

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**IN THE MATTER OF SECTION 34(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, AS AMENDED,**

**AND IN THE MATTER OF THE BANKRUPTCY OF 1408998 ONTARIO INC.**

**MOTION RECORD**  
**(Returnable July 15, 2016)**

July 11, 2016

**DICKINSON WRIGHT LLP**  
Barristers & Solicitors  
199 Bay Street  
Suite 2200, P.O. Box 447  
Commerce Court Postal Station  
Toronto, Ontario, M5L 1G4

**LISA S. CORNE (27974M)**  
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Fax: (416) 865-1398

Lawyers for Rosen Goldberg Inc.

**TO: SERVICE LIST**

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**Tab 1**

Court File No. 31-2104810

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**IN THE MATTER OF SECTION 34(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, AS AMENDED,**

**AND IN THE MATTER OF THE BANKRUPTCY OF 1408998 ONTARIO INC.**

**NOTICE OF MOTION**

Rosen Goldberg Inc., in its capacity as trustee in bankruptcy of 1408998 Ontario Inc. (the “Debtor”) will make a motion to a judge of the Commercial List on Friday, July 15, 2016 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

**THE MOTION IS FOR AND ORDER:**

- (a) approving the sale transaction contemplated by an Agreement of Purchase dated July 8, 2016 (the “**Sale Agreement**”) between the Trustee, as vendor and 2227800 Ontario Limited (“**222**”), as purchaser;
- (b) vesting in 222 all right, title and interest of the Debtor and Trustee, if any, in and to the Purchased Assets (as defined in the Sale Agreement);
- (c) directing Hulk Environmental Services Inc. (“**Hulk**”) and all other persons having notice of the Order to deliver possession to the Trustee or 222, forthwith upon request by the Trustee, of all assets of the Debtor in their possession or under their control; and
- (d) such further and other relief as this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE**

- (a) The Trustee has received an offer purchase the business and personal property of the Debtor from 222;
- (b) The Trustee has encountered difficulty in obtaining possession of the Debtor’s assets from Hulk;
- (c) As a condition of completing the purchase transaction, 222 has required that the Trustee obtain an Order of this Honourable Court vesting all right, title and interest, if any, of the Debtor and Trustee in 222, free and clear of all claims, and

directing Hulk to deliver possession of the Purchased Assets to the Trustee or 222, upon request;

- (d) The inspectors appointed in the Debtor's bankruptcy have authorized the Trustee to enter into the Sale Agreement;
- (e) The purchase price under the Sale Agreement is reasonable in relation to the appraised value of the Purchased Assets;
- (f) The Trustee will incur significant expenses in connection with any further marketing, which expenses are unlikely to be recovered; and
- (g) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the First Report of Rosen Goldberg Inc. dated July 11, 2016 and the appendixes thereto; and
- (b) such further and other materials as counsel may advise and this Honourable Court may permit.

-4-

July 11, 2016

**DICKINSON WRIGHT LLP**

Barristers & Solicitors

199 Bay Street

Suite 2200, P.O. Box 447

Commerce Court Postal Station

Toronto, Ontario, M5L 1G4

**LISA S. CORNE (27974M)**

Email: [lcorne@dickinsonwright.com](mailto:lcorne@dickinsonwright.com)

Tel: (416) 646-4608

Fax: (416) 865-1398

Lawyers for Rosen Goldberg Inc.

**TO: SERVICE LIST**

**SERVICE LIST**

- TO: VFS CANADA INC.**  
205 Industrial Pkwy N., Unit 5  
Aurora ON L4G 4C4
- AND TO: SOMERVILLE NATIONAL LEASING AND RENTALS**  
75 Arrow Road  
North York, ON M9M 2L4
- AND TO: ALMIRA HOLDINGS LTD.**  
4060 19<sup>th</sup> Avenue  
Markham ON L6C 1M2
- AND TO: FORD CREDIT CANADA LEASING, A DIVISION OF CANADIAN ROAD  
LEASING COMPANY**  
PO Box 2400  
Edmonton AB T5J 5C7
- AND TO: NORTHWOOD FINANCIAL CORPORATION**  
1638 Woodbine Heights Blvd.  
Toronto ON M4B 3A5
- AND TO: TRIPLE A TIRE**  
2215 Midland Avenue  
Scarborough ON M1P 3E7
- AND TO: DURHAM TRUCK & EQUIPMENT SALES & SERVICE**  
610 Finley Avenue  
Ajax ON L1S 2E3
- AND TO: HULK ENVIRONMENTAL SERVICES INC.**  
10525 Keele Street  
Maple ON L6A 3Y9
- AND TO: AIRD & BERLIS LLP**  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto ON M5J 2T9
- AARON COLLINS**  
T: 416.865.3412  
F: 416.863.1515  
E: [acollins@airdberlis.com](mailto:acollins@airdberlis.com)



IN THE MATTER OF SECTION 34(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, AS AMENDED,  
AND IN THE MATTER OF THE BANKRUPTCY OF 1408998 ONTARIO INC.

Court File No. 31-2104810

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

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF MOTION**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
199 Bay Street  
Suite 2200, P.O. Box 447  
Commerce Court Postal Station  
Toronto, Ontario, M5L 1G4

**LISA S. CORNE (27974M)**

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Lawyers for Rosen Goldberg Inc.

**Tab 2**



ROSEN GOLDBERG  
INSOLVENCY & RESTRUCTURING

Court File No. 31-2104810

IN THE MATTER OF THE BANKRUPTCY OF  
1408998 Ontario Inc.  
of the City of Toronto, Province of Ontario

**COURT REPORT**



ROSEN GOLDBERG  
INSOLVENCY & RESTRUCTURING

Court File No. 31-2104810

1408998 Ontario Inc.

First Report of Rosen Goldberg Inc.

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ROSEN GOLDBERG  
INSOLVENCY & RESTRUCTURING

Court File No. 31-2104810

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**IN THE MATTER OF SECTION 34(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, AS AMENDED,**

**AND IN THE MATTER OF THE BANKRUPTCY OF 1408998 ONTARIO INC.**

**FIRST REPORT OF ROSEN GOLDBERG INC.**

**July 11, 2016**

**I INTRODUCTION**

1. Pursuant to s.49(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), on March 30, 2016, 1408998 Ontario Inc. (operating as Pro Disposal) (“**Pro**”) made an assignment for the general benefit of its creditors and Rosen Goldberg Inc. was appointed as trustee (the “**Trustee**”) in the estate of Pro. A copy of the Statement of Affairs of Pro in its assignment, and the Certificate of Appointment of the Trustee are attached herewith respectively as **Appendix “A”** and **Appendix “B”** to this first report of the Trustee (the “**First Report**”).



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2. Pro had previously filed a Notice of Intention to Make a Proposal (the “**NOI**”) on July 7, 2015, and a Proposal (the “**Proposal**”) on August 6, 2015. The Proposal was accepted by the requisite majority of the creditors of Pro at a meeting of creditors duly convened on August 26, 2015 and it was sanctioned by this Honourable Court on October 13, 2015. A copy of the Order of this Honourable Court sanctioning the Proposal is attached herewith as **Appendix “C”** to this First Report.
  
3. This First Report is filed with this Honourable Court for the following purposes:
  - (a) to recommend and seek approval of a sale of the business and personal property of Pro to 2227800 Ontario Limited and to obtain an approval and vesting order in connection therewith;
  - (b) to seek an order compelling Hulk Environmental Services Inc. and any related company to forthwith deliver to the Trustee any and all assets of Pro that are currently in its possession;
  - (c) to seek an Order sealing the offer of 2227800 Ontario Limited until the completion of a sale transaction or further Order of the Court; and
  - (d) to seek an Order sealing the appraisal completed by Danbury Global Ltd. until the completion of a sale transaction or further Order of the Court.



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## II TERMS OF REFERENCE

4. In preparing this First Report, the Trustee has relied upon information from third party sources (collectively, the “**Third Party Information**”). Certain information contained in this First Report may refer to, or be based on, the Third Party Information. As the Third Party Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Trustee has relied on the Third Party Information, and to the extent possible, reviewed the Third Party Information for reasonableness. However, the Trustee has not audited or otherwise attempted to verify the accuracy and completeness of the Third Party Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of the Third Party Information.

## III BACKGROUND

5. Prior to its bankruptcy, Pro operated a waste disposal business. Pro supplied roll-off, front-load and rear-load waste disposal bins to customers across the industrial spectrum. In the months preceding its NOI filing, Pro had experienced severe cash flow difficulty due primarily to the insolvency of one large customer and a dispute with another. In total, these two customers represented \$900,000 of accounts receivable, a significant portion of Pro’s total outstanding receivables. In addition, several months prior to its



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NOI filing, Pro lost a key employee, and with that, a large number of its customers.

6. In order to improve its business, and prior to filing its NOI, Pro entered into a strategic relationship with Hulk Environmental Services Inc. (“**Hulk**”), whereby Hulk would provide management services and assist in re-building Pro’s customer base. Pursuant to an agreement (the “**Management Agreement**”), Hulk agreed to operate Pro’s waste disposal business in exchange for a management fee. Implicit in the Management Agreement was the understanding that the assets of Pro remained under Pro’s ownership, notwithstanding that control and perhaps custody of those assets was transferred to Hulk for the purpose of facilitating Hulk’s management of the business of Pro.
7. Subsequent to the execution of the Management Agreement, Pro filed its NOI, and thereafter, its Proposal. The restructuring was intended to ‘right-size’ Pro’s debt relative to its assets, shore up working capital and assist Pro in overcoming its financial difficulty. An informal understanding was reached between Hulk and Pro that Hulk would assist Pro in meeting its financial obligation under the Proposal, especially while Hulk retained control of the business and the assets of Pro.
8. Ultimately, however, the relationship between Pro and Hulk soured. Management of Pro and Hulk quarrelled, threats and legal proceedings were commenced between certain of the parties, and the operations of Pro suffered. Rosen Goldberg Inc., in its capacity as





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Trustee under the Proposal, attempted to mediate a settlement between the parties in order that the terms of the Proposal could be fulfilled. Despite these efforts, the parties were unable to come to an agreement.

9. As a result of the continued difficulty, Pro determined that it had no reasonable prospect for future turnaround, as it was independently incapable of complying with the financial terms of the Proposal, especially while its business and assets remained under the control of Hulk. Notwithstanding the pendency of the Proposal proceedings, the directors of Pro resolved to assign its property for the benefit of its creditors.

#### **IV TRUSTEE'S INITIAL ACTIONS**

10. On March 30, 2016, Pro filed its assignment and the Trustee was appointed. Given that it had previously acted as trustee in the Proposal, the Trustee understood clearly the complexity of the situation at hand. Pro's assets were under the control of Hulk; and Hulk appeared unwilling to deliver the assets to the Trustee, as it maintained that it had lost significant money in managing the business of Pro pursuant to the Management Agreement.
11. Compounding the situation was the real concern that Pro's operations and going-concern value would rapidly deteriorate in the event that the Trustee could not quickly assemble



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the assets and resume operations.

12. To mitigate the risk, on April 12, 2016, the Trustee entered into its own management services agreement (the “**Management Services Agreement**”) with 2227800 Ontario Limited (“**222**”) for the management of the business and assets of Pro on behalf of the Trustee while the Trustee sought a sale of the business and assets. A copy of the Management Services Agreement is attached herewith as **Appendix “D”** to this First Report. 222 also expressed significant interest in purchasing the personal property and business of Pro. On the same day that it entered into the Management Services Agreement with the Trustee, 222 submitted an offer to purchase the personal property and business of Pro.

## **V POSSESSION OF ASSETS**

13. Pursuant to s.71 of the BIA, on an assignment being filed, a bankrupt ceases to have any capacity to deal with its property, which, subject to the rights of secured creditors, immediately passes to and vests in the trustee. In addition, pursuant to s.17(1) of the BIA, a third party in possession of any property of a bankrupt that it is not entitled to retain as against the bankrupt or the trustee must deliver that property to the trustee.



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14. In view of sections 71 and 17 of the BIA, and in keeping with its duties under the BIA, the Trustee sought to gain possession of Pro's assets both prior and subsequent to entering into the Management Services Agreement. The Trustee and/or 222 (under the direction of the Trustee) have undertaken the following actions in respect of gaining possession of the assets:
  - a) Numerous telephone conversations with management of Hulk to explain to it the Trustee's unfettered and absolute right to the assets of Pro;
  - b) Written correspondence with Hulk management, copies of which are attached herewith as **Appendix "E"** to this First Report;
  - c) 222's attendance at Hulk's premises several times to retrieve the assets;
  - d) The Trustee's own attendance at Hulk's premises on May 25, 2016, to facilitate the transfer of the Pro assets. Unfortunately, however, only a small quantity of the assets were delivered to the Trustee.
  
15. Hulk has communicated to the Trustee that it is prepared to release the Pro assets it has in its possession to the Trustee and/or 222. Hulk advises, and 222 has acknowledged, that 222 has in its possession certain of Hulk's assets. 222 has advised that it will make these assets available for Hulk to pick up. Given what has transpired during the previous attempts to retrieve the assets, 222 has advised that it does not wish to make any further attempts to retrieve the assets, without an Order of the Court. Currently, we understand



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that the following Pro assets remain in the possession of Hulk, although there may be additional assets:

- a) approximately 40 waste disposal bins;
- b) two pick-up trucks; and
- c) one truck engine.

16. The Trustee has an unfettered right to the assets of Pro, which it must assemble in order to complete a sale of Pro's assets. It is for this reason that the Trustee seeks an Order of this Honourable Court compelling Hulk and any related company to forthwith deliver to it any and all assets of Pro that are currently in its possession.

## **VI SALE PROCESS AND 222 OFFER**

17. As noted previously, at the outset of the Management Services Agreement, the Trustee received an offer from 222 to purchase the personal property and business of Pro. That offer has since expired due to the Trustee's inability to assemble and convey the assets to 222.

18. Notwithstanding the expiry of the original offer, 222 remains interested in purchasing the assets. After the Trustee agreed to seek an Order of this Honourable Court to assist in obtaining possession of Pro's assets from Hulk, on July 8, 2016, 222 prepared a new



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offer (the “**Offer**”) in respect of the assets of Pro. 222 has advised the Trustee that it will complete a transaction only upon this Honourable Court’s issuance of an approval and vesting order in respect of the sale by the Trustee to it.

19. The Trustee has given serious consideration to the Offer, a copy of which is attached herewith as **Confidential Appendix “1”** to this First Report. The Trustee respectfully requests that the offer be sealed pending the completion of the sale.

#### Appraisal

20. On June 1, 2016, the Trustee received an appraisal of the assets of Pro from Danbury Global Ltd. A copy of the appraisal is attached herewith as **Confidential Appendix “2”**. The Trustee respectfully requests that the appraisal be sealed pending the completion of the sale.

#### Analysis and recommendation

21. Given the circumstances, and given the consideration offered by 222 relative to the appraised value of the assets, the Trustee believes the Offer to be reasonable.
22. The Trustee cannot speculate whether additional marketing will yield an offer superior to the Offer. It can unequivocally advise, however, that any additional marketing will result



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in further professional fees, storage costs, insurance expenses and other costs to the estate. Given the significant professional costs incurred to date to administer the estate and to deal with the Hulk issue, it is the Trustee's view that any increase in the purchase price to be realized after further marketing will be diluted appreciably by the increased costs, and will more likely than not result in a poorer realization.

#### Inspector approval

23. In view of the foregoing, the Trustee called a meeting of the inspectors in the estate of Pro to seek approval for its sale of Pro's personal property to 222.
  
24. On July 11, 2016, a duly convened meeting of the inspectors in the estate of Pro unanimously resolved to accept the Offer and authorized the Trustee to proceed in completing the sale of Pro's personal property to 222. A copy of the minutes of the meeting of the inspectors is attached herewith as **Appendix "F"**.

#### Secured Claims

25. As appears from the Ontario Personal Property Security Registration System Enquiry Response Certificate current as of June 27, 2016 in respect of the 1408998 Ontario Inc., a copy of which is attached as **Appendix "G"**, the following persons have registered claims to a security interest in the Purchased Assets:



## ROSEN GOLDBERG

INSOLVENCY &amp; RESTRUCTURING

Secured Party	General Collateral Description
<b>VFS CANADA INC.</b> 205 Industrial Pkwy N., Unit 5 Aurora ON L4G 4C4	2013 MACK GU813 VIN# 1M2AX16C1DM021053
<b>SOMERVILLE NATIONAL LEASING AND RENTALS</b> 75 Arrow Road North York, ON M9M 2L4	2013 MACK GU813 VIN# 1M2AX18C6DM020641
	2007 INTERNATIONAL PAYSTAR 5600I VIN# 1HTXHSCT47J482181
	2013 MACK 800 VIN# 1M2AX18C6DM020641
	2007 INTERNATIONAL PAYSTAR 5600I VIN# 1HTXHSCT47J482181
<b>ALMIRA HOLDINGS LTD.</b> 4060 19 <sup>th</sup> Avenue Markham ON L6C 1M2	2004 FREIGHTLINER M2 VIN# 1FVHCYAK74HM16163
<b>FORD CREDIT CANADA LEASING, A DIVISION OF CANADIAN ROAD LEASING COMPANY</b> PO Box 2400 Edmonton AB T5J 5C7	2014 FORD F150 VIN# 1FTFW1ET0EFC75213
	2015 FORD EXPLR VIN# 1FM5K8GT3FGA79027
	2014 FORD F150 VIN# 1FTFW1ET6EFC75216
<b>NORWOOD FINANCIAL CORPORATION</b> 1638 Woodbine Heights Blvd. Toronto ON M4B 3A5	2004 NISS FRT VIN# 1N6ED26YX4C458682



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Secured Party	General Collateral Description
	2004 MACK 700 VIN# 1M2AG10CX4M010870
	2010 MACK 600 VIN# 1M2AV02C2AM005574
	1989 WHGM ACL VIN# 4V2SCBJH7KU504344
	2001 MACK 600 VIN# 1M2K195C91M017284
	2013 MACK 800 VIN# 1M2AX16C1DM021053
	1991 FORD CON VIN# 1FDYW82A1MVA25371
	2005 GMC SIE VIN# 1GTHK23255F819810
	2001 FORD SRW VIN# 1FTNF20L11EC14980
	2013 MACK 800 VIN# 1M2AX18C6DM020641
	2003 FANO CT VIN# 2F9TU11273H067138
	1996 PTRB COE VIN# 1XPZL70X5TD709295
<b>TRIPLE A TIRE</b> 2215 Midland Avenue Scarborough ON M1P 3E7	2013 MACK 800 VIN# 1M2AX18C6DM020641





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Secured Party	General Collateral Description
	2010 MACK 600 VIN# 1M2AV02CZAM005574
	2013 MACK 800 VIN# 1M2AX16C1DM021053
<b>DURHAM TRUCK &amp; EQUIPMENT SALES &amp; SERVICE</b> 610 Finley Avenue Ajax ON L1S 2E3	2010 MACK 600 VIN# 1M2AV02C2AM005574

## VII RECOMMENDATION

26. On the basis of the foregoing, the Trustee respectfully requests that this Honourable Court issue an Order:

- (a) Approving the sale of the personal property of Pro and vesting the assets of Pro in 2227800 Ontario Limited;
- (b) Compelling Hulk to forthwith deliver to the Trustee the assets of Pro that are currently in its possession;
- (c) Sealing the offer of 2227800 Ontario Limited, until completion of a sale transaction or further Order of the Court; and
- (d) Sealing the appraisal of the assets by Danbury Global Ltd., until the completion of a sale transaction or further Order of the Court.



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INSOLVENCY & RESTRUCTURING

All of which is respectfully submitted.

Dated at Toronto, Ontario, this 11<sup>th</sup> day of July 2016.

**ROSEN GOLDBERG INC., SOLELY IN ITS  
CAPACITY AS TRUSTEE OF THE ESTATE OF:  
1408998 ONTARIO INC., AND NOT IN ITS  
CORPORATE, PERSONAL, OR OTHER CAPACITY**

*Rosen Goldberg Inc.*

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# Appendix "A"

District of:  
 Division No. -  
 Court No.  
 Estate No.

Original     Amended

- Form 78 -  
 Statement of Affairs (Business Bankruptcy) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

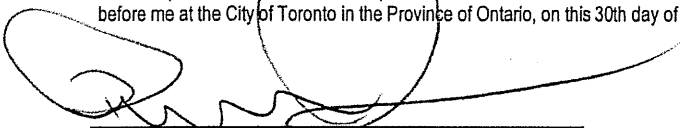
In the matter of the proposal of  
 1408998 Ontario Inc.  
 of the City of Toronto, in the Province of Ontario

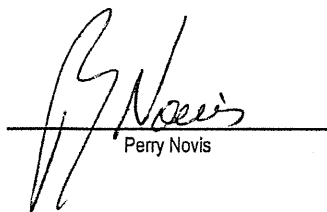
To the bankrupt:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 30th day of March 2016. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	2,610,461.35	1. Inventory .....	0.00
Balance of secured claims as per list "B" .....	77,181.11	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	2,687,642.46	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	337,502.00	Good .....	150,000.00
3. Preferred creditors as per list "C" .....	0.00	Doubtful .....	0.00
4. Contingent, trust claims or other liabilities as per list "D"		Bad .....	222,000.00
estimated to be reclaimable for .....	0.00	Estimated to produce .....	150,000.00
Total liabilities .....	3,025,144.46	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus .....	NIL	5. Deposits in financial institutions .....	0.00
		6. Cash .....	0.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	0.00
		9. Real property or immovable as per list "G" .....	0.00
		10. Furniture .....	0.00
		11. RRSPs, RRIFs, life insurance, etc. ....	0.00
		12. Securities (shares, bonds, debentures, etc.) .....	0.00
		13. Interests under wills .....	0.00
		14. Vehicles .....	131,602.00
		15. Other property, as per list "H" .....	55,900.00
		If bankrupt is a corporation, add:	
		Amount of subscribed capital .....	0.00
		Amount paid on capital .....	0.00
		Balance subscribed and unpaid .....	0.00
		Estimated to produce .....	0.00
		Total assets .....	337,502.00
		Deficiency .....	2,687,642.46

I, Perry Novis, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 30th day of March 2016 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of Toronto in the Province of Ontario, on this 30th day of March 2016.

  
 Brahm Rosen, Commissioner of Oaths  
 For the Province of Ontario  
 Expires Jan. 29, 2018

  
 Perry Novis

**Brahm Howard Rosen,**  
**a Commissioner, etc., Province of Ontario,**  
**for Rosen Goldberg Inc., Trustee in Bankruptcy.**  
**Expires January 29, 2018.**

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 – Continued

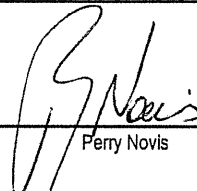
List "A"  
 Unsecured Creditors

1408998 Ontario Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	2176163 Ontario Ltd.	29 Eden Valley Drive Toronto ON M9A4Z5	32,068.24	0.00	32,068.24
2	2264201 Ontario Inc.	9700 Ninth Line Markham ON M1S4A4	182,628.81	0.00	182,628.81
3	407 ETR	P.O.Box 407, Station "D" Scarborough ON M1R5J8	74,710.46	0.00	74,710.46
4	551403 Ontario Limited	4060 19th Avenue Markham ON L6C1M2	13,900.00	0.00	13,900.00
5	AAA Tec Machinery Movers	38 Copeland Road Brampton ON L6Y2S6	1,175.20	0.00	1,175.20
6	Almira Holdings Ltd.	4060 19th Avenue Markham ON L6C1M2	0.00	23,850.00	23,850.00
7	Auto Route Towing Inc.	2390 Homes Road, RR#2 Queensville ON L0G1R0	536.75	0.00	536.75
8	Automatic Compactors Waste & Recycling	75 Rodinea Road Maple ON L6A1R3	22,181.49	0.00	22,181.49
9	BFI Canada Inc	650 Creditstone Road Concord ON L4K5C8	5,000.00	0.00	5,000.00
10	BFI Canada Inc.	500 Rennie Street Hamilton ON L8H3P5	8,333.32	0.00	8,333.32
11	BFI Canada Inc. Creditstone	650 Creditstone Road Concord ON L4K5C8	10,796.37	0.00	10,796.37
12	BFI Canada Inc. -Lakeview Transfer	650 Creditstone Road Concord ON L4K5C8	69,496.79	0.00	69,496.79
13	BFI Canada-Freshway	650 Creditstone Road Concord ON L4K5C8	369.52	0.00	369.52
14	C.G. Construction	9700 Ninth Line Markham ON M1S4A4	166,500.00	0.00	166,500.00
15	Cable Craft Ltd.	480 Garyray Drive Weston ON M9L1P8	2,729.98	0.00	2,729.98
16	Canada Revenue Agency Attn: London Tax Service Office 86895 8430 RP0001	Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3	0.00	39,231.11	39,231.11
17	Canada Revenue Agency Attn: London Tax Service Office 86895 8430 RT0001	Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3	446,210.55	0.00	446,210.55
18	Candiz Print Inc.	90 Venture Drive Unit 2 Toronto ON M1B3L6	237.30	0.00	237.30
19	Cascades Recovery	66 SHorncliffe Road Toronto ON M8Z5K1	150,483.02	0.00	150,483.02
20	Corrado Gazze	9700 Ninth Line Markham ON M1S4A4	100,000.00	0.00	100,000.00
21	Cummins Hydraulics Ltd.	1250 Gorham Street Newmarket ON L3Y8W4	3,632.89	0.00	3,632.89
22	D.Gilsoul Trucking and Contracting	18 Coronation Drive Scarborough ON M1E2H1	5,717.80	0.00	5,717.80
23	Dependable Technical Connections	40 Ironside Crescent UNIT 8-9 Scarborough ON M1X1G5	1,563.98	0.00	1,563.98

30-Mar-2016

Date

  
 Perry Novis

District of:  
Division No. -  
Court No.  
Estate No.

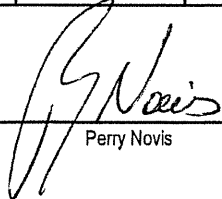
FORM 78 – Continued

List "A"  
Unsecured Creditors  
1408998 Ontario Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Durham Truck & Equipment Sales and Equip.	610 Finley Ave Ajax ON L1S2E3	10,214.80	0.00	10,214.80
25	Efficient Waste Management Services Inc	871 Equestrian Ct. Unit # 1 Oakville ON L6L6L7	2,868.08	0.00	2,868.08
26	Freshway Rail Services Inc.	10-B Freshway Drive Concord ON L4K1S3	75,158.10	0.00	75,158.10
27	Hunter Sunrise Mobile Wash	1555 Sandy Beach Road Pickering ON L1W3S2	3,166.83	0.00	3,166.83
28	Keele North Recycling Inc.	10525 Keele Street Maple ON L6A3Y9	287,184.29	0.00	287,184.29
29	Kelly Group Ltd.	5 Princeton Court Whitby ON L1M2M3	3,426.43	0.00	3,426.43
30	Kenco Construction	9700 Ninth Line Markham ON L6B1A8	320,000.00	0.00	320,000.00
31	Kirby Waste Transfer Solutions	7055 Kirby Road Vaughan ON L0J1C0	3,797.36	0.00	3,797.36
32	Lolimpin Gym Equipment Ltd.	71 Ridgeway Rd. Toronto ON M1R4Z7	1,197.03	0.00	1,197.03
33	M & M Disposal	1552 3rd Line N. Dummer Douro-Dummer ON K0L2H0	141.63	0.00	141.63
34	M.J.M Tire Service	22486 Hwy # 48 Mt. Albert ON L0G1M0	4,310.83	0.00	4,310.83
35	Markham Auto Repair	16 Laidlaw Blvd Markham ON L3P1W7	8,235.50	0.00	8,235.50
36	Markham Spring Service Ltd.	21 Heritage Road Markham ON L3P1M4	6,317.70	0.00	6,317.70
37	McPherson Transfer Ltd.	15 Tidmore Ave. Etobicoke ON M9W7E9	6,211.52	0.00	6,211.52
38	Medulla Waste and Recycling Corp	63A Medulla Ave. Etobicoke ON M8Z5L6	276,232.55	0.00	276,232.55
39	Mid-Ontario Truck Centre	2400 Kirby Road Maple ON L6A4R6	2,709.22	0.00	2,709.22
40	Millennium Material Transfer Inc.	2440 Beryl Road Oakville ON L6J7X4	14,954.03	0.00	14,954.03
41	Norwood Financial	695 Markham Road Scarborough ON M1H 2A5	0.00	14,100.00	14,100.00
42	Platinum Car & Truck Repairs Ltd.	299 A Garyray Dr. Toronto ON M9L1P2	19,678.29	0.00	19,678.29
43	Progressive Waste Solutions Canada Inc.	1209 North Service Road East Oakville ON L6H1A7	2,651.23	0.00	2,651.23
44	Pronto Automotive Stouffville	138 Sandiford Drive Unit 2 Stouffville ON L4A7X5	1,085.01	0.00	1,085.01
45	Scarborough Transfer & Recovery	66 Shomcliffe Road Toronto ON M8Z5K1	197,833.77	0.00	197,833.77
46	Scarborough Truck Centre Inc.	1810 Markham Rd. Scarborough ON M1B2W2	9,980.12	0.00	9,980.12
47	Shipton Mechanical	3305 Concession 8 Road Ashburn ON L0B1A0	10,033.87	0.00	10,033.87

30-Mar-2016

Date


  
Perry Novis

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 – Continued

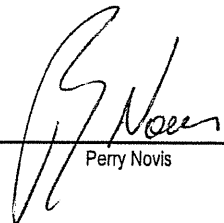
List "A"  
 Unsecured Creditors

1408998 Ontario Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	Silver Top Supply Limited	324 Sovereign Road London ON N6M1A8	1,118.70	0.00	1,118.70
49	Stan Tire	245 Creditstone Rd. Concord ON L4K1N6	2,586.12	0.00	2,586.12
50	Superior Door & Gate Systems Inc.	3210 American Drive Mississauga ON L4V1B3	1,073.50	0.00	1,073.50
51	Tor-Can Danville Recycling	6465 Danville Road Mississauga ON L5T2H7	5,895.06	0.00	5,895.06
52	Toronto Hydro Electric System	14 Carlton St. 8th Floor Toronto ON M5B1K5	623.86	0.00	623.86
53	Triple A Tire	2215 Midland Ave. Scarborough ON M1P3E7	11,680.02	0.00	11,680.02
54	Wastco Barrie	66 Welham Road Barrie ON L4N8Y4	9,606.41	0.00	9,606.41
55	Waste Container Services Inc.	106 Howden Road Scarborough ON M1R3E4	405.44	0.00	405.44
56	Wasteco	150 Orenda Road Brampton ON L6W1W3	3,270.05	0.00	3,270.05
57	Wasteco-Hamilton Wentworth Region	306 Lake Avenue Hamilton ON L8E3A2	8,541.53	0.00	8,541.53
<b>Total:</b>			<b>2,610,461.35</b>	<b>77,181.11</b>	<b>2,687,642.46</b>

30-Mar-2016

Date


  
Perry Novis

District of:  
Division No. -  
Court No.  
Estate No.

FORM 78 – Continued

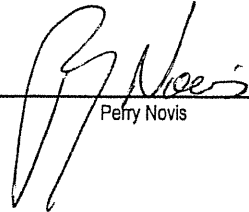
List "B"  
Secured Creditors

1408998 Ontario Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Almira Holdings Ltd.	4060 19th Avenue Markham ON L6C1M2	23,850.00	Motor Vehicles - Other - 2004 - Freightliner - Business Class M2 truck		0.00		23,850.00
2	Canada Revenue Agency Attn: London Tax Service Office 86895 8430 RP0001	Regional Intake Centre for Insolvency PO Box 5548, 451 Talbot Street London ON N6A 4R3	376,731.11	Debts Due - Business - Accounts receivable  Other - Waste-disposal bins  Motor Vehicles - Other - 2004 - MACK - CV713 tri-axle roll-off truck  Motor Vehicles - Other - 2004 - Freightliner - Business Class M2 truck  Motor Vehicles - Other - 2003 - Fano - CT front load garbage compactor trailer  Motor Vehicles - Other - International - Paystar 5000  Motor Vehicles - Other - Volvo - ACL tri-axle dump truck  Motor Vehicles - Other - 1991 - Ford - LNT8000 truck		150,000.00  55,900.00  38,000.00  36,000.00  32,000.00  14,400.00  6,000.00  5,200.00		39,231.11
3	Norwood Financial	695 Markham Road Scarborough ON M1H 2A5	14,100.00	Other - Waste-disposal bins		0.00		14,100.00
4	Somerville National Leasing & Rentals Ltd.	75 Arrow Road Toronto ON M9M 2L4	1.00	Motor Vehicles - Other - MACK - GU813 series 800 tandem axle roll-off truck		1.00		
5	VFS Canada Inc.	205 Industrial Pkwy N, Unit 5 Aurora ON L4G 4C4	1.00	Motor Vehicles - Other - MACK - GU813 series 800 tandem axle roll-off truck		1.00		
<b>Total:</b>			<b>414,683.11</b>			<b>337,502.00</b>	<b>0.00</b>	<b>77,181.11</b>

30-Mar-2016

Date

  
Perry Novis



District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 – Continued

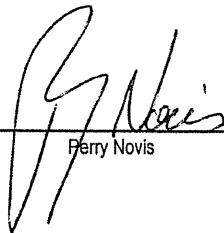
List "C"  
 Preferred Creditors for Wages, Rent, etc.

1408998 Ontario Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

30-Mar-2016

Date

  
 Perry Novis

District of:  
Division No.  
Court No.  
Estate No.

FORM 78 – Continued

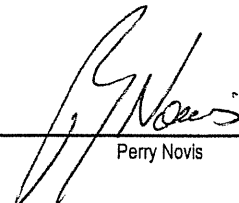
List "D"  
Contingent or Other Liabilities

1408998 Ontario Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

30-Mar-2016

Date



Perry Novis

District of:  
 Division No. -  
 Court No.  
 Estate No.

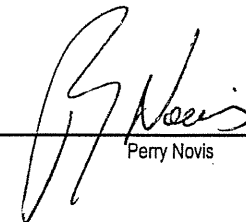
FORM 78 -- Continued

List "E"  
 Debts Due to the Bankrupt  
 1408998 Ontario Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts receivable	Various Toronto ON	Accounts receivable	150,000.00 0.00 222,000.00		24-Mar-2000	150,000.00	n/a
Total:				150,000.00 0.00 222,000.00			150,000.00	

30-Mar-2016

Date



Perry Novis

District of:  
Division No. -  
Court No.  
Estate No.

FORM 78 – Continued

List "F"

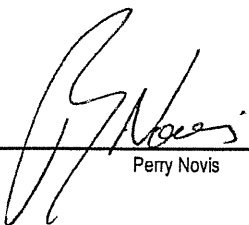
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

1408998 Ontario Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

30-Mar-2016

Date

  
Perry Novis

District:  
Division No. -  
Court No.  
Estate No.

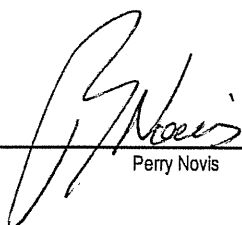
FORM 78 – Continued

List "G"  
Real Property or Immovables Owned by Bankrupt  
1408998 Ontario Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

30-Mar-2016

Date

  
Perry Novis

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 – Concluded

List "H"  
 Property

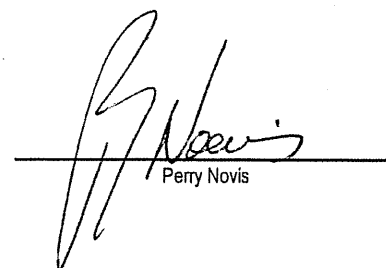
1408998 Ontario Inc.

## FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Other - Volvo - ACL tri-axle dump truck	0.00	6,000.00
		Other - 2004 - MACK - CV713 tri-axle roll-off truck	0.00	38,000.00
		Other - 2004 - Freightliner - Business Class M2 truck	0.00	36,000.00
		Other - 1991 - Ford - LNT8000 truck	0.00	5,200.00
		Other - International - Paystar 5000	0.00	14,400.00
		Other - 2003 - Fano - CT front load garbage compactor trailer	0.00	32,000.00
		Other - MACK - GU813 series 800 tandem axle roll-off truck	0.00	1.00
		Other - MACK - GU813 series 800 tandem axle roll-off truck	0.00	1.00
(l) Taxes			0.00	0.00
(m) Other		Waste-disposal bins	0.00	55,900.00
			<b>Total:</b>	<b>187,502.00</b>

30-Mar-2016

Date



Perry Novis

Court No.

File No.

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In the matter of the proposal of  
1408998 Ontario Inc.  
of the City of Toronto, in the Province of Ontario

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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Rosen Goldberg Inc. - Trustee

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5255 Yonge Street, Suite 804  
Toronto ON M2N 6P4  
Phone: (416) 224-4200 Fax: (416) 224-4330

**Appendix “B”**





Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant  
des faillites Canada

District of: Ontario  
 Division No.: 09 - Toronto  
 Court No.: 31-2104810  
 Estate No.: 31-2104810

In the Matter of the Bankruptcy of:

**1408998 Ontario Inc.**

Debtor

**ROSEN GOLDBERG INC.**

Licensed Insolvency Trustee

Ordinary Administration

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Date and time of bankruptcy:	March 30, 2016, 16:48	Security:	\$0.00
Date of trustee appointment:	March 30, 2016		
Meeting of creditors:	April 19, 2016, 10:00 The Madison Centre 5255 Yonge Street Suite 804 TORONTO, Ontario Canada,		
Chair:	Trustee		

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CERTIFICATE OF APPOINTMENT - Section 49 of the Act: Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: April 01, 2016, 15:03

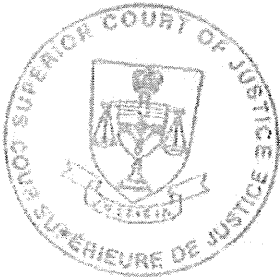
E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

**Appendix “C”**

Court No. 31-2013017



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

MASTER *MILLS*

) Tuesday, The 13<sup>th</sup> day  
)  
) of October 2015

IN THE MATTER OF THE PROPOSAL OF  
1408998 Ontario Inc.  
OF THE CITY OF TORONTO, PROVINCE OF ONTARIO

**ORDER APPROVING PROPOSAL**

UPON THE APPLICATION OF Rosen Goldberg Inc., Trustee (the "Trustee") *in re* the Proposal of 1408998 Ontario Inc., filed on August 6, 2015, upon reading the Report of Trustee on Proposal, dated September 11, 2015 and upon hearing counsel for the Trustee; and the Court being satisfied that the required majority of creditors duly accepted the Proposal on August 26, 2015, (the "Proposal"), and the terms contained in the paper writing marked Exhibit "A" annexed hereto, and being satisfied that the said terms are reasonable and calculated to benefit the general body of creditors and that no offences or facts have been proved to justify the Court in withholding its approval;

1. THIS COURT HEREBY ORDERS that the Proposal is approved.

Master J. Mills  
Registrar in Bankruptcy

A

Estate No. 31-2013017

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

PROPOSAL

1408998 Ontario Inc. ("140" or the "Debtor"), the above-named debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*:

PART 1  
INTERPRETATION

1. In this Proposal, capitalized terms have the following meanings:
  - (a) "Act" means the *Bankruptcy and Insolvency Act*, as it may be amended from time to time;
  - (b) "Business Day" means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
  - (c) "Claim" means any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of 140 to any person whether liquidated, unliquidated, fixed contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date;
  - (d) "Court" means Superior Court of Justice, in Bankruptcy and Insolvency;
  - (e) "Court Approval Date" means the date on which the Court makes the Final Order;
  - (f) "Creditor" means any person who holds one or more Claims;
  - (g) "Creditors' Meeting" means the special meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
  - (h) "Due Date" means the date upon which the personal income tax return, for the year in which the Proposal is filed and subsequent years as set out in the Income Tax Act;
  - (i) "Effective Date" means the date on which all conditions contained in Part X hereof have been satisfied;
  - (j) "Employees" means all of the employees of 140;
  - (k) "Event of Default" has the meaning given to it in Part VII;
  - (l) "Filing Date" means the date on which 140 filed its Notice of Intention to Make a Proposal under the Act, being July 7, 2015;

1408998 Ontario Inc.  
Proposal  
Page 2

- (m) "Final Order" means an order of the Court approving this Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
- (n) "Maturity Date" means the date on which all payments to the Proposal Trustee have been made, provided that no event of default has occurred that has not been cured or waived;
- (o) "Post Filing Goods and Services" means in respect of the Proposal the goods supplied, services rendered and other consideration given to 140 subsequent to the Filing Date;
- (p) "Preferred Creditor" means any Creditor entitled to receive payment of any amount owed to it in priority to other Creditors as provided in section 136 of the Act;
- (q) "Provisional Return" means a provisional return showing 140's income tax debt for the period from the end of the last taxation years up to the date of filing of the Proposal
- (r) "Property" means the non-exempt assets of 140;
- (s) "Proposal" means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;
- (t) "Proposal Period" means the period between the Final Order and the Maturity Date;
- (u) "Proposal Trustee" means Rosen Goldberg Inc., the trustee acting in this Proposal;
- (v) "Secured Creditor" means any Creditor who has valid security against various assets of the Debtor with respect to its Claim;
- (w) "Unsecured Creditor" means those persons with Claims, except for those Claims:
  - (i) that have been finally and conclusively disallowed;
  - (ii) that may be contingent or unliquidated and found by the Trustee or the Court (as may be applicable), not to be provable;
  - (iii) that are claims by Secured Creditors; or
  - (iv) that are claims by Preferred Creditors.

### Headings

2. The divisions of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

### Number, etc.

3. In this Proposal, where the context requires, a word importing the singular includes the plural and vice versa, and a word importing gender includes the masculine, feminine and neuter genders.

1408998 Ontario Inc.  
Proposal  
Page 3

**Date for Action**

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

**Successors and Assigns**

5. This Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, personal representatives, successors and assigns of all persons named or referred to herein including, without limitation, all Creditors.

**Accounting Principles**

6. Accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted Canadian accounting principles.

**PART II  
PURPOSE AND EFFECT OF THIS PROPOSAL**

**Purpose of Proposal**

7. The purpose of this Proposal is to provide the Unsecured Creditors with a greater dividend than would result from a forced liquidation of the Property and amends the terms of any and all agreements between 140 and the Unsecured Creditors existing at the Filing Date.

**Persons Affected**

8. This Proposal will, as of the Effective Date, be binding on 140 and all Preferred Creditors and Unsecured Creditors of 140.

**PART III  
SECURED CREDITOR CLAIMS**

9. The Claims of the Secured Creditors, if any, of 140 shall be dealt with in accordance with the arrangements made between 140 and its Secured Creditors.

**PART IV  
UNSECURED CREDITOR CLAIMS**

**Payment of Unsecured Claims**

10. Subject to paragraph 11 hereof, 140 will cause to be paid to the Proposal Trustee:
  - a) the sum of \$550,000 (the "Proposal Funds") to be paid as follows:
    - i. Claims, if any, in Part VI of this Proposal, to be paid within six (6) months

1408998 Ontario Inc.  
Proposal  
Page 4

- after the Court Approval Date, and
- ii. The sum of \$70,000 to be paid no later than thirty (30) days following the amount paid in subsection (i) herein, and
  - iii. The balance, representing the difference between the Proposal Funds and the total amounts paid in subsections (i) and (ii) herein, to be paid in seventeen (17) equal monthly instalments commencing no later than thirty (30) days following the payment of the amount noted in subsection (i) herein.

The funds to be received by the Proposal Trustee shall be paid as follows:

- b) the fees and costs of the Proposal Trustee;
- c) the claims, if any, in Part VI of this Proposal, in priority to the Unsecured Creditors;
- d) the full amount of the admitted claims of the Unsecured Creditors to be distributed pro-rata, less applicable levy of the Office of the Superintendent of Bankruptcy, without interest, and without penalty, among the Unsecured Creditors.

#### Effect of Payment

11. Unsecured Creditors will accept the payments provided in Part IV of this Proposal, in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of 140. Upon the making of all payments provided for in this Part IV, any and all such claims, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without costs to 140.

#### PART V POST FILINGS

12. 140 covenants and agrees to keep all filings, remittances and instalments, if any, to Canada Revenue Agency current for the post filing returns.

#### PART VI PREFERRED CLAIMS AND MANDATORY PAYMENTS

##### Crown Claims

13. Unless Her Majesty consents, 140 shall pay in full, within six months after the Court Approval Date, all amounts that were outstanding at the Filing Date that are of a kind that could be subject to a demand under:
  - (a) subsection 224(1.2) of the *Income Tax Act*;
  - (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a

1408998 Ontario Inc.  
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contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
  - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

#### Set Off

- 14. 140 acknowledges that Her Majesty the Queen will have the right to exercise its right of set off with respect to any income tax or GST refunds pertaining to the period prior to the Proposal.

#### Preferred Claims

- 15. Preferred Claims, without interest, are to be paid in full in priority to all Claims of Unsecured Creditors including, without limitation, any entitlement of Unsecured Creditors to the payments to be made under Part IV of this Proposal.

#### Payment of Fees

- 16. All proper fees and expenses of the Proposal Trustee and reasonable legal and other professional fees of and incidental to the proceedings and transactions arising out of this Proposal and in connection with the preparation of this Proposal, and the administration of this Proposal, including advice to 140 in connection therewith, will be paid in addition to the Proposal Funds by the Debtor. The Proposal Trustee will be at liberty to withdraw and pay such fees from time to time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal.

#### Employees' Claims

- 17. All payments payable to former or current employees of 140, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if 140 became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of traveling salesmen, disbursements properly incurred by those salesmen during the same period.



## PART VII EVENTS OF DEFAULT

18. The following events will constitute Events of Default for the purpose of section 63 of the Act and otherwise under this Proposal:
- (a) the non-payment of the amounts to the Proposal Trustee pursuant to paragraph 10; or
  - (b) the enforcement by any Secured Creditor of its security over all the assets of 140.

## PART VIII TRUSTEE

### Confirmation of Appointment

19. The Proposal Trustee shall be the trustee under this Proposal and all monies payable under this Proposal, unless otherwise provided herein, shall be paid over to the Proposal Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
20. The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of 140.
21. Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

## PART IX INSPECTORS

### Appointment of Inspectors

22. At the Creditors' Meeting, the Unsecured Creditors will be entitled to appoint one or more, but not exceeding five (5) inspectors in total. The inspectors will have the following powers, but will have no personal liability to 140 or other Creditors:
- (a) the power to extend the dates of payments provided under this Proposal;
  - (b) the power to waive any default in the performance of any provision of this Proposal;
  - (c) the power to advise the Proposal Trustee in respect of such matters as may be referred to the inspectors by the Proposal Trustee; and
  - (d) the power to advise the Proposal Trustee concerning any dispute that may arise to the validity of Claims of Preferred Creditors and Unsecured Creditors under this Proposal.

### **PART X CONDITIONS PRECEDENT**

23. The performance of this Proposal by 140 shall be conditional upon the fulfillment or satisfaction of the following conditions within thirty (30) Business Days following the issuance of the Final Order:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
  - (b) the Final Order has been issued and the time for bringing any appeal therefrom has expired;
  - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued; and
  - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by 140 in a form satisfactory to him and the Proposal Trustee.

### **PART XI RELEASE**

24. Upon the Effective Date, each and every present and former director of 140 (collectively, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action that arose before the commencement of the proceedings under the Act, in respect of the potential statutory liabilities of the former, present and future directors, and provided nothing herein shall release or discharge any of the Released Parties from claims that:
- (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors;
  - (b) are based on allegations or misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors.
25. Sections 95-101 of the Act shall not apply to any dealings by 140 having taken place during the period prior to the Filing Date.

### **PART XII MISCELLANEOUS**

#### **Consents, Waivers and Agreements**

26. On the Effective Date, all Unsecured Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Unsecured

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Creditor will be deemed to have waived any default by 140 in any provision, express or implied, in any agreement existing between the Unsecured Creditor and 140 that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

#### **Further Actions**

27. 140 and the Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated hereby.

#### **Performance**

28. All obligations of 140 under this Proposal will commence as of the Effective Date. All obligations of 140 under this Proposal will be fully performed for the purposes only of section 65.3 of the Act upon 140 having made the payments to the Proposal Trustee provided for herein.

#### **Binding Effect**

29. The provisions of this Proposal will be binding on the Creditors and 140, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Final Order after all appeal periods have expired.

### **PART XIII ANNULMENT OF PROPOSAL**

#### **Annulment**

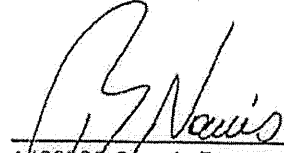
30. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

### **PART XIV MODIFICATION**

31. 140 may propose amendments to the Proposal at any time prior to the conclusion of the Creditors' Meeting provided that any such amendment does not reduce the rights and benefits given to the Unsecured Creditors pursuant to the Proposal before such amendment and that any and all amendments shall be deemed to be a part of and incorporated into the Proposal.

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Dated at Toronto, Ontario, this 5<sup>th</sup> day of August 2015.



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1408998 Ontario Inc.  
per. Perry Novis

Estate No. 31-2013017

2015

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF  
1408998 ONTARIO INC.  
OF THE CITY OF TORONTO,  
PROVINCE OF ONTARIO

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**ORDER**

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**Rosen Goldberg Inc.  
Trustee in Bankruptcy  
5255 Yonge Street  
Suite 804  
Toronto, Ontario  
M2N 6P4  
Telephone: (416) 224-4200  
Facsimile: (416) 224-4330**

# Appendix “D”

April 12, 2016

**Rosen Goldberg Inc.**  
**in its capacity as Trustee in Bankruptcy of 1408998 Ontario Inc. o/a Prodisposal Services**  
5255 Yonge Street, Suite 804  
Toronto, Ontario  
M2N 6P4

Attention: Brahm Rosen and Joel Ross

Dear Sirs:

**Re: 1408998 Ontario Inc. o/a Prodisposal Services (“Prodisposal”)**

We understand that Rosen Goldberg Inc. (“**RGI**”) has been appointed as trustee in bankruptcy of Prodisposal (in such capacity, the “**Trustee**”), pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). As communicated in our telephone call of March 31, 2016, 2227800 Ontario Limited (the “**Offeror**”) is interested in acquiring all of the business assets of Prodisposal more particularly detailed in **Schedule “A”** attached hereto (collectively, the “**Business Assets**”).

However, it is the Offeror’s view that, to ensure that the Business Assets and all other assets of Prodisposal retain their maximum value (including, without limitation, to facilitate the Trustee’s collection of past accounts receivable), the Business Assets of Prodisposal must continue to be used to satisfy the needs of Prodisposal’s customers. As such, the continued operation of the Business Assets is, in the Offeror’s view, in the best interest of all stakeholders of Prodisposal.

As discussed, the Offeror is willing to assist the Trustee in the continued operation of Prodisposal’s business (the “**Business**”), as agent for and on behalf of the Trustee, in connection with its submission of a formal offer to purchase the Business Assets, on the terms and conditions set out in this letter of understanding (this “**Agreement**”):

1. **Use of Business Assets.** The Offeror shall, as of the date this Agreement is acknowledged, agreed and accepted by the Trustee (the “**Effective Date**”), begin using the Business Assets for and on behalf of the Trustee as the Trustee’s agent, which shall include the following:
  - (a) collecting the Business Assets at locations in use or controlled by the Offeror, to ensure that they are able to be used in the Business;
  - (b) ensuring that customer orders for disposal services are met by the delivery of disposal bins to customer sites for use;
  - (c) handling the emptying of all disposal bins at appropriate dump sites;
  - (d) hiring of drivers, on a contract basis and not as employees, to drive any of the vehicles required in the operation of the Business (the “**Prodisposal Vehicles**”);

- (e) providing a yard for storage of disposal bins not in use, an office for the general administration of the Business, and a repair facility for the Prodisposal Vehicles;
  - (f) maintaining and repairing the Prodisposal Vehicles and any disposal bins;
  - (g) supplying (or obtaining) fuel for the Prodisposal Vehicles;
  - (h) meeting and communicating with all customers of Prodisposal, as and when necessary;
  - (i) accounting for operating expenses incurred on account of the use of the Business Assets (collectively, "**Business Expenses**"), including, without limitation, any dumpage fees, wages owed to drivers of the Prodisposal Vehicles, lease payments (including past due lease payments) on the Prodisposal Vehicles, insurance costs, fuel costs, licensing costs, and 407ETR fees incurred after the Effective Date;
  - (j) issuing invoices (collectively, the "**New Invoices**") for all services performed by Prodisposal, or generated from the use of its assets (whether by the Trustee, the Offeror or others, on or after March 16, 2016 (the "**New Invoice Start Date**"); and
  - (k) collecting amounts owing under the New Invoices (collectively, "**New A/R**").
2. **Trustee's Assistance.** The Trustee hereby acknowledges and agrees that it shall provide assistance in gathering, organizing and documenting the Business Assets, and ensuring that the Offeror has unrestricted access to the Business Assets in order to facilitate the use of same for the operations described in Section 1 of this Agreement. In addition, the Trustee agrees to assist the Offeror to obtain new license stickers for any Prodisposal Vehicles by addressing any claims by the 407ETR.
3. **CVOR.** The Trustee and the Offeror acknowledge and agree that any Prodisposal Vehicles will be used by the Offeror, as agent for and on behalf of the Trustee, under the commercial vehicle operators registration ("**CVOR**") issued to Perry Novis.
4. **Term.** Unless terminated earlier in accordance with Section 15 of this Agreement, the Offeror shall use the Business Assets as agent for and on behalf of the Trustee in accordance with this Agreement from the Effective Date until the date on which: (a) the Trustee advises the Offeror that another party is the successful bidder for the Business Assets; or (b) the Offeror acquires the Business Assets (with such date being referred to herein as the "**Termination Date**" and the period from the Effective Date to the Termination Date being referred to herein as the "**Term**").
5. **Revenue Generated from use of Business Assets.** During the Term, all revenue generated by the Offeror's use of the Business Assets and collection of New A/R (collectively, "**New Revenue**") shall be kept in a segregated account of the Offeror and shall be used and paid as follows:



- (a) firstly, used by the Offeror to pay itself for any of the Business Expenses, as and when they come due;
- (b) secondly, the Offeror shall be entitled to pay itself, on a weekly basis, an amount equal to 15% of the difference between: (i) New Revenue; and (ii) Business Expenses (the “Service Fee”), provided that, in the event that the Offeror is the successful purchaser of the Business Assets, no Service Fee shall be paid. Such amount will be considered a service fee in consideration for the considerable time, effort and skill the Offeror has to employ in keeping the Business Assets in operation in accordance with the terms of this Agreement; and
- (c) thirdly, on the Termination Date, if the Offeror is not the successful purchaser of the Business Assets, the remaining amount of Net Revenue (after all amounts owing in connection with Sections (a) and (b) above) shall be paid by the Offeror to the Trustee, or as the Trustee shall direct.

6. **Accounting Matters.**

- (a) The Offeror shall ensure that business records generated in the operation of the Business from and after the Effective Date are kept, in accordance with reasonable accounting practices and sufficient to determine New Revenue and Business Expenses. These records shall include a customer list, a site locations list, details and copies of New Invoices (with sufficient backup to assist in collection of New A/R), details of New A/R and collection of New A/R, and details of and receipts for Business Expenses. The Offeror shall, upon reasonable notice and during regular business hours, make such business records available to the Trustee for review.
- (b) The records, operations, accounts, and funds generated from the use of the Business Assets shall be kept separate from any records, operations, accounts, and funds generated in the other business of the Offeror or its affiliates.
- (c) The Offeror shall provide to the Trustee financial details of its use of the Business Assets by providing to the Trustee, on a weekly basis, by the Wednesday of each week for the previous week, a statement of the New A/R, details of collection of any New A/R, a statement of accounts payable, a balance sheet and an income statement.
- (d) On the Termination Date, if the Offeror is not the successful purchaser of the Business Assets, the Business Records shall be turned over to the Trustee, provided that the Offeror shall be able to retain a copy of such business records. If the Offeror is the successful purchaser of the Business Assets, the Offeror shall be entitled to retain the Business Records.

7. **Offeror’s APS.** In connection with this Agreement, the Offeror has submitted or will submit an agreement of purchase and sale (the “APS”) whereby the Offeror will offer to purchase the Business Assets, on terms customary for a purchase of assets in a bankruptcy, including, without limitation, on an “as-is, where-is” basis, subject to

approval by the proven creditors in the estate of Prodisposal and/or by the inspectors in the estate of Prodisposal and/or by the Court, in accordance with the terms of the APS. The APS shall be open for acceptance until at least May 6, 2016 (the “**APS Acceptance Date**”). The Trustee and the Offeror shall negotiate in good faith to come to an acceptable form of APS. The Trustee shall then have the option, to further market the Business Assets to other potential purchasers, provided that:

- (a) any offers to purchase the Business Assets from other potential purchasers must be received by the Trustee by May 5, 2016;
- (b) the identity of the Offeror, its officers, directors and its affiliates shall not be disclosed by the Trustee to any party;
- (c) the purchase price in the APS shall not be disclosed by the Trustee to any party; and
- (d) in the event that the Trustee receives one (1) or more offers to purchase the Business Assets that is/are (collectively, the “**Superior Bids**”):
  - (i) on substantially the same terms as the APS;
  - (ii) for a purchase price equal to or in excess of the purchase price offered under the APS;
  - (iii) include a deposit, which has been paid to the Trustee, of at least as much as the Deposit (as defined in Section 8 below);
  - (iv) made by a potential purchaser who has reasonably demonstrated to the Trustee that it has the financial wherewithal to complete a purchase for the Business Assets; and
  - (v) otherwise acceptable by the Trustee as superior bid(s) to the APS;

then the Trustee will distribute to the Offeror and to the makers of the Superior Bids an invitation to an auction for all (but not a portion) of the Business Assets to be held at the office of the Trustee (the “**Auction**”), with the rules for the conduct of the auction reasonably established by the Trustee, acting in its sole and unfettered discretion, with a view of maximizing the sale price for the Business Assets. In the event of any Auction, if the Offeror is not ultimately the successful bidder for the Business Assets, the Trustee shall return the Deposit (as defined in Section 8 below) to the Offeror in full (without deduction or set-off), pay the Net Loss (as defined in Section 10 below) to the Offeror, and pay a break-up fee of \$25,000 (the “**Break-Up Fee**”) in consideration of the Offeror’s submission of the APS, fulfillment of its terms hereunder and the APS generating a Superior Bid. The Auction shall be held by not later than May 11, 2016, and the close of the APS or such other sale under a Superior Bid (as each may have been amended by the Auction) shall close by not later than May 13, 2016.

8. **APS Deposit.** In connection with this Agreement and the APS, the Offeror has paid a deposit of \$50,000 to the Trustee (the “**Deposit**”), to be held as a security deposit in respect of the Offeror’s fulfilment of this Agreement and care of the Business Assets. In the event that the Offeror completes the APS (including any amendments thereto generated by the Auction), the Deposit shall be applied against the purchase price due on completion of the transaction contemplated under the APS (the “**APS Closing**”). The Deposit shall be held as follows:
- (a) the Trustee agrees to cause the Deposit to be held in trust and placed in a non-interest bearing account;
  - (b) if any substantiated claim is made under the indemnity, the Deposit shall be used to satisfy such claim;
  - (c) if, (i) due to a default on the part of the Trustee the APS is terminated or the APS Closing otherwise fails to occur; or (ii) the Trustee elects to proceed with a sale of some or all of the Business Assets to another party other than the Offeror, the Deposit shall be returned to the Offeror, in full, without set off or deduction;
  - (d) if the APS is terminated or the APS Closing fails to occur solely as a result of a default of the Purchaser under the APS, the Deposit shall be retained by the Trustee on account of liquidated damages and not as a penalty, which shall be the Trustee’s sole recourse against the Purchaser; and
  - (e) if the Trustee makes a claim under the indemnity given by the Purchaser in Section 16 below for an actual, substantiated loss (which has been finally determined), such claim shall be satisfied by the Deposit (or the portion thereof necessary to satisfy such claim).
9. **Insurance.** The Offeror shall obtain and maintain adequate insurance policies with respect to its use and possession of the Business Assets, consistent with regular business practices of participants in the same industry. The Offeror shall ensure that the Trustee is provided with full details of such insurance policies and that the Trustee is named as first loss payee (provided that the Trustee shall be removed as first loss payee if the APS is concluded with the Business Assets being sold to the Offeror).
10. **Payment of Net Loss.** In the event that the APS is not concluded with the Business Assets being sold to the Offeror, and the New Revenue collected by the Offeror is insufficient to cover the Business Expenses (with such shortfall being the “**Net Loss**”), the Net Loss shall be considered an expense of the Trustee in the context of the bankruptcy proceedings of Prodisposal in accordance with Section 136(b)(ii) of the BIA, and the Trustee shall pay an amount equal to the Net Loss to the Offeror from the proceeds of sale of the Business Assets in accordance with the scheme of distribution set out in the BIA. For greater certainty, the Net Loss shall be funded by the Offeror unless and until: (a) the maker of a Superior Bid purchases the Business Assets (in which case the Net Loss shall be paid to the Offeror on the closing of such Superior Bid); or (b) the Trustee terminates this Agreement and completes a sale or liquidation of sale of the Business

Assets by any means other than a Superior Bid, and the gross proceeds from such sale are greater than the purchase price offered by the Offeror under the APS.

11. **Acting as Trustee's Agent.** The Trustee and the Offeror acknowledge and agree that, pursuant to this Agreement, including, without limitation, the Offeror's use of the Business Assets, the Offeror is acting solely as an agent of the Trustee and at the Trustee's direction and shall, at all times, be deemed to be an independent contractor, and not as a successor to Prodisposal or its business or assets.
12. **Liability Limited.** Except as provided in this Agreement or by applicable law, the Offeror does not assume and shall not be liable for any obligations or liabilities of the Trustee or Prodisposal whatsoever, including, without limitation, any and all environmental obligations or liabilities of Prodisposal relating to the Business Assets, any taxes or duties which may be or become payable by the Trustee or Prodisposal, including any income taxes, corporate taxes, source deductions or customs duties, other source deductions than arising as a consequence of the use of the Business Assets in accordance with the terms hereof.
13. **Title to Business Assets.** Unless the APS is concluded with the Business Assets being sold to the Offeror, title to the Business Assets will remain with the Trustee, and the Business Assets will remain at the risk of the Trustee.
14. **Tax Matters.** The Trustee shall be responsible for filing any necessary income or corporate tax returns required in connection with amounts owing on behalf of the estate of Prodisposal and paying any necessary amounts owing under such returns on behalf of Prodisposal.
15. **Termination.**
  - (a) This Agreement may be terminated by the Trustee or the Offeror for any reason, upon delivery of a written notice to the other party. If this Agreement is terminated for any reason whatsoever, the Offeror shall be: (a) entitled to deduct from Net Revenue any amounts it has paid on account of Business Expenses which were not paid; (b) shall, in accordance with, and subject to the limitations in, Section 10 hereof, be paid the Net Loss on the sale of the Business Assets to a purchaser or the liquidation of the Business Assets by the Trustee.
  - (b) Upon the termination of this Agreement, unless the APS is concluded with the Business Assets being sold to the Offeror, the Offeror shall gather the Business Assets at its locations, provide details of those locations to the Trustee or its agents and shall make the Business Assets available at such locations for pickup by the Trustee or its agents during reasonably business hours. The Offeror shall bear the cost of making the Business Assets available, but the Trustee shall bear all expenses relating to the removal of the Business Assets from the Offeror's locations.
16. **Indemnity.** The Offeror hereby indemnifies and saves harmless the Trustee from and against all losses, damages, expenses or liabilities, suffered or incurred by the Trustee

from and after the date hereof as a result of or arising directly out of or in connection with the use and operation of the Business Assets by the Offeror or its employees. For greater certainty the indemnity granted hereunder by the Offeror does not extend to any claims made against the Trustee by creditors of the Debtor against the Business Assets, title to the Business Assets or the Trustee's execution and delivery of this Agreement.

17. **Miscellaneous.** This Agreement shall be governed by the laws of the Province of Ontario and the Federal laws of Canada therein. This Agreement may be executed in one or more counterparts and delivered by emailed PDF or other electronic transmission and each such counterpart shall be deemed to be an original and constitute one and the same Agreement. This Agreement shall be binding on the successors and assigns of the parties hereto. Neither party shall assign its rights or obligations hereunder without the prior consent of the other party, which consent shall not be unreasonably withheld, provided that the Offeror may assign all of its rights and obligations hereunder to an affiliate who agrees to be bound by the terms and conditions hereof, without the consent of the Trustee. If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect. Each of the Trustee and the Offeror shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, at such requesting party's cost, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
18. **Confidentiality.** Each of the Trustee and the Offeror agrees to keep the terms of this Agreement confidential and not disclose it to any other party, except as required in accordance with applicable law.

[Signature Page Follows]

Yours Truly,

**2227800 ONTARIO LIMITED**

By: 

Name: Michael Rice

Title: President

The foregoing terms are acknowledged, agreed and accepted by the Trustee as of this 12 date of April, 2016.

**ROSEN GOLDBERG INC.,**

in its capacity as Trustee in Bankruptcy of  
1408998 Ontario Inc. o/a Prodisposal Services

By: 

Name: BRAMM ROSEN

Title: President

**SCHEDULE A  
BUSINESS ASSETS**

1. All disposal bins owned by Prodisposal
2. All Prodisposal Vehicles and any leases with Prodisposal for Prodisposal Vehicles
3. All intellectual property and business names used in or owned by Prodisposal
4. The New A/R
5. All books and records used in the Business or relating to any of the above assets

25547204.6