

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

**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.

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

MOTION RECORD

March 28, 2024

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7
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Lawyers for the Proposal Trustee

**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.

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

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TAB 1

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

**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.

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

NOTICE OF MOTION

The Fuller Landau Group Inc. ("**Fuller**") in its capacity as proposal trustee (the "**Proposal Trustee**") in the proceedings of The Lion's Share Group Inc. (the "**Debtor**") will make a motion to a Judge of the Superior Court of Justice (Commercial List), on Wednesday, April 3, 2024 at 12:00 pm (noon) or as soon after that time as the motion can be heard, by judicial videoconference via Zoom at Toronto, Ontario. Please advise if you intend to join the motion by emailing Katie Parent at katie.parent@nortonrosefulbright.com.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER, among other things:

- 1 If necessary, abridging and validating the time for service and filing of this notice of motion and motion record;

- 2 Authorizing the Proposal Trustee to bring an application to seek an order (the “**Receivership Order**”) appointing Fuller as receiver of the property, assets and undertaking of the Debtor;
- 3 Effective immediately upon the granting of the Receivership Order, terminating these NOI Proceedings (defined below); and
- 4 Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- 1 The Debtor is a company incorporated pursuant to the *Canada Business Corporations Act*, with its registered head office in Freerton, Ontario;
- 2 The Debtor is a privately owned real estate investment and consulting company;
- 3 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;
- 4 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 (Canada)*;
- 5 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**”);

6 The Debtor has acknowledged and requested that a process be commenced pursuant to which the court officer has a leading role – namely a receivership;

7 Additionally, a number of the LS Lenders asserting over \$15 million in claims and who are represented by Aird & Berlis LLP, have requested that the Receivership Order be granted and these NOI Proceedings be terminated to ensure appropriate control over the realization process going forward;

8 Given the parties involved, it was agreed it was most efficient and convenient for the Proposal Trustee to bring the relevant application and motions;

Other Grounds

9 Rules 1.04 and 11 of the *Rules of Civil Procedure* (Ontario); and

10 Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1 The first report of the Proposal Trustee and Pre-Filing Report the proposed receiver dated March 28, 2024; and

2 Such further and other evidence as counsel may advise and this Court may permit.

March 28, 2024

NORTON ROSE FULBRIGHT CANADA LLP

222 Bay Street, Suite 3000, P.O. Box 53

Toronto, ON M5K 1E7

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jennifer.stam@nortonrosefulbright.com

Lawyers for the Proposal Trustee

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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Lawyers for the Proposal Trustee

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

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 28th 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/

Should you have any questions regarding the above, please email 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

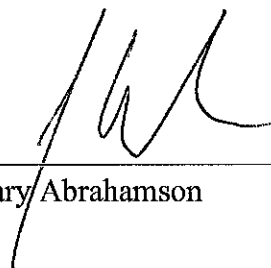
CONSENT

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 15th 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.

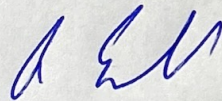
CONSENT

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 28th 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

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Lawyers for the Receiver

TAB 3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY**

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

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

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

ORDER

THIS MOTION made by The Fuller Landau Group Inc. ("**Fuller**"), in its capacity as proposal trustee (the "**Proposal Trustee**") of The Lion's Share Group Inc. (the "**Debtor**") for an order: (a) Authorizing the Proposal Trustee to bring an application to seek an order (the "**Receivership Order**") appointing Fuller as receiver of the property, assets and undertaking of the Debtor; and (b) Effective immediately upon the granting of the Receivership Order, terminating these proceedings, was heard this day by Zoom videoconference.

ON READING the motion record of the Proposal Trustee and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and counsel for proposed representative counsel, 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:

SERVICE

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

AUTHORIZATION TO COMMENCE RECEIVERSHIP PROCEEDINGS

2. **THIS COURT ORDERS** that in addition to the powers and authorities conferred up on the Proposal Trustee pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”), as amended, the Proposal Trustee is hereby authorized and empowered to bring an application seeking to appoint Fuller as receiver of the property, assets and undertaking of the Debtor pursuant to the *Courts of Justice Act* (Ontario).

TERMINATION OF THESE PROCEEDINGS

3. **THIS COURT ORDERS** that effective immediately upon the granting of the Receivership Order, the period in which a proposal is to be filed with the Official Receiver shall terminate pursuant to Section 50.4(11) of the BIA and Fuller shall be appointed as trustee in these proceedings.

MISCELLANEOUS

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

5. **THIS COURT ORDERS** that the Proposal Trustee may serve or distribute this Order and any related materials, by forwarding true copies thereof by email or regular mail to creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and the notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Proposal Trustee

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