

COURT FILE NUMBER Q.B. No. 1884 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., and MORRIS INDUSTRIES (USA) INC.

-AND-

COURT FILE NUMBER BKJ 85 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT BANK OF MONTREAL

RESPONDENTS 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD.,
MORRIS SALES AND SERVICE LTD., CONTOUR REALTY INC. AND
MORRIS INDUSTRIES (USA) INC.

IN THE MATTER OF THE BANKRUPTCY OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., and MORRIS INDUSTRIES (USA) INC.

ORDER

(Distribution and Discharge)

Before the Honourable Mr. Justice R.S. Smith in Chambers the 30th day of September, 2021.

Upon the application by Jeffrey M. Lee, Q.C., counsel on behalf of Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed Receiver (the "**Receiver**") and Trustee in Bankruptcy (the "**Trustee**") (collectively, the "**Receiver/Trustee**") with respect to the assets, undertakings and properties (collectively, the "**Property**") of 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., and Morris Industries (USA) Inc. (the "**Debtors**"), and upon reading the Notice of Application dated September 27, 2021, the Second Report of the Receiver dated September 27, 2021 (the "**Second Report**"), and a proposed draft Order, all filed; and the pleadings and proceedings herein;

The Court Orders:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good, timely and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that time actually given.

APPROVAL OF THE ACTIVITIES OF THE RECEIVER/TRUSTEE AND RELATED MATTERS

2. The professional fees and disbursements of the Receiver/Trustee, as set out in the Second Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal passing of its accounts.
3. The professional fees and disbursements of the Receiver/Trustee's legal counsel, MLT Aikins LLP, as set out in the Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal assessment of its accounts.
4. All activities, actions and proposed courses of action of the Receiver/Trustee (collectively, the "**Actions of the Receiver/Trustee**") to date in relation to the discharge of its duties and mandate as receiver of the Property and trustee in bankruptcy of the Debtors pursuant to the Orders of this Honourable Court in these proceedings (individually, the "**Receiver's Mandate**" and the "**Trustee's Mandate**" and collectively, the "**Receiver/Trustee's Mandate**"), as such Actions of the Receiver/Trustee are more particularly described in the Second Report and all of the other reports filed in these proceedings, as well as the statement of receipts and disbursements contained in the Second Report, shall be and are hereby approved and confirmed.
5. The Receiver/Trustee is authorized to maintain a holdback of \$105,000.00 on account of further fees and disbursements of the Receiver/Trustee and its legal counsel, and to apply from time to time the amounts so held back against such further fees and disbursements (without the requirement of taxation or passing of accounts), and the Receiver/Trustee is authorized and directed to make a distribution in the amount of up to \$395,000.00 (on account of loans outstanding to Bank of Montreal and/or Farm Credit Canada).

DISCHARGE OF RECEIVER

6. Upon payment of the amounts set out in paragraph 5 of this Order, the Receiver shall be discharged as Receiver of the Property, provided that notwithstanding its discharge herein:
 - (a) the Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of the receivership herein; and
 - (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of Alvarez & Marsal Canada Inc. in its capacity as Receiver.
- 6A. From and after the date of this Order, the Directors' Charge and (subject to paragraph 5 hereof) the Administration Charge (as those terms are defined in the Receivership Order granted in these proceedings by the Honourable Mr. Justice R.W. Elson on March 26, 2021) shall be and are hereby terminated, discharged and vacated in its entirety as against the assets of the Debtors.
7. It is hereby adjudged and declared that, based upon the evidence that is currently before this Honourable Court in regard to the Actions of the Receiver:
 - (a) the Receiver has acted honestly and in good faith, and has dealt with the Property and carried out the Receiver's Mandate in a commercially reasonable manner;
 - (b) the Receiver has satisfied all of its duties and obligations pursuant to the Receiver's Mandate;

- (c) the Receiver shall not be liable for any act or omission arising from, relating to or in connection with its discharge of the Receiver's Mandate, save and except for any liability arising out of fraud, gross negligence or willful misconduct on the part of the Receiver;
 - (d) the Receiver has never had and shall not in the future have any liability in regard to any act or omission of the Debtors, including, without limitation, in relation to the business of the Debtors, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or any indebtedness or obligations whatsoever or howsoever incurred by the Debtors; and
 - (e) no person shall commence an action or proceeding asserting a claim against the Receiver arising from, relating to or in connection with its discharge of the Receiver's Mandate without first obtaining an Order of this Honourable Court (on notice to the Receiver) granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.
8. Subject to the foregoing, any claims against the Receiver/Trustee in connection with the Receiver's Mandate are hereby stayed, extinguished and forever barred.
9. Notwithstanding the discharge of the Receiver, the Receiver is hereby granted leave to apply to this Court for such further advice, direction or assistance as may be necessary to give effect to the terms of this Order.

MISCELLANEOUS MATTERS

- 9A. Prior to the destruction by the Receiver/Trustee of any of the Debtors' remaining books and records (the "**Records**") due to the Receiver/Trustee not specifically requiring same for its purposes, the Monitor shall give 30 days' notice to the Debtors' former directors and officers of its intention to destroy the Records. The Debtors' former directors and officers shall then have 30 days to make appropriate arrangements with the Receiver/Trustee to physically take possession of the Records, at their sole cost and expense. In the event that the Debtors' former directors and officers do not exercise their option to obtain the Records, the Receiver/Trustee is hereby authorized to have all of the Records destroyed 60 days after giving notice as set out and described above.
10. This Order shall have full force and effect in all Provinces and Territories in Canada, outside Canada and against all Persons against whom it may be enforceable.
11. 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 or Australia, to give effect to this Order and to assist the Receiver/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 Receiver/Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver/Trustee and its agents in carrying out the terms of this Order.

12. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order granted by the Honourable Mr. Justice R.W. Elson in these proceedings on March 26, 2021.

Issued at Saskatoon, Saskatchewan, this _____ day of _____, 2021.

(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

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