

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 11TH
JUSTICE CAVANAGH) DAY OF APRIL, 2025

**IN THE MATTER OF SECTION 248 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990,
C. B. 16, 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:

**ROSE-ISLI CORP., 2631214 ONTARIO INC., SEASIDE CORPORATION, AND 2735440
ONTARIO INC.**

Applicants

- and -

**FRAME-TECH STRUCTURES LTD. MICHAEL J. SMITH, FRANK SERVELLO, CAPITAL
BUILD CONSTRUCTION MANAGEMENT CORP., AND 2735447 ONTARIO INC.**

Respondents

FEE APPROVAL AND DISCHARGE ORDER

THIS MOTION, made by Ernst & Young Inc. in its capacity as the Court-appointed receiver ("**EY**" or the "**Receiver**") of the undertaking, property and assets of 2735447 Ontario Inc. (the "**Debtor**"), for an order: (i) approving the activities of the Receiver, as set out in the Sixth report of the Receiver dated March 28, 2025 (the "**Sixth Report**"); (ii) approving the fees and disbursements of the Receiver and its counsel, Reconstruct LLP ("**RECON**"), as set out in the Sixth Report; (iii) discharging EY as Receiver of the Debtor; and (iv) releasing EY from any and all liability, as set out in paragraph **Error! Reference source not found.** of this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver (the “**Motion Record**”), the Sixth Report, the Affidavit of David Saldanha sworn March 27, 2025 (the “**EY Fee Affidavit**”) and the Affidavit of Caitlin Fell sworn March 28, 2025 (the “**RECON Fee Affidavit**”) and on hearing the submissions of counsel for the Receiver and such other counsel as were present as indicated by the counsel sheet, no one else appearing although served as evidenced by the Affidavit of Alina Stoica sworn April 2, 2025 filed;

SERVICE

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

DISCHARGE OF THE RECEIVER

2. **THIS COURT ORDERS** that upon the Receiver filing a certificate substantially in the form attached as **Schedule “A”** hereto (the “**Discharge Certificate**”) certifying that all matters to be attended to in connection with these receivership proceedings of the Debtors have been completed to the satisfaction of the Receiver, the Receiver shall be discharged as receiver and manager of the Debtors, 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 Remaining Matters of the receivership herein, as defined in the Sixth Report; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including, without limitation, all approvals, protections and stay of proceedings in favour of EY in its capacity as Receiver.

3. **THIS COURT ORDERS AND DECLARES** that, upon the filing of the Discharge Certificate, EY is hereby released and discharged from any and all liability that EY now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of EY 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, upon the filing of the Discharge Certificate, EY 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.

APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER AND ITS COUNSEL

4. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Sixth Report, including the Receiver's Statement of Receipts and Disbursements for the period of July 8, 2022 to March 21, 2025, be and are hereby approved; provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, for the period from October 28, 2023 to January 24, 2025 in the total amount of \$33,942.38, as set out in the Sixth Report and the EY Fee Affidavit attached as Appendix "D" to the Sixth Report, be and are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Reconstruct LLP, for the period from October 1, 2023 to March 28, 2025 in the total amount of \$73,856.62, as set out in the Sixth Report and the RECON Fee Affidavit attached as Appendix "E" to the Sixth Report, be and are hereby approved.

7. **THIS COURT ORDERS** that the estimated fee accrual of \$30,000 plus HST for the fees and expenses of the Receiver and of the Receiver's counsel for the period from the date of the fee affidavits to the date of discharge as set out in the Sixth Report be and hereby is approved.

GENERAL

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to provide copies of the Debtor's books and records in the possession of the Receiver to 2735440 Ontario Inc. as

the ranking secured creditor of the Debtor, or as it may direct, provided that the Receiver shall not provide any working papers of EY and shall be entitled to take and retain photocopies of any records of the Debtor that are in hard copy form.

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

10. **THIS COURT ORDERS** notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

SCHEDULE "A" – Form of Discharge Certificate

Court File No. CV-22-00682959-00CL

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RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (the "**Court**") dated July 8, 2022, Ernst & Young Inc. was appointed as the receiver and manager (the "**Receiver**") without security, over all of the assets, undertakings and properties of 2735447 Ontario Inc. (the "**Debtor**"), including but not limited to all the lands and premises municipally described as 177, 185 and 197 Woodbridge Avenue, Vaughan, Ontario (the "**Property**"), pursuant to section 248 of *the Business Corporations Act*, R.S.O. 1990, c. B.16, 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 April 11, 2025, the Court approved the discharge of the Receiver to become effective upon the filing by the Receiver of a certificate certifying that all outstanding matters in respect of the receivership proceeding have been completed.

THE RECEIVER CERTIFIES the following:

1. All outstanding matters in respect of the receivership proceeding, including but not limited to those set out in the Sixth Report of the Receiver dated March ●, 2025, have been completed.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ 2025.

ERNST & YOUNG INC. solely in its capacity as Court-appointed receiver and manager and not in its personal capacity

Per:

Name: David Saldanha
Title: Senior Vice President

ROSE-ISLI CORP. ET AL.

and

10268054 CANADA CORP. ET AL.

Applicants

Respondents

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

Proceedings commenced at Toronto

**FEE APPROVAL AND DISCHARGE
ORDER**

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Young Inc.**