as Receiver. A copy of Fuller's consent is attached as **Appendix "C"**.
17. Fuller has agreed to serve in these capacities and to bring the application/ motion to seek such relief at the request of both the LS Lenders represented by A&B as well as by LS. The appointment of Fuller as Receiver will permit it to pursue collections from LS Borrowers including asserting a claim in the Balboa CCAA proceedings, as well as address and assess the

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claims of the LS Lenders in an expedient manner. As there was no real prospect for LS to file a proposal, there is no material prejudice to LS to terminate the NOI proceedings and commence a bankruptcy. LS has consented to this relief being sought. Accordingly, the Proposal Trustee recommends that the Court terminate the NOI and appoint Fuller equitable receiver pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”).

#### **F. REPRESENTATIVE COUNSEL**

18. The Proposal Trustee understands that LS has approximately 450 LS Lenders. The Proposal Trustee created a distinct email account for LS’s creditors and since the filing, has received over 200 emails and telephone calls requesting information and inquiring about the NOI process, timelines to repayment, and other related matters. The Proposal Trustee has prepared a “frequently asked questions” document addressing many of these questions which has been posted on its website which has been established for the NOI filing.
19. On March 15, 2024, A&B, on behalf of 36 creditors with claims in excess of \$13,000,000 issued an omnibus demand package making a formal demand against LS for immediate repayment to each of the 36 creditors.
20. As at the date of this report, the Proposal Trustee has been advised that A&B now represents 54 of the LS Lenders representing in excess of \$15.5 million of claims and has established a steering committee to represent the A&B clients.
21. Due to the large number of LS Lenders, and A&B existing client listing, Fuller’s view is representative counsel would effectively represent the interests of the LS Lenders in the proposed receivership proceeding. The appointment of A&B as representative counsel and the ability to appoint lender representatives will assist the Receiver with streamlining communications in these proceedings. Further, in the absence of representative counsel, many of the individual LS Lenders may not be able to access legal representation in these proceedings. A&B has extensive insolvency experience representing a variety of clients in complex proceedings and representative counsel mandates, and was appointed by Chief Justice Morawetz as representative counsel to the Redemption Claimants in the well-publicized

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Bridging Finance receivership under the *Ontario Securities Act*. The scope of A&B's representative counsel role would not extend to any LS Lender that opts out of A&B's representation on or before May 3, 2024 or any LS Lender who is a related person to LS or Ms. Drage.

22. In connection with its appointment, it is proposed that A&B's fees and disbursements will be paid out of the receivership and A&B would have the benefit of the proposed Receiver's charge. The actual allocation of all fees and disbursements paid out of the receivership will be determined at a later date.

#### **G. PROPOSAL TRUSTEE'S ACTIVITIES TO DATE**

23. Prior to and since the commencement of these proceedings, the Proposal Trustee's activities include the following:

- (a) corresponded with and held multiple discussions with LS's management and its counsel regarding LS's financial position and options;
- (b) filed the prescribed forms required under the BIA for the NOI;
- (c) mailed the notice to creditors (the "**Notice**") and related documents to all known creditors on March 22, 2024. A copy of the Notice is attached as **Appendix "B"**;
- (d) held discussions with management regarding the Cash Flow Projection required under the NOI and filed with the Official Receiver the Cash Flow Projection, the Insolvent Person's Report on Cash-Flow Statement, and the Trustee's Report on Cash-Flow Statement on March 26, 2023;
- (e) corresponded with and held multiple discussions with counsel to LS, the Proposal Trustee and A&B;
- (f) reviewed materials filed in the Balboa CCAA proceeding;
- (g) held discussions with representative counsel in the Balboa CCAA proceeding;

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- (h) held ongoing discussions the LS management including reviewing various schedules and documentation concerning LS's assets and liabilities;
- (i) prepared a FAQ document and posted in the Proposal Trustee's website;
- (j) responded to calls and emails from creditors;
- (k) monitored daily cash collections and regular discussions with management concerning cash flow status and collections;
- (l) drafted this report; and
- (m) generally, attended to all other matters in this proceeding not specifically referenced above.

#### **H. REQUESTS FOR APPROVAL**

24. The Receiver respectfully recommends and requests that this Court grant the relief as requested in paragraph 5(f) of this First Report.

All of which is respectfully submitted on this 28<sup>th</sup> day of March, 2024.



#### **THE FULLER LANDAU GROUP INC.**

in its capacity as licensed insolvency trustee under the Notice of Intention to make a Proposal filed by The Lion's Share Group Inc. and in its capacity as proposed receiver and not in its personal capacity

**APPENDIX "A"**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Mississauga  
Court No. 32-3056681  
Estate No. 32-3056681

In the Matter of the Notice of Intention to make a proposal of:

**The Lion's Share Group Inc.**

Insolvent Person

**THE FULLER LANDAU GROUP INC.**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

March 16, 2024

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2024, 09:02

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

**Canada**

**APPENDIX "B"**



March 22, 2024

**To: The Creditors of The Lion's Share Group Inc. (the "Company" or "LS")**

We are writing to advise that on March 16, 2024, the Company filed a Notice of Intention to Make a Proposal ("NOI") under the Bankruptcy and Insolvency Act (Canada) (the "BIA") pursuant to which the Company engaged The Fuller Landau Group Inc. to serve as the proposal Trustee assisting in the proposal process.

Enclosed are:

- a copy of the Certificate of Filing of A Notice Of Intention To Make A Proposal;
- a copy of the Company's NOI including:
  - the Trustee's Consent; and
  - a total amount owing to the Company's known creditors which has been obtained from the Company's books and records. For privacy, the list does not detail individual creditor names and the amounts owed to each creditor.

Pursuant to the BIA:

- the filing of a NOI provides for a statutory "stay of proceedings" between the Company and its creditors;
- the Company is required to file a Proposal within 30 days of the filing of the NOI, subject to an extension from the Court; and
- a meeting of creditors to consider the Proposal is to be held within 21 days of the filing of a Proposal, and notice of the meeting will be sent to all known creditors at least 10 days prior to the meeting.
- There is no need for any creditor to file a Proof of Claim at this time and at the appropriate time, you will receive a notice to file your claim.

Information and updates regarding the proceeding can be found at our website at:

[https://fullerlp.com/active\\_engagements/the-lions-share-group-inc/](https://fullerlp.com/active_engagements/the-lions-share-group-inc/)

Should you have any questions regarding the above, please email [lionsshare@fullerlp.com](mailto:lionsshare@fullerlp.com) and we will respond as necessary.



Sincerely,

**The Fuller Landau Group Inc.**

*The Fuller Landau Group Inc.*

The Fuller Landau Group Inc. in its capacity as  
Licensed Insolvency Trustee re: the Notice of Intention to  
Make a Proposal of The Lion's Share Group Inc.  
and not in its personal or corporate capacity



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Mississauga  
Court No. 32-3056681  
Estate No. 32-3056681

In the Matter of the Notice of Intention to make a proposal of:

**The Lion's Share Group Inc.**

Insolvent Person

**THE FULLER LANDAU GROUP INC.**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

March 16, 2024

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 18, 2024, 09:02

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

**Canada**

IN THE MATTER OF THE PROPOSAL OF  
THE LION'S SHARE GROUP INC.  
OF THE COMMUNITY OF FREELTON, IN THE DISTRICT OF FLAMBOROUGH,  
OF THE CITY OF HAMILTON,  
IN THE PROVINCE OF ONTARIO

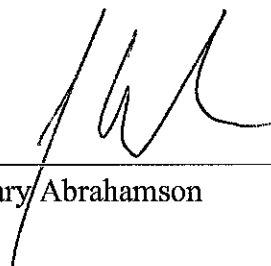
CONSENT

We, The Fuller Landau Group Inc., licensed insolvency trustee, consent to act as Trustee in a proposal to be filed by The Lion's Share Group Inc. pursuant to the *Bankruptcy and Insolvency Act*.

DATED at Toronto, Ontario this 15<sup>th</sup> day of April, 2024

THE FULLER LANDAU GROUP INC.

Per:

  
\_\_\_\_\_  
Gary Abrahamson

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
The Lion's Share Group Inc.  
Of the Community of Freelon, in the District of Flamborough  
Of the City of Hamilton,  
In the Province of Ontario

Take notice that:

1. I, The Lion's Share Group Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. The Fuller Landau Group Inc. of 151 Bloor St. West, 12th Floor, Toronto, ON, M5S 1S4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 16th day of March 2024.



---

The Lion's Share Group Inc.  
Insolvent Person

To be completed by Official Receiver:

---

Filing Date

---

Official Receiver

Form 33  
Notice of Intention to Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
The Lion's Share Group Inc.  
Of the Community of Freelon, in the District of Flamborough  
Of the City of Hamilton,  
In the Province of Ontario

**List of Creditors with claims of \$250 or more**

<u>Creditor</u>	<u>Amount (\$CAD)</u>
Promissory Notes - Various corporate entities and individuals	89,417,888.80

APPENDIX "C"

Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE COURTS OF  
JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.**

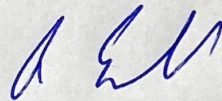
**CONSENT**

**THE FULLER LANDAU GROUP INC.** hereby consents to act as the court-appointed receiver without security, of all of the assets, undertakings and properties of The Lion's Share Group Inc., in connection with its application pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended, and pursuant to the terms of an order substantially in the form filed.

DATED AT TORONTO, ONTARIO this 28<sup>th</sup> day of March, 2024

**THE FULLER LANDAU GROUP INC.**

Per:



Name:

Adem Erlich

Title:

Senior Vice President

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
THE LION'S SHARE GROUP INC.

Court File No. BK-24-03056681-0032  
Estate No.: 32-3056681

-AND-

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

Court File No. \_\_\_\_\_

AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**FIRST REPORT OF THE PROPOSAL TRUSTEE AND  
PRE-FILING REPORT OF THE PROPOSED RECEIVER**

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000  
Toronto, ON M5K 1E7  
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**Jennifer Stam LSO#: 46735J**

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jennifer.stam@nortonrosefulbright.com

Lawyers for the Receiver



**TAB 3**

Court File No. \_\_\_\_\_<sup>1</sup>

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE	)	WEDNESDAY, THE 3 <sup>rd</sup>
	)	
JUSTICE BLACK	)	DAY OF APRIL, 2024

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF THE  
LION'S SHARE GROUP INC.**

**ORDER  
(appointing Receiver)**

**THIS APPLICATION** made by The Fuller Landau Group Inc. ("**Fuller**"), in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") of The Lion's Share Group Inc. (the "**Debtor**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing Fuller as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, was heard this day by Zoom videoconference.

**ON READING** the application record of the Proposal Trustee and on hearing the submissions of counsel for the Proposal Trustee, proposed representative counsel to an *Ad Hoc* group of Promissory Noteholders issued by the Debtor, [**counsel to the Debtor**] and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of <\*>, sworn March <\*>, 2024 and on reading the consent of Fuller to act as Receiver:

---

<sup>1</sup> NTD: Will Commercial List be providing a new Court File No. given the proceedings under the NOI will have been terminated?

## **SERVICE**

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

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, Fuller is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

## **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver 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 Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver 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;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any 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 any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, 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 Receiver'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 Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (f) to settle, extend or compromise any indebtedness owing to the Debtor;
- (g) to participate in, make submissions in, file claims in and take any other steps advisable in the *Companies' Creditors Arrangement Act* (Canada) proceedings of Balboa Inc., et. al. (Court File No. CV-24-00713245-00CL);
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) 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 Debtor, the Property or the Receiver, 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;
- (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 Receiver 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 with the approval of this Court;
- (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 Receiver deems appropriate on all matters relating to the Property and the

receivership, and to share information, subject to such terms as to confidentiality as the Receiver 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 Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 Receiver 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 Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its 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 Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver 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 Debtor, 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 Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 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 Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **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 Receiver for the purpose of allowing the Receiver 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 Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this

Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, nothing shall prevent the Debtor from making an assignment in bankruptcy, a bankruptcy order being issued against it or an order terminating the Debtor's proceedings pursuant to Part IV of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") (Estate No. 32-3056681) being granted.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the section 243(1) of the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 RECEIVER**

11. **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 the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver 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 Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **PIPEDA AND ANTI-SPAM LEGISLATION**

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver 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 Receiver, 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

15. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and 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).

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’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 RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver 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, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver 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 Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver'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 Receiver's Charge shall 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, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver 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 Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

## SERVICE AND NOTICE

25. **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/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”) this Order shall constitute an order for substituted service pursuant to

Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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 and shall be accessible by selecting the Debtor's names from the engagement list at the following URL: [https://fullerllp.com/active\\_engagements/the-lions-share-group-inc/](https://fullerllp.com/active_engagements/the-lions-share-group-inc/)

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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**

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

30. **THIS COURT ORDERS** that the Receiver 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 Receiver 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.

31. **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 Receiver 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.

32. **THIS COURT ORDERS** that this Order and all of its provisions are effective as today's date and is enforceable without the need for entry or filing.

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that The Fuller Landau Group Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of The Lion's Share Group Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 3<sup>rd</sup> day of April, 2024 (the "**Order**") made in an action having Court file number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

The Fuller Landau Group Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

Court File No. \_\_\_\_\_

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER  
(appointing Receiver)**

**NORTON ROSE FULBRIGHT CANADA LLP**  
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Toronto ON M5K 1E7

**Jennifer Stam LSO#: 46735J**  
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Lawyers for the Proposal Trustee and Proposed Receiver



**TAB 4**

Revised: January 21, 2014  
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. \_\_\_\_\_

Court File No. \_\_\_\_\_<sup>1</sup>

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) ~~WEEKDAY~~ WEDNESDAY, THE #3<sup>rd</sup>  
JUSTICE BLACK )  
DAY OF ~~MONTH~~ APRIL, ~~20YR~~ 2024

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF THE  
LION'S SHARE GROUP INC.**

**~~PLAINTIFF~~<sup>1</sup>**

~~Plaintiff~~

~~-and-~~

**~~DEFENDANT~~**

~~Defendant~~

**ORDER  
(appointing Receiver)**

<sup>1</sup> NTD: Will Commercial List be providing a new Court File No. given the proceedings under the NOI will have been terminated?

~~<sup>+</sup> The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

~~THIS MOTION made by the Plaintiff~~<sup>2</sup> APPLICATION made by The Fuller Landau Group Inc. ("Fuller"), in its capacity as proposal trustee (in such capacity, the "Proposal Trustee") of The Lion's Share Group Inc. (the "Debtor") for an Order pursuant to section ~~243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and section~~ 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA"), appointing ~~[RECEIVER'S NAME]~~ Fuller as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ (the "~~Debtor~~") acquired for, or used in relation to a business carried on by the Debtor, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by Zoom videoconference.

**ON READING** the ~~affidavit of [NAME] sworn [DATE] and the Exhibits thereto~~ application record of the Proposal Trustee and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~ the Proposal Trustee, proposed representative counsel to an Ad Hoc group of Promissory Noteholders issued by the Debtor, [counsel to the Debtor] and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the ~~a~~ Affidavit of s Service of [NAME] <\*>, sworn ~~[DATE]~~ March <\*>, 2024 and on reading the consent of ~~[RECEIVER'S NAME]~~ Fuller to act as ~~the~~ Receiver;

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the ~~N~~ notice of Motion application and the Motion application record is hereby abridged and validated<sup>3</sup> so that this motion application is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section ~~243(1) of the BIA and section~~ 101 of the CJA, ~~[RECEIVER'S NAME]~~ Fuller is hereby appointed Receiver, without security, of all of

<sup>2</sup> ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

<sup>3</sup> ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

### RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver 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 Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver 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;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any 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 any contracts of the Debtor;
- (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 Receiver's powers and duties, including without limitation those conferred by this Order;
- ~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

- (e) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (f) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the Debtor;
- (g) to participate in, make submissions in, file claims in and take any other steps advisable in the *Companies' Creditors Arrangement Act (Canada)* proceedings of Balboa Inc., et. al. (Court File No. CV-24-00713245-00CL);
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) 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 Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> 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;
- (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 Receiver 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; with the approval of this Court;

~~(i) without the approval of this Court in respect of any transaction not exceeding \$ \_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$ \_\_\_\_\_; and~~

~~<sup>4</sup> This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

~~(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,]<sup>5</sup> shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.~~

- (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 Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver 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 Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

~~<sup>5</sup> If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 Receiver 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 Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its 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 Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver 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 Debtor, 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 Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 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 Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **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 Receiver for the purpose of allowing the Receiver 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 Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, nothing shall prevent the Debtor from making an



assignment in bankruptcy, a bankruptcy order being issued against it or an order terminating the Debtor's proceedings pursuant to Part IV of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3* (the "BIA") (Estate No. 32-3056681) being granted.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the section 243(1) of the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 RECEIVER**

11. **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 the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's 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 Receiver in accordance with normal payment practices of the

Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver 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 Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### EMPLOYEES

~~14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.~~

### PIPEDA AND ANTI-SPAM LEGISLATION

14. ~~15.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver 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 Receiver, 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

15. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and 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)*.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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 RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver 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, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver 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 Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver'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 Receiver's Charge shall 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, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver 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 Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

<sup>6</sup> ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

## FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ ~~\_\_\_\_\_~~ 150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **“Receiver’s Borrowings Charge”**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule **“A”** hereto (the **“Receiver’s Certificates”**) for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

## SERVICE AND NOTICE

25. **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~~[e-service-protocol](http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol) ([e-service-protocol](http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol)) shall be valid and effective service. Subject to Rule 17.05 *of the Rules of Civil Procedure* (the "**Rules**") 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~~ and shall be accessible by selecting the Debtor's names from the engagement list at the following URL ~~'<@>':~~ [https://fullerllp.com/active\\_engagements/the-lions-share-group-inc/](https://fullerllp.com/active_engagements/the-lions-share-group-inc/)

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that the Receiver 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 Receiver 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.

~~31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

31. ~~32.~~ **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 Receiver 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.

32. **THIS COURT ORDERS** that this Order and all of its provisions are effective as today's date and is enforceable without the need for entry or filing.

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ The Fuller Landau Group Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of The Lion's Share Group Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 3<sup>rd</sup> day of April, ~~20~~ 2024 (the "Order") made in an action having Court file number CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the



Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

~~[RECEIVER'S NAME]~~ The Fuller Landau Group Inc., solely in its capacity  
- as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

Court File No. \_\_\_\_\_

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT  
TORONTO**

**ORDER  
(appointing Receiver)**

**NORTON ROSE FULBRIGHT CANADA LLP**  
222 Bay Street, Suite 3000  
Toronto ON M5K 1E7

**Jennifer Stam LSO#: 46735J**  
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**Lawyers for the Proposal Trustee and Proposed Receiver**

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

Court File No. \_\_\_\_\_

AND IN THE MATTER OF THE RECEIVERSHIP OF THE LION'S SHARE GROUP INC.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

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**APPLICATION RECORD**

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Receiver