

IN THE SUPREME COURT OF PRINCE EDWARD ISLAND

IN THE MATTER OF THE RECEIVERSHIP OF:

SILVER HILL FUR FARM LTD.

PURSUANT TO Section 44 of the *Judicature Act*, R.S.P.E.I. 1988, Cap. J-2.1 (the “Judicature Act”), Rule 41 of the Rules of Court of Prince Edward Island and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “BIA”)

BETWEEN:

BANK OF NOVA SCOTIA

APPLICANT

- and –

SILVER HILL FUR FARM LTD.

RESPONDENT

SECOND REPORT OF THE RECEIVER – 31 MAY 2017

INTRODUCTION AND BACKGROUND

1. In connection with the application of the Bank of Nova Scotia (“**BNS**” or the “**Bank**”) pursuant to section 44 of the *Judicature Act* (Prince Edward Island), Rule 41 of the *Rules of Court* of Prince Edward Island, and section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) that was heard by the Honourable Gordon L. Campbell of the Supreme Court of Prince Edward Island on 29 March 2017, Ernst & Young Inc. (“**EYI**”) was appointed receiver and receiver manager (the “**Receiver**”) without security, of all of the assets, undertakings and properties of the Respondent (“**SHFF**” or the “**Company**”) whether in its name or in the name of the predecessor corporations Silver Hill Fur Farms Ltd., Silver Hill Fur and Feeds Inc., Silverhill Transport Ltd. and CJ Gavin Holdings Inc., including all proceeds thereof (collectively the “**Property**”).
2. The 29 March 2017 order (the “**Receivership Order**”) authorized the Receiver, among other things:
 - a. To take possession and control of 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 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 the Receivership Order;
 - d. To receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
 - e. To report to, meet with and discuss with such affected Persons 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; and
 - f. To take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
3. A companion cooperation order (the "**Cooperation Order**") was issued on 29 March 2017 by this Honourable Court (the "**Court**") clarifying cooperation, access and information responsibilities of Cooperating Parties (as defined within the Cooperation Order) in relation to such requests by the Receiver.
 4. On 17 May 2017, the Court in connection with an ex-parte motion (the "**Motion**") brought by the Receiver, issued a Return of Property Order (the "**Return of Property Order**"), a Preservation of Property Order (the "**Preservation Order**") and an additional Cooperation Order (the "**Bell Cooperation Order**") (collectively the "**17 May 2017 Orders**"). The Bell Cooperation Order directed Bell Canada ("**Bell**") to release cell phone and text information to the Receiver in connection with the Respondents former cell phone account. The Receiver filed the First Report of the Receiver dated 12 May 2017 (the "**First Report**") and a Supplement to the First Report dated 16 May 2017 (the "**Supplemental Report**") in support of the Motion.
 5. The Preservation Order was subject to a comeback hearing (the "**Comeback Hearing**") scheduled for 29 May 2017. The purpose of the Comeback Hearing was to provide Casey Gavin, Leigh Gavin, Rose Gavin, Joyce-Ann Gavin, and Gavco Fishing enterprises Ltd. ("**Gavco**") (collectively the "**Related**

Parties") an opportunity to respond to the Preservation Order.

6. Copies of court materials in these proceedings including copies of the orders identified above may be obtained from the Receiver's website established in connection with these proceedings (www.ey.com/ca/shff).

PURPOSE OF REPORT

7. The purpose of this second report (the "**Second Report**") is to advise the Court on matters relating to the activities of the Receiver since the 17 May 2017 hearing. The Receiver has organized its comments within the Second Report as follows:
 - a. Terms of Reference;
 - b. Service of the Orders;
 - c. SHFF Phone Records;
 - d. Amendments to the Preservation of Property Order; and
 - e. Other Matters

TERMS OF REFERENCE

8. In preparing the Second Report, the Receiver has been provided with, and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Respondent, the books and records of the Respondent, discussions with the management and employees of the Respondent, and other information from various sources. The Receiver has assumed that the information it has been provided is accurate and complete however as noted in the First Report there are conflicting representations made by differing parties. The Receiver did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to the information presented in the Second Report or relied upon by the Receiver in preparing the Second Report. Further, the nature of the Receiver's work completed in these proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Respondents, or its officers or employees or in the information.
9. All references to monetary amounts in the Second Report are in Canadian dollars unless otherwise noted.
10. Capitalized terms not defined in the Second Report are as defined in the Receivership Order.

SERVICE OF THE ORDERS

11. On 17 May 2017 the Receiver arranged to serve Casey Gavin, Joyce-Ann Gavin, Leigh Gavin, and Rose Gavin with copies of the 17 May 2017 Orders. Attached as **Appendix A** is a copy of the Affidavit of Service.
12. The Receiver also arranged to have the Preservation Order delivered to various parties who were either known to have business dealings with the Related Parties or who the Receiver believed could have business dealings with the Related Parties and or who might hold Property of the Related Parties. A listing of parties who the Receiver provided a copy of the Preservation Order to is attached as **Appendix B** which includes financial institutions, wealth management companies, fur auctioneers, equipment dealers and companies involved with horse racing operations.
13. A copy of the Bell Cooperation Order was sent to Bell on 17 May 2017.

SHFF PHONE RECORDS

14. Shortly after the Bell Cooperation Order was issued legal counsel for Bell sent an email to the Receiver which:
 - a. provided the Receiver with detailed records for four of the five phone numbers outlined in the Bell Cooperation Order (the “**Phone Numbers**”);
 - b. confirmed the names of the users of each of the five Phone Numbers; and
 - c. confirmed that four of the five Phone Numbers were transferred from the Respondent to Gavco on 2 March 2017. On 6 April 2017 Rose Gavin cancelled two of the transferred phone numbers (including 902 856-1421) on the basis that the devices in question had been lost.
15. In the interest of respecting the privacy of the individual users of the Phone Numbers and parties communicating with the Phone Numbers, the Receiver has only examined the detailed records associated with cell phone (the “**Cell Phone**”) number 1-902-856-1421 used by Casey Gavin (the “**CG Cell Records**”).
16. The CG Cell Records listed all call and text activities from 1 August 2016 through 30 April 2017. The CG Cell Records identified the date and time for all incoming and outgoing call and texting activities, the duration of each call as well as the date and time when voicemails were checked.
17. As more fully described in paragraphs 16 to 20 of the First Report, on 29 March 2017 Casey Gavin was asked to turn over the Cell Phone to the Receiver. An older model Samsung phone was delivered to

the Receiver but was subsequently determined not to be the Cell Phone. On 30 March 2017 at approximately 9:00 am Casey Gavin advised the Receiver that the Cell Phone had been lost. The alleged loss of the phone presumably occurred sometime between the early evening hours of 29 March 2017 and the early morning hours of 30 March 2017.

18. The CG Cell Records provided by Bell confirmed that the Cell Phone was used to make and receive calls and text messages, process data and check voice mail messages after Casey Gavin advised the Receiver that the Cell Phone was lost. The last reported activity associated with the Cell Phone occurred at 6:22 pm on 31 March 2017.
19. Attached as **Appendix C** is an extract of the CG Cell Records for the period 29 March 2017 through 31 March 2017 showing the Cell Phone usage. Phone numbers of third parties have been redacted to protect their privacy interests.

AMENDMENTS TO THE PRESERVATION ORDER

20. On 19 May 2017 Brandon Forbes of Campbell Lea Barristers & Solicitors advised counsel for the Receiver that he had been retained to act for Leigh Gavin, Rose Gavin, Gavco and Bullwinkle Fisheries Ltd. ("**Bullwinkle**") (collectively the "**Clients**").
21. Mr. Forbes expressed concern that the issuance of the Preservation Order and subsequent freezing of Gavco's bank accounts during its fishing season could result in significant lost revenue for Gavco. Mr. Forbes also advised counsel to the Receiver that the Preservation Order was affecting Bullwinkle's operations. Mr. Forbes and counsel discussed certain amendments to the Preservation Order to address such concerns on 20 May 2017. In response to Mr. Forbes' concerns, counsel for the Receiver drafted an amended preservation order which was sent to Mr. Forbes on 23 May 2017 for his review and comments.
22. On 25 May 2017 Mr. Forbes responded to the Receiver's draft. After a series of additional communications, an amended preservation order (the "**Preservation of Property Order Number Two**") was prepared and ultimately agreed to by the Receiver, the Clients, Casey Gavin and Joyce-Ann Gavin. The Preservation of Property Order Number Two was approved by this Honourable Court on 31 May 2017, a copy of which is attached as **Appendix D**.
23. The Preservation of Property Order Number Two permits Gavco and Bullwinkle to access funds held within their respective Tignish Credit Union accounts (the "**G and B Accounts**") to fund certain operating costs necessary to preserve the value of their businesses and fund two separate retainers for Mr. Forbes. The Receiver is granted access rights to the G and B Account banking records to verify the accounts have only been used to fund the agreed upon obligations.

24. Mr. Forbes advised counsel for the Receiver that Gavco is owned by Mr. Jamie Gavin who is Casey Gavin's brother. The Receiver understood based upon previous discussions with Leigh Gavin and Casey Gavin that Gavco was owned by Leigh Gavin.

25. Counsel for the Receiver has provided Mr. Forbes with the annual returns and letters patent attached hereto as **Appendix E** which set out Leigh Gavin's position as director, officer and shareholder of Gavco. The Receiver's counsel understands further documentation will be provided by Mr. Forbes and the Receiver will continue to work with Mr. Forbes to attempt to confirm who in fact is the director, officer and shareholder of Gavco.

OTHER MATTERS

26. The Related Parties were ordered to return any and all Property to the Receiver including but not limited to those assets identified in the Return of Property Order. In the alternative, the Related Parties were directed to pay the Receiver the cash equivalent of \$2,454,474.62. The Receiver wishes to confirm that no Property and no money has been delivered to the Receiver subsequent to the issuance of the 17 May 2017 Orders.

27. Furthermore, Casey Gavin and Joyce Anne Gavin have not contacted the Receiver, either directly or through counsel, since being served with the 17 May 2017 Orders other than their engagement of Mr. Forbes for the sole purpose of consenting to a deferment of the Comeback Hearing and issuance of the Preservation of Property Order Number Two. The Receiver understands that Casey Gavin and Joyce Anne Gavin are currently seeking to engage legal counsel to represent their interests.

All of which is respectfully submitted this 31st day of May 2017.

ERNST & YOUNG INC.

Licensed Insolvency Trustee

Acting solely in its capacity as the Court Appointed Receiver and Receiver-Manager of Silver Hill Fur Farm Ltd. and not in its personal capacity

Per



George Kinsman, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

SUPREME COURT OF PRINCE EDWARD ISLAND

BETWEEN:

BANK OF NOVA SCOTIA

APPLICANT

AND:

SILVER HILL FUR FARM LTD.

RESPONDENT

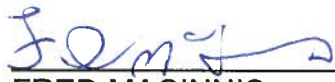
AFFIDAVIT OF SERVICE

I, FRED MACINNIS, of Charlottetown, Queens County, Prince Edward Island,
MAKE OATH AND SAY:

1. That on Wednesday, May 17, 2017, at 7:55 p.m., I did personally serve Casey Gavin, with correspondence from Pamela J. Williams, Q.C. with attached Preservation of Property Order, Return of Property Order and Cooperation Order at 20826, Route 12, Tignish, PE.
2. THAT my means of knowledge, as to the identity of Casey Gavin is that he identified himself to me.
3. That on Wednesday, May 17, 2017, at 7:55 p.m., I did personally serve Joyce-Ann Gavin, with correspondence from Pamela J. Williams, Q.C. with attached Preservation of Property Order, Return of Property Order and Cooperation Order at 20826 Route 12, Tignish, PE.
4. THAT my means of knowledge, as to the identity of Joyce-Ann Gavin is that she identified himself to me.

5. That on Wednesday, May 17, 2017, at 7:50 p.m., I did personally serve Leigh Gavin, with correspondence from Pamela J. Williams, Q.C. with attached Preservation of Property Order, Return of Property Order and Cooperation Order at 20823 Route 12, Tignish, PE.
6. THAT my means of knowledge, as to the identity of Leigh Gavin is that he identified himself to me.
7. That on Wednesday, May 17, 2017, at 7:50 p.m., I did personally serve Rose Gavin, with correspondence from Pamela J. Williams, Q.C. with attached Preservation of Property Order, Return of Property Order and Cooperation Order at 20823 Route 12, Tignish, PE.
8. THAT my means of knowledge, as to the identity of Rose Gavin is that she identified himself to me.

SWORN to before me at Charlottetown)
In Queens County, Province of Prince)
Edward Island, this 18^h day of May,)
2017.)
)
A COMMISSIONER FOR TAKING)
AFFIDAVITS IN THE SUPREME COURT)


FRED MACINNIS

Appendix B

Silver Hill Fur Farm Ltd. ("SHFF")
Preservation Order Delivery Summary
As at 25 May 2017

Appendix "B"

#	Company	Date Delivered
1	Provincial Credit Union	17 May 2017
2	Tignish Credit Union	17 May 2017
3	National Bank	17 May 2017
4	The Royal Bank of Canada (RBC)	17 May 2017
5	Toronto Dominion Bank (TD)	17 May 2017
6	The Bank of Montreal (BMO)	17 May 2017
7	The Canadian Imperial Bank of Commerce (CIBC)	17 May 2017
8	TD Wealth Private Investment	18 May 2017
9	RBC Dominion Securities	18 May 2017
10	BMO Wealth Management	18 May 2017
11	CIBC Wood Gundy	18 May 2017
12	Credential Asset Management	18 May 2017
13	Key Murray Law	17 May 2017
14	LiftCapital Corporation	18 May 2017
15	John Deere Financial Inc.	18 May 2017
16	CNH Capital Canada Ltd.	18 May 2017
17	Kensington Agricultural Services Ltd.	17 May 2017
18	Summerside Chrysler Dodge	17 May 2017
19	Red Shores Race Track & Casino	17 May 2017
20	StandardBred Canada	24 May 2017
21	Kopenhagen Fur	23 May 2017
22	North American Fur Auctions Inc.	17 May 2017
23	American Legend Cooperative	17 May 2017
24	Fur Harvesters Auction Inc.	17 May 2017
25	Prince Edward Island Federation of Agriculture	18 May 2017

Appendix C

Silver Hill Fur Farms Ltd.

Mobile # (902) 856-1421 Activity Summary (29 March 2017 - 31 March 2017)

Prepared by the Receiver using information provided by Bell Canada

CALL DATE	CALL TIME	CALL TYPE	CALL ORIG NUMBER	CALL TERM NUMBER	DURATION (HH:MM:SS)	Receiver's Comments
17-03-29	15:00:07	1	5062320164	19028561421	00:01:05	EYI (Steve McLaughlin) calling C. Gavin to advise of Court-Appointed Receivership
17-03-29	15:22:31	3		9028561421	00:00:01	
17-03-29	15:22:33	3		9028561421	00:00:01	
17-03-29	16:22:08	3		9028561421	00:00:01	
17-03-29	16:22:10	3		9028561421	00:00:01	
17-03-29	16:22:28	K	9028561421		00:22:50	
17-03-29	16:22:29	K	9028561421		00:22:49	
17-03-29	16:26:54		9028561421		00:00:26	
17-03-29	16:30:45		9028561421		00:00:28	
17-03-29	16:34:22		9028561421		00:09:26	
17-03-29	16:37:55	3		9028561421	00:00:01	
17-03-29	16:38:05	3		9028561421	00:00:01	
17-03-29	17:22:04	K	9028561421		00:05:59	
17-03-29	17:22:05	K	9028561421		00:05:58	
17-03-29	17:22:33	3		9028561421	00:00:01	
17-03-29	17:23:45		9028561421		00:03:58	
17-03-29	17:37:55	K	9028561421		01:41:52	At approximately 5:30 pm C. Gavin delivered the Old Phone to the Receiver
17-03-29	17:37:56	K	9028561421		01:41:51	
17-03-29	17:38:31		9028561421		00:12:20	At approximately 6:00 pm the Receiver leaves the Tignish Premises
17-03-29	18:01:11		9028561421		00:00:33	
17-03-29	18:05:35	1		19028561421	00:15:29	
17-03-29	18:15:13	3		9028561421	00:00:01	
17-03-29	18:21:19	V	9028561421	9028561421	00:00:56	
17-03-29	18:23:38	1		19028561421	00:22:30	
17-03-29	19:08:58		9028561421		00:00:35	
17-03-29	19:19:47	K	9028561421		05:38:05	
17-03-29	19:19:48	K	9028561421		05:38:04	
17-03-29	19:19:49	K	9028561421		05:38:03	
17-03-29	19:35:53	3		9028561421	00:00:01	
17-03-29	19:36:20	3	9028561421		00:00:01	

CALL DATE	CALL TIME	CALL TYPE	CALL ORIG NUMBER	CALL TERM NUMBER	DURATION (HH:MM:SS)	Receiver's Comments
17-03-29	19:37:06	3		9028561421	00:00:01	
17-03-29	19:37:19	3	9028561421		00:00:01	
17-03-29	19:37:30	3		9028561421	00:00:01	
17-03-29	19:40:23	3		9028561421	00:00:01	
17-03-29	19:41:18	3	9028561421		00:00:01	
17-03-29	19:43:13	3		9028561421	00:00:01	
17-03-29	19:44:09	3		9028561421	00:00:01	
17-03-29	19:44:40	3	9028561421		00:00:01	
17-03-29	19:44:55	3		9028561421	00:00:01	
17-03-29	19:45:26	3	9028561421		00:00:01	
17-03-29	19:45:46	3		9028561421	00:00:01	
17-03-29	19:46:07	3		9028561421	00:00:01	
17-03-29	19:46:18	3	9028561421		00:00:01	
17-03-29	19:52:27	1		19028561421	00:05:59	
17-03-29	19:53:36	3		9028561421	00:00:01	
17-03-29	19:53:37	3		9028561421	00:00:01	
17-03-29	20:03:40	3		9028561421	00:00:01	
17-03-29	20:12:25	3	9028561421		00:00:01	
17-03-29	20:12:55	3	9028561421		00:00:01	
17-03-29	20:13:35	3		9028561421	00:00:01	
17-03-29	20:14:03	3	9028561421		00:00:01	
17-03-29	20:14:14	3		9028561421	00:00:01	
17-03-29	20:15:05	3	9028561421		00:00:01	
17-03-29	20:31:39		9028561421		00:00:34	
17-03-29	20:33:41	3		9028561421	00:00:01	
17-03-29	20:42:44		9028561421		00:00:35	
17-03-29	20:45:59	3		9028561421	00:00:01	
17-03-29	20:51:19	1		19028561421	00:20:35	
17-03-29	21:16:42		9028561421		00:00:35	
17-03-29	21:24:59	1		19028561421	00:01:18	
17-03-30	00:57:52	K	9028561421		07:26:34	
17-03-30	00:57:53	K	9028561421		07:26:33	
17-03-30	07:26:48	3		9028561421	00:00:01	First Text Message Communication on 30 March 2017
17-03-30	07:30:06	3		9028561421	00:00:01	
17-03-30	07:55:20	3		9028561421	00:00:01	
17-03-30	07:57:11	3		9028561421	00:00:01	
17-03-30	08:00:38	3		9028561421	00:00:01	

CALL DATE	CALL TIME	CALL TYPE	CALL ORIG NUMBER	CALL TERM NUMBER	DURATION (HH:MM:SS)	Receiver's Comments
17-03-30	08:26:47	K	9028561421		00:47:42	First data usage initiated on 30 March 2017
17-03-30	08:26:48	K	9028561421		00:47:41	
17-03-30	08:27:24	V	9028561421	9028561421	00:00:34	First voice mail retrieval on 30 March 2017
17-03-30	08:28:07		9028561421		00:00:49	First call initiated on 30 March 2017
17-03-30	08:29:13		9028561421		00:04:32	
17-03-30	08:35:03	1		19028561421	00:01:29	
17-03-30	08:58:02	V	9028561421	9028561421	00:00:30	
17-03-30	08:58:40		9028561421		00:13:34	Last call initiated on 30 March 2017
17-03-30	11:25:36	3		9028561421	00:00:01	The Receiver arrives on site at approximately 9 am. C. Gavin advises the Receiver that the Cell Phone is lost.
17-03-30	11:25:38	3		9028561421	00:00:01	The Receiver leaves the properties at approximately 11:30 am
17-03-30	11:25:38	3		9028561421	00:00:01	
17-03-30	11:25:38	3		9028561421	00:00:01	
17-03-30	11:25:39	3		9028561421	00:00:01	
17-03-30	11:25:39	3		9028561421	00:00:01	
17-03-30	12:25:33	K	9028561421		00:06:30	
17-03-30	12:25:34	K	9028561421		00:06:29	
17-03-30	12:25:35	K	9028561421		00:06:28	
17-03-30	12:58:36	3		9028561421	00:00:01	
17-03-30	13:00:27	3		9028561421	00:00:01	
17-03-30	13:58:34	K	9028561421		00:02:07	
17-03-30	13:58:35	K	9028561421		00:02:06	
17-03-30	13:58:55	V	9028561421	9028561421	00:01:22	Voice mail retrieval post C. Gavin advising Receiver the Cell Phone was lost.
17-03-30	15:07:07	3		9028561421	00:00:01	
17-03-30	15:07:11	3		9028561421	00:00:01	
17-03-30	15:09:14	3		9028561421	00:00:01	
17-03-30	16:07:05	K	9028561421		00:02:15	
17-03-30	16:07:06	K	9028561421		00:02:14	
17-03-30	16:08:18	V	9028561421	9028561421	00:00:39	Voice mail retrieval post C. Gavin advising Receiver the Cell Phone was lost.
17-03-30	19:10:41	3		9028561421	00:00:01	
17-03-30	19:10:43	3	9028560638		00:00:01	
17-03-30	19:10:44	3		9028561421	00:00:01	
17-03-30	19:15:54	3		9028561421	00:00:01	
17-03-30	20:10:37	K	9028561421		00:17:54	
17-03-30	20:10:38	K	9028561421		00:17:53	

CALL DATE	CALL TIME	CALL TYPE	CALL ORIG NUMBER	CALL TERM NUMBER	DURATION (HH:MM:SS)	Receiver's Comments
17-03-30	20:11:15	V	9028561421	9028561421	00:02:33	Voice mail retrieval post C. Gavin advising Receiver the Cell Phone was lost.
17-03-31	01:18:15	3		9028561421	00:00:01	
17-03-31	01:18:15	3		9028561421	00:00:01	
17-03-31	02:18:10	K	9028561421		00:27:17	
17-03-31	02:18:11	K	9028561421		00:27:16	
17-03-31	08:21:28	3		9028561421	00:00:01	
17-03-31	09:21:25	K	9028561421		00:06:16	
17-03-31	09:21:26	K	9028561421		00:06:15	
17-03-31	12:16:24	3		9028561421	00:00:01	
17-03-31	12:16:27	3		9028561421	00:00:01	
17-03-31	12:55:40	3		9028561421	00:00:01	
17-03-31	13:16:21	K	9028561421		01:06:00	
17-03-31	13:16:22	K	9028561421		01:05:59	
17-03-31	14:21:31	V	9028561421	19028561421	00:00:34	Voice mail retrieval post C. Gavin advising Receiver the Cell Phone was lost. Last voice mail retrieval
17-03-31	15:52:41	3		9028561421	00:00:01	
17-03-31	16:52:38	K	9028561421		00:04:20	
17-03-31	16:52:39	K	9028561421		00:04:19	
17-03-31	17:22:09	3		9028561421	00:00:01	Last text message received
17-03-31	18:22:06	K	9028561421		00:07:15	
17-03-31	18:22:07	K	9028561421		00:07:14	Last data usage

END OF REPORT

Legend

- 1 Incoming
- 3 Text Message
- V Voicemail retrieval
- K Internet data usage
- Redacted by the Receiver

Appendix D

SUPREME COURT OF PRINCE EDWARD ISLAND

BETWEEN:

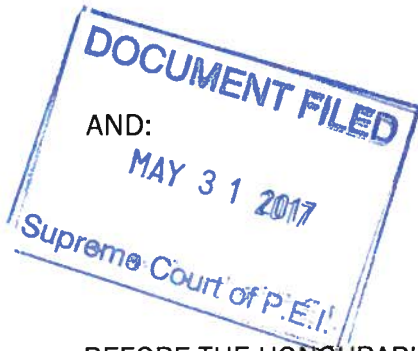
BANK OF NOVA SCOTIA

APPLICANT

AND:

SILVER HILL FUR FARM LTD.

RESPONDENT



BEFORE THE HONOURABLE
JUSTICE GORDON L. CAMPBELL

DATED the 31st day
of May, 2017.

PRESERVATION OF PROPERTY ORDER NUMBER TWO

WHEREAS this Court granted the Initial Receivership Order and a companion Cooperation Order on March 29, 2017 in relation to the Respondent wherein Ernst & Young Inc. was appointed receiver and receiver manager (the “**Receiver**”) of all the Respondent's assets, undertakings and properties (collectively, the “**Property**”);

AND WHEREAS this Court granted a further order on May 17, 2017 (the “**Preservation of Property Order**”) in relation to the assets and undertaking of Casey Gavin, Leigh Gavin, Rose Gavin, Joyce-Ann Gavin and Gavco Fishing Enterprises Ltd. (“**Gavco**”) and Bullwinkle Fisheries Ltd. (“**Bullwinkle**”) on an interim basis until a further hearing scheduled for May 29, 2017 at 11:00 a.m. (the “**Comeback Hearing**”);

AND UPON Casey Gavin, Leigh Gavin, Rose Gavin, Joyce-Ann Gavin, Jamie Gavin, Gavco and Bullwinkle (collectively, the “**Gavin Parties**”) and the Receiver consenting at the Comeback Hearing that the Preservation of Property Order shall remain in place until further Order of this Court subject to the modifications set out herein;

AND UPON being satisfied that the granting of this Order will assist in the orderly administration of the Receivership proceedings and the orderly operation of Gavco and Bullwinkle;

THIS COURT ORDERS THE FOLLOWING:

1. The Preservation of Property Order shall continue to apply in all respects except that:
 - a. each of Gavco and Bullwinkle (collectively, the **"Corporations"**) may make use of the funds in their respective accounts maintained at the Tignish Credit Union (collectively, the **"Tignish Accounts"**, Gavco account numbers 09590-10-, 09590-119 and 09590-129 and Bullwinkle account number 12051-107) in accordance with normal business practice for the purpose of paying standard operating expenses associated with their fishing operations (**"Operating Expenses"**) including employee wages and associated employee remittances, equipment lease payments, fuel, bait, licensing fees and maintenance, which Operating Expenses will not exceed \$50,000.00 per Corporation without the written consent of the Receiver or further Order of the Court;
 - b. the Corporations shall not maintain or make use of any chequing, saving, deposit or other accounts with any financial institution or organization other than the Tignish Accounts;
 - c. the Corporations shall not make any payments to any other Gavin Parties, any shareholder, any officer or any director even if such payment could be classified as an Operating Expense save and except Gavco may pay Jamie Gavin a gross salary of \$1,000.00 per week or in such amount consented to by the Receiver or ordered by the Court;
 - d. the Corporations shall not issue any dividends or record a transfer of the shares held in them respectively or engage in any reorganization, sale or other transaction related to its assets or operations that would reduce the value of the Corporations or the shares held in either of them; and

e. the Gavin Parties may make use of funds available to them to retain and pay for legal counsel to represent their respective interests in this or any related legal proceeding as follows:

- i. in respect of the Corporations, Leigh Gavin, Rose Gavin and Jamie Gavin collectively, the cumulative amount of \$25,000.00 may be paid in trust with their legal counsel as a retainer for the provision of legal services;
- ii. in respect of Casey Gavin and Joyce-Ann Gavin collectively, the cumulative amount of \$10,000.00 may be paid in trust with their legal counsel as a retainer for the provision of legal services

(collectively, the “**Legal Retainers**”)

- iii. legal counsel to the Gavin Parties shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and shall pass their respective accounts from time to time on notice to the Receiver and, for this purpose, the accounts of such legal counsel are hereby referred to the Clerk of the Court of Supreme Court of Prince Edward Island in accordance with the Rules; and
- iv. prior to the passing of their accounts, legal counsel to the Gavin Parties shall be at liberty from time to time to apply reasonable amounts out of the Legal Retainers against their respective legal fees and disbursements, incurred at the normal rates and charges of such counsel, for legal services provided after the date of the issuance of the Preservation of Property Order, and have the Legal Retainers replenished to the respective amounts set out herein.

2. The Receiver may request and the Corporations shall supply all account statements and other banking records for the Tignish Accounts (collectively, the “**Banking Records**”) from the date hereof until further Order of the Court. The Receiver may also request the Banking Records directly from the Tignish Credit Union who is hereby authorized to provide same.

3. The Corporations shall promptly provide the Receiver with a copy of receipts, invoices and other business records related to any transaction listed on the Banking Records on request.
4. Any Person affected by this Order which did not receive notice in advance of the hearing of the initial motion may apply to this Court to vary or amend this Order within five (5) days of such Person being served with a copy of this Order.

(SGD.) Gordon L. Campbell
J.

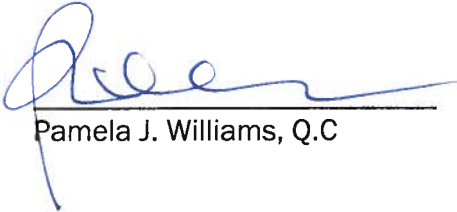
J.

CONSENTED TO IN FORM AND SUBSTANCE

This 30 day of May, 2017 by counsel to Gavco Fishing Enterprises Ltd. Bullwinkle Fisheries Ltd., Leigh Gavin, Rose Gavin, Jamie Gavin, Casey Gavin and Joyce-Ann Gavin,


D. Brandon Forbes as counsel to the above noted parties but only on the limited retainer with respect to Casey Gavin and Joyce-Ann Gavin which is for the sole purpose of attending to the issuance of this Order and the consent of those parties thereto

This 30 day of May, 2017 by counsel to the Court Appointed Receiver


Pamela J. Williams, Q.C

Court File No. S1-GS-27628

BANK OF NOVA SCOTIA v. SILVER HILL FUR FARM LTD.

SUPREME COURT OF PRINCE EDWARD ISLAND

PROCEEDINGS COMMENCED AT
CHARLOTTETOWN

**CONSENT INTERIM PRESERVATION OF
PROPERTY ORDER**

COX & PALMER
Dominion Building
97 Queen St., Suite 600
Charlottetown, PE C1A 4A9

Per: Pamela J. Williams and Josh McElman

Appendix E



Annual Return

(Pursuant to the Companies Act R.S.P.E.I. 1988, Cap. C-14)

Mail to:
Department of Environment, Labour and Justice
Consumer, Labour and Financial Services
PO Box 2000, Charlottetown, PE C1A 7N8
Tel: 902 368 4550 Fax: 902 368 5283

Return in person to:
95 Rochford Street, 4th floor
Charlottetown, PE C1A 3T6

MAR 10 2016

Consumer, Labour
& Financial Services

www.gov.pe.ca

Registration #: 9379

Incorporation date: 19 Mar 1996
Last return filed: 31 Dec 2008
Amount due: \$30.00

Date issued: 22 May 2013
Fiscal year end: 31 Dec, 2012
Filing deadline:

If the following information is incorrect, please indicate the changes on this form.

Name of business

GAVCO FISHING ENTERPRISES LTD.
Seacow Pond
RR 4
Tignish, PE C0B2B0
Attention: Leigh Gavin

No change ☒

Head office address

Nature of business carried on in PEI
Commercial fishing

No change ☒

Nature of business carried on outside PEI

No change ☒

Telephone

902 882-3364

No change ☒

Number of shares authorized and par value

No change ☒

Category	Type	Class	Number	Par Value
Authorized	Common	A	5000	1.000
Authorized	Preferred	A	30000	0
Issued	Common	A	100	
Issued	Preferred	A	1000	

Officers/Directors/Shareholders

Position

No change ☒

**Annual Return**

(Pursuant to the Companies Act R.S.P.E.I 1988, Cap. C-14)

Mail to:
Department of Environment, Labour and Justice
Consumer, Labour and Financial Services
PO Box 2000, Charlottetown, PE C1A 7N8
Tel: 902 368 4550 Fax: 902 368 5283

www.gov.pe.ca

Return in person to:
95 Rochford Street, 4th floor
Charlottetown, PE C1A 3T6

Registration #: 9379

Leigh Gavin
Seacow Pond
RR 4
Tignish, PE C0B 2B0

Director/ShareHolder/Officer
President

Type	Class	Total
Common	A	100.00
Preferred	A	1,000.00

Completed by:

Leigh Gavin

Date:

Mar. 7/16



Annual Return

(Pursuant to the Companies Act R.S.P.E.I. 1988, Cap. C-14)

Mail to:
Department of Justice and Public Safety
Consumer, Labour and Financial Services
PO Box 2000, Charlottetown, PE C1A 7N8
Tel: 902 368 4550 Fax: 902 368 5283

Return in person to:
95 Rochford Street, 4th floor
Charlottetown, PE C1A 3T6

Registration #: 9379

www.gov.pe.ca

Incorporation date: 19 Mar 1996
Last return filed: 31 Dec 2015
Amount due: \$30.00

Date issued: 14 Dec 2016
Fiscal year end: 31 Dec
Filing deadline: 30 Jun 2017

If the following information is incorrect, please indicate the changes on this form.

Name of business

GAVCO FISHING ENTERPRISES LTD.
Seacow Pond 20823
RR 4
Tignish, PE C0B2B0
Attention: Leigh Gavin

No change ☒

Head office address

Nature of business carried on in PEI

Commercial fishing

No change ☒

Nature of business carried on outside PEI

No change ☒

Telephone

902 882-3364

No change ☒

Number of shares authorized and par value

No change ☒

Category	Type	Class	Number	Par Value
Authorized	Common	A	5000	1.000
Authorized	Preferred	A	30000	0
Issued	Common	A	100	
Issued	Preferred	A	1000	

Officers/Directors/Shareholders

Position

No change ☒

2016/2017 FISCAL YEAR END CHECK

400.00



Annual Return

(Pursuant to the *Companies Act* R.S.P.E.I 1988, Cap. C-14)

Mail to:
Department of Justice and Public Safety
Consumer, Labour and Financial Services
PO Box 2000, Charlottetown, PE C1A 7N8
Tel: 902 368 4550 Fax: 902 368 5283

Return in person to:
95 Rochford Street, 4th floor
Charlottetown, PE C1A 3T6

www.gov.pe.ca

Registration #: 9379

Leigh Gavin
Seacow Pond
RR 4
Tignish, PE C0B 2B0

Director/ShareHolder/Officer
President

Type	Class	Total
Common	A	100.00
Preferred	A	1,000.00

Completed by:

Rose Gavin

Date:

Jan 6/17



**FORM 4
LETTERS PATENT
COMPANIES ACT, R.S.P.E.I. 1988, CAP. C-14, S.4**

**LETTERS PATENT
INCORPORATING**

GAVCO FISHING ENTERPRISES LTD.

DATED March 19, 1996

BY THE HONOURABLE Alan G. Buchanan

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS, the *Companies Act*, R.S.P.E.I. 1988, Cap. C-14, provides that the Minister may, by letters patent, grant a charter to one or more persons who apply therefor, constituting that person and others who may become shareholders in the company thereby created, a body corporate and politic for any purposes or objects to which the legislative authority of the Legislature extends, except trust companies and insurance companies.

AND WHEREAS an application has been filed to incorporate a company pursuant to the provisions of Part I of the *Companies Act*, under the name of

GAVCO FISHING ENTERPRISES LTD.

THEREFORE, the Minister of Provincial Affairs and Attorney General under the authority of Part I of the *Companies Act*, by these presents, constitutes the applicants and such persons as may hereafter become shareholders in the company hereby created, a body corporate and politic under the above name, with all the rights and powers conferred by the said Act, pursuant to the provisions of the application which is attached hereto and forms part hereof.

DATED AT Charlottetown, Prince Edward Island,
the 19th day of March, 1996.

MINISTER OF PROVINCIAL AFFAIRS
AND ATTORNEY GENERAL



FORM 1
APPLICATION FOR INCORPORATION
COMPANIES ACT, R.S.P.E.I. 1986, CAP. C-14, S.7(1)

TO: The Honourable The Minister of Justice

The undersigned applicants are desirous of obtaining letters patent under the provisions of the Prince Edward Island Companies Act constituting your applicants and such others as may become shareholders in the company thereby created, a body corporate and politic, as follows:

1. Applicants: (Attach list if more than 3)	<u>J. Allan Shaw</u>	<u>Lawyer</u>
	(name)	(occupation)
	<u>P.O. Box 40</u>	
	(address)	
	<u>Alberton, P.E.I.</u>	<u>COB 1R0</u>
		(postal code)
	<u></u>	<u></u>
	(name)	(occupation)
	<u></u>	
	(address)	
	<u></u>	<u>COB 1R0</u>
		(postal code)
	<u></u>	<u></u>
	(name)	(occupation)
	<u></u>	
	(address)	
	<u></u>	<u></u>
		(postal code)

2. Each of your applicants is of the full age of eighteen years.
3. The corporate name shall be: GAVCO FISHING ENTERPRISES LTD.
4. The company shall be a Private company.
(public or private)
5. The restrictions if any on share transfers are set out in Schedule "A".
6. The purposes for which incorporation is sought by the applicants are set out in Schedule "A" attached hereto.
7. The registered office address shall be: c/o Leigh Gavin, Seacow Pond, Tignish RR#4
P.E.I. COB 2B0
8. The proposed amount of capital stock of the company is \$5,000.00
and shall consist of: 5,000 common shares having a par value of \$1.00 each
30,000 preferred shares with a value to be determined upon their issuance.

~~The capital of the company shall be at least equal to the sum of the aggregate par value of all issued shares having par value, plus (Check box A or B as applicable)~~

(A) ☐ dollars (the blank space being filled in with some number representing one dollar or more) in respect to every issued share without par value,

OR

(B) ☐ the aggregate amount of consideration received by the company for the issuance of shares without par value

9. First or Provisional
directors (attach
list if more
than 3)

<u>Leigh Gavin</u> (name)	<u></u> (occupation)
<u>Seacow Pond, Tignish RR#4</u> (address)	<u></u>
<u>P.E.I.</u>	<u>COB 280</u> (postal code)
<u></u> (name)	<u></u> (occupation)
<u></u> (address)	<u></u>
<u></u>	<u></u> (postal code)
<u></u> (name)	<u></u> (occupation)
<u></u> (address)	<u></u>
<u></u>	<u></u> (postal code)

10. Beneficial owners
of shares (attach
list if more than 3)

<u>Leigh Gavin</u> (name)	<u></u> Number & Type of Shares
<u>Seacow Pond, Tignish RR#4</u> (address)	<u>100 Common</u>
<u>P.E.I.</u>	<u>COB 280</u> (postal code)
<u></u> (name)	<u></u> Number & Type of Shares
<u></u> (address)	<u></u>
<u></u>	<u></u> (postal code)
<u></u> (name)	<u></u> Number & Type of Shares
<u></u> (address)	<u></u>
<u></u>	<u></u> (postal code)

11. We request the provisions set out in Schedule "B" to be embodied in the letters patent.

DATED at Alberton, in the County of Prince, in the Province
of Prince Edward Island, this 19th day of March, 19. 96

SIGNATURE OF WITNESSES

Dumville

SIGNATURE OF APPLICANTS

John

(This application must be filed in duplicate)



FORM 1
SCHEDULE "A"

Page 3 of 7

GAYCO FISHING ENTERPRISES LTD.
(Company Name)

RESTRICTIONS ON SHARE TRANSFERS

-NIL-

OBJECTS AND PURPOSES

1. To carry on generally a fishing business and catch, cure, dry, smoke, preserve, can, pack, treat, produce, buy, sell and otherwise deal in fish, fish products, oils and any other by-products thereof;
2. To apply for, purchase or otherwise acquire any lease, licenses, concessions or any fishing rights;
3. To construct, build, improve, purchase, charter, hire, lease or otherwise acquire and own, use, hold, equip, operate, manage, sell or otherwise dispose of and deal in trawlers, fishing boats, tugs, barges, scows, ships and other vessels and their appliances;
4. To purchase, trade in, manufacture and deal in twines, threads, cords, netings, nets, traps, seins, lines, reels, corks, lead and all other articles and things necessary for and used in or about the catching of fish and other products of the seas, rivers and lakes.
5. To buy, sell, lease, mortgage and otherwise deal in property of all kinds, real or personal;
6. To import, export, deal in goods, wares and merchandise and to carry on a general manufacturing, trading and commercial business;



FORM 1
SCHEDULE "A"

Page 4 of 7

GAVCO FISHING ENTERPRISES LTD.

(Company Name)

OBJECTS AND PURPOSES CONTINUED:-

7. To deal in services of all kinds;
8. To carry on any other business not incompatible with company law and which in the opinion of the directors may be desirable for the company and conducive to its interests;
9. To guarantee the performance of obligations or contracts by any company, corporation or person whatsoever and as security for such guarantee, to mortgage, pledge, hypothecate or otherwise charge the whole or any part of the company;
10. To have all the powers set out in Section 13 of the Companies Act, R.S.P.E.I. 1974, Cap. C-15.



FORM 1
SCHEDULE "B"

Page 5 of 7

GAVCO FISHING ENTERPRISES LTD.
(Company Name)

ADDITIONAL PROVISIONS TO BE EMBODIED IN THE LETTERS PATENT

-NIL-



FORM 2

COMPANIES ACT, R.S.P.E.I. 1988, CAP. C-14, S.9(2)

CANADA
PROVINCE OF
PRINCE EDWARD ISLAND

IN THE MATTER of the Application for Letters Patent,
under the provisions of the *Companies Act*,
R.S.P.E.I. 1988, Cap. C-14, under the name
GAVCO FISHING ENTERPRISES LTD.

AFFIDAVIT

I, J. Allan Shaw of Bloomfield
in the County of Prince, Province of Prince Edward Island,

MAKE OATH AND SAY AS FOLLOWS:

1. THAT I am one of the applicants named in the annexed application and have a full knowledge of the facts set out in the said application.
2. THAT the statements and allegations contained in the annexed application are true and correct according to the best of my knowledge, information and belief.
3. THAT I am advised and verily believe that the name GAVCO FISHING ENTERPRISES LTD.
is not the name of any other known corporation or association, incorporated or unincorporated, or of any syndicate or partnership or of any individual or any name under which any known business is being carried on or so nearly resembling the same as to be liable to be confused therewith, or otherwise on public grounds objectionable.

SWORN TO before me at the Town of
Alberton in Prince

County, Province of Prince Edward Island, this
19 day of March

19 96

H. E. Mullen

A COMMISSIONER FOR TAKING
AFFIDAVITS IN THE SUPREME COURT

J. Allan Shaw
J. ALLAN SHAW



FORM 3
ATTORNEY'S STATEMENT
COMPANIES ACT, R.S.P.E.I. 1988, CAP. C-14, S.8(3)

RE: Application for Incorporation of

GAVCO FISHING ENTERPRISES LTD.

I, J. Allan Shaw of Bloomfield, in
Prince County, Province of Prince Edward Island, a practicing attorney in the Province,
certify that I have examined the application for incorporation of GAVCO FISHING ENTERPRISES LTD.
and am of the opinion that it complies with the requirements of the *Com-*
panies Act, R.S.P.E.I. 1988, Cap. C-14.

March, 1996.
Date

Signature 