

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

THE HONOURABLE) FRIDAY, THE 27th
)
JUSTICE KIMMEL) DAY OF MAY, 2022
)

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

- and -

CENTRESTONE GRANITE & MARBLE INC. AND 2608798 ONTARIO INC.

Respondents

DISCHARGE ORDER

THIS MOTION, made by National Bank of Canada (the “**Bank**”), on behalf of Ernst & Young Inc. (“**EYI**” or the “**Receiver**”), the receiver and manager of the undertakings, properties and assets of Centrestone Granite & Marble Inc. and 2608798 Ontario Inc. (the “**Respondents**”), for an order:

1. Abridging the time for service of the Notice of Motion and the Motion Record and validating service so that the motion is properly returnable on May 27, 2022 and dispensing with the requirement for any further service thereof;
2. Approving the First Final Report of the Receiver dated March 3, 2022 (the “**First and Final Report**”) and the activities of the Receiver described therein;

3. Approving the distribution of the net proceeds realized from the sale of the Centrestone Inventory and the collection of the accounts receivable to the Bank in partial satisfaction of its secured claim against Centrestone;
4. Approving the Receiver's fees and disbursements, including the fees and disbursements of its counsel, Pallett Valo LLP ("**Pallett**"), as set forth in the Final Report;
5. Approving EYI's discharge as Receiver upon the Receiver filing a discharge certificate with the Court;
6. Approving EYI's release from any and all liability by reason of or arising out of its acts and omissions while acting in its capacity as Receiver, save and except for any gross negligence or willful misconduct on its part; and,
7. Such further and other relief as counsel may advise and this Honourable Court may permit,

was heard this day via videoconference pursuant to the Court's Practice Direction pertaining to the COVID-19 pandemic.

ON READING the Notice of Motion of the Bank returnable May 27, 2022, the First and Final Report of the Receiver dated March 3, 2022 (the "**First and Final Report**"), the Order of the Honourable Justice McEwen dated March 26, 2020 (the "**Appointment Order**"), and on hearing the submissions of counsel for the Bank, no one appearing for any of the Respondents, although properly served, as appears from the affidavit of service of Susan Michels, sworn March 9, 2022, filed: March 9, 2022.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses of further service thereof.

APPROVAL OF ACTIVITIES AND FIRST AND FINAL REPORT

2. **THIS COURT ORDERS** that the First and Final Report of the Receiver and the activities of the Receiver, as described in the First and Final Report, be and are hereby approved.

APPROVAL OF STATEMENT OF RECEIPTS AND DISBURSEMENTS

3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements as at January 12, 2022 be and is hereby approved.

DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make a distribution to the Bank: (a) as set out in the First and Final Report; (b) such further amounts as the Receiver may determine from time to time are available for distribution to the Bank, without further Order of the Court, until the Receiver files the Discharge Certificate with the Court, provided the aggregate distributions to the Bank do not exceed the indebtedness owed to it by the Respondents.

APPROVAL OF FEES

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the First and Final Report, including the estimated fees and disbursements of the Receiver up to its date of discharge, be and are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's legal counsel, Pallett, as described in the First and Final Report and as set out in the affidavit of Monty Dhaliwal sworn January 12, 2022, attached to the First and Final Report, including the estimated fees and disbursements of Pallett in connection with services to be provided to the Receiver up to its date of discharge, be and are hereby approved.

DISCHARGE OF RECEIVER

7. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate with the Court certifying that it has completed the Remaining Duties, as defined and described in the First and Final Report, the Receiver shall be discharged as Receiver of the undertakings,

properties, and assets of the Debtor, provided, however, that, notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of EYI in its capacity as Receiver.

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

GENERAL

9. **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 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 provide such assistance to the Receiver, as an officer of the 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.

SCHEDULE "A": FORM OF RECEIVER'S DISCHARGE CERTIFICATE

Court File No. CV-20-00638777-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

B E T W E E N:

NATIONAL BANK OF CANADA

Applicant

– and –

CENTRESTONE GRANITE & MARBLE INC. AND 2608798 ONTARIO INC.

Respondent

RECEIVER'S DISCHARGE CERTIFICATE

- A. Pursuant to an Order of Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 26, 2020, Ernst & Young Inc. was appointed receiver (the “**Receiver**”) of Centrestone Granite & Marble Inc. and 2608798 Ontario Inc. (the “**Respondents**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
- B. Pursuant to an Order of the Court dated May 27, 2022 (the “**Discharge Order**”), the Court ordered, *inter alia*, that the Receiver be discharged, effective upon the filing by the Receiver of a certificate certifying the matters set out herein.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Receiver is satisfied, in its discretion, that it has completed its remaining duties, as set out in the Receiver's First and Final Report to the Court dated March 3, 2022.
2. This Certificate was delivered by the Receiver at _____ (*time*) on _____ (*date*).

ERNST & YOUNG INC., in its capacity as court-appointed receiver of **CENTRESTONE GRANITE & MARBLE INC. AND 2608798 ONTARIO INC.**

Per:

Name:

Title:

THE NATIONAL BANK OF CANADA

-and- CENTRESTONE GRANITE & MARBLE INC. and 2608798
ONTARIO INC.

Applicant

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3
AND IN THE MATTER OF SECTIONS 67(1)(a) AND (e) OF THE PERSONAL
PROPERTY SECURITY ACT, R.S.O. 1990, c. P.10
AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990, c. C.43**

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

PROCEEDINGS COMMENCED AT TORONTO

RECEIVER'S DISCHARGE CERTIFICATE

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