

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

BETWEEN:

COMERICA BANK

Applicant

- and -

**ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING
PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS
HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC**

Respondents

**APPLICATION UNDER 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**

**MOTION RECORD
(RETURNABLE AUGUST 21, 2015)
RE: AUTHORIZATION FOR ASSIGNMENT IN BANKRUPTCY**

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INDEX

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INDEX

<u>Document</u>	<u>Tab No.</u>
Notice of Motion of KSV Kofman Inc., as Receiver	1
Fourth Report of the Receiver dated August 10, 2015	2
Proposed Order	3

TAB 1

Court File No. CV-13-10353-00CL

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

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**ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING
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COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED***

**NOTICE OF MOTION
(Returnable August 21, 2015)**

KSV Kofman Inc. (“KSV”) (formerly, Duff & Phelps Canada Restructuring Inc. (“D&P”), in its capacity as the Court-appointed receiver (in such capacity, the “Receiver”) of the undertaking, property, and assets of ARXX Building Products Inc. (“ARXX Canada”), ARXX Corporation, ARXX Building Products U.S.A. Inc. (“ARXX USA”), ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the “ARXX Group”), will make a motion to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario, on August 21, 2015, at 10:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER, *INTER ALIA*:

- (a) authorizing and directing the Receiver to file an assignment in bankruptcy on behalf of ARXX Canada;

- (b) authorizing KSV to act as Trustee in Bankruptcy (the “**Trustee**”) of ARXX Canada;
- (c) authorizing and directing the Receiver to transfer the balance of funds remaining in the receivership bank account, after funding any unpaid post-filing professional fees, to the Trustee forthwith after the commencement of the bankruptcy proceedings of ARXX Canada;
- (d) approving the Receiver’s Fourth Report to Court, dated August 10, 2015, and the Receiver’s activities described therein; and
- (e) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On December 9, 2013, this Honourable Court granted an order (the “**Appointment Order**”) appointing D&P as the Receiver of the undertaking, property, and assets of the ARXX Group pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
2. On June 30, 2015, D&P was acquired by KSV. Pursuant to an Order of this Honourable Court made on July 10, 2015, D&P’s ongoing mandates were transferred to KSV, including acting as Receiver in these proceedings;
3. The ARXX Group was in the business of designing and marketing building products known as insulating concrete forms, which are a green, energy-efficient technology used in residential and commercial construction. The business was operated principally through ARXX Canada, an Ontario Corporation, and ARXX USA, a Delaware company that is a wholly-owned subsidiary of ARXX Canada. ARXX USA was entirely dependent on ARXX Canada and did not operate on a standalone basis;
4. The Appointment Order authorized the Receiver to market any or all of the ARXX Group’s property, including advertising and soliciting offers in respect of the property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

5. On December 27, 2013, this Honourable Court granted an order approving a Stalking Horse Agreement dated December 19, 2013, between the Receiver and Airlite Plastics Co., and the related bidding procedures and sale process;
6. On December 30, 2013, a Chapter 15 order was granted by the United States Bankruptcy Court for the District of Delaware. A recognition order and sale approval order were granted by the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) on January 31, 2014;
7. On January 29, 2014, this Honourable Court granted an order approving a sale transaction (the “**Sale Transaction**”) between the Receiver and Airlite Plastics Co. (the “**Purchaser**”), vesting in the Purchaser all of the ARXX Group’s right, title and interest in and to the purchased assets, and authorizing certain distributions by the Receiver to Comerica Bank;
8. On February 3, 2014, the Sale Transaction closed;
9. On June 24, 2014, this Honourable Court granted an order discharging the Receiver and directing the Receiver to return to Court with recommendations if there existed a surplus once the administration of the receivership was complete (the “**Discharge Order**”);
10. On August 19, 2014, the US Court entered an order recognizing the Discharge Order and terminating the Chapter 15 proceedings;
11. The Receiver has completed the administration of the receivership in respect of the ARXX Group and a surplus of approximately \$26,000 remains, before funding the costs of the within motion. Accordingly, the Receiver anticipates the surplus to be approximately \$15,000, which will be used to fund the costs to administer the proposed bankruptcy proceeding of ARXX Canada;
12. Circumstances exist that make the Order sought by the Receiver appropriate;
13. All interested parties have been served with the materials in respect of this motion;
14. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.S.O. 1990, Reg. 194, as amended; and

15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the Fourth Report and the exhibits thereto; and
- (b) such further and other material as counsel may advise and this Honourable Court may permit.

Date: August 11, 2015

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TO: This Honourable Court

AND TO: The Service List

**Service List
As of August 11, 2015**

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- AND TO: FOURMARK MANUFACTURING**
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- AND TO: BENCHMARK FOAM INC.**
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- AND TO: TEGRANT CORPORATION**
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- AND TO: OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY OF CANADA**
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- AND TO: PENTALOCK INVESTMENTS INC.**
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COMERICA BANK

and

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION,
ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS,
LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND
ECO-BLOCK INTERNATIONAL, LLC

Court File No. CV-13-10353-00CL

APPLICANT

RESPONDENTS

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

Proceedings commenced in Toronto

NOTICE OF MOTION

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TAB 2



**Fourth Report of
KSV Kofman Inc.
as Receiver of ARXX Building Products Inc.,
ARXX Building Products U.S.A. Inc., ARXX
Corporation, ECB Holdings, LLC, APS
Holdings, LLC, Unisas Holdings, LLC and
Eco-Block International, LLC**

August 10, 2015

Contents

1.0	Introduction.....	1
1.1	Purposes of this Report.....	2
1.2	Currency.....	3
2.0	Background.....	3
2.1	The Airlite Transaction.....	4
2.2	Comerica Bank and Distributions in these Proceedings.....	4
2.3	Receiver's Discharge.....	4
3.0	Surplus Funds.....	5
4.0	Bankruptcy.....	5
5.0	Professional Fees.....	7
6.0	Overview of Activities.....	7
7.0	Service List.....	8
8.0	Conclusion and Recommendation.....	8

Appendices

Receivership Order and Endorsement dated December 9, 2013.....	A
Court Order dated July 10, 2015.....	B
Endorsement dated June 24, 2014.....	C
Interim Statement of Receipts and Disbursements.....	D



COURT FILE NO: CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COMERICA BANK

APPLICANT

- AND -

ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS U.S.A. INC., ARXX CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC AND ECO-BLOCK INTERNATIONAL, LLC

RESPONDENTS

FOURTH REPORT OF
KSV KOFMAN INC.
AS RECEIVER

AUGUST 10, 2015

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV")¹ in its capacity as receiver ("Receiver") of the properties, assets and undertakings of ARXX Building Products Inc. ("ARXX Canada"), ARXX Building Products U.S.A. Inc. ("ARXX USA"), ARXX Corporation, ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC and Eco-Block International, LLC (collectively, the "ARXX Group").

¹ On June 30, 2015, Duff & Phelps Canada Restructuring Inc. ("D&P") was acquired by KSV. Pursuant to an Order of the Ontario Superior Court of Justice made on July 10, 2015, D&P's ongoing mandates were transferred to KSV, including acting as Receiver in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to June 30, 2015 remain unchanged.

2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on December 9, 2013 ("Receivership Order"), D&P was appointed Receiver of the ARXX Group. Copies of the Receivership Order and the Endorsement of the Honourable Justice Morawetz dated December 9, 2013, are attached as Appendix "A". A copy of the Court order substituting KSV for D&P as Receiver in these proceedings is attached as Appendix "B".
3. On December 30, 2013, the Receiver, as Foreign Representative, commenced proceedings in the United States Bankruptcy Court for the District of Delaware ("US Court") seeking recognition of the Canadian receivership proceedings as foreign main proceedings under Chapter 15 of the US Bankruptcy Code. On January 31, 2014, the US Court extended the relief granted by the Provisional Order by entering an order that, among other things, recognized the Canadian proceedings as foreign main proceedings (the "US Recognition Order").
4. The primary purpose of these cross-border receivership proceedings was to allow the ARXX Group's business to continue to operate while a Court-approved "stalking horse" sale process for its business and assets was carried out in a stabilized environment ("Sale Process").

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) Provide background information about the ARXX Group and these proceedings, including the Court-approved transaction resulting from the Sale Process;
 - b) Provide the Receiver's rationale for it being authorized to file an assignment in bankruptcy on behalf of ARXX Canada;
 - c) Report on the fees of the Receiver and its legal counsel relative to the fee accrual approved by this Honourable Court at the last motion in these proceedings, being the Receiver's discharge motion heard on June 24, 2014 (the "Discharge Motion");
 - d) Provide an overview of the Receiver's activities since the Discharge Motion; and

- e) Recommend that this Honourable Court issue an Order:
- Authorizing and directing the Receiver to file an assignment in bankruptcy on ARXX Canada's behalf;
 - Authorizing KSV to act as Trustee in Bankruptcy (the "Trustee") of ARXX Canada's bankrupt estate; and
 - Authorizing and directing the Receiver to transfer surplus funds from the receivership bank account to the Trustee, after payment of any unpaid post-filing professional fees.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. The ARXX Group designed and marketed building products known as insulating concrete forms ("ICF"). ICF is an environmentally friendly and energy efficient technology system of formwork for structural walls and floors of buildings used in residential and commercial construction. The forms are used to hold fresh concrete, which provide insulation for the structures they enclose.
2. The ARXX Group's principal line of business was selling ICF. The ARXX Group purchased ICF on a "just-in-time" basis from various suppliers and immediately shipped the product to customers, primarily consisting of distributors, general contractors and builders. The ARXX Group also hired subcontractors to install ICF for commercial customers.
3. The ARXX Group operated from leased premises in Cobourg, Ontario, which served as its head office.
4. At the commencement of these proceedings, ARXX Canada and ARXX USA employed nine and seven individuals, respectively. The workforce was not unionized and it did not maintain any registered pension plans.
5. Further information about the ARXX Group and its background and copies of materials filed in the receivership proceedings, including the ancillary US Chapter 15 materials, can be found on the Receiver's website at: <http://www.ksvadvisory.com/insolvency-cases>.

2.1 The Airlite Transaction

1. In accordance with a Court order made on December 27, 2013, the Receiver carried out the Sale Process. Airlite Plastics Co. (the "Purchaser") acted as the stalking horse in the Sale Process.
2. Pursuant to a Court order made on January 29, 2014 ("Sale Approval Order"), the Court approved a transaction with the Purchaser, which resulted in the sale of substantially all of the ARXX Group's business and assets for US\$3.2 million (the "Transaction"). On January 31, 2014, the US Court recognized the Sale Approval Order. The Transaction closed on February 3, 2014.

2.2 Comerica Bank and Distributions in these Proceedings

1. At the commencement of these proceedings, the Company's principal secured creditor was Comerica Bank ("Comerica"), which was owed approximately \$3.6 million. Comerica was also the Applicant in these proceedings.
2. Comerica was repaid in full over the course of these proceedings in accordance with a distribution order made by the Court on January 29, 2014. The distributions to Comerica were principally funded from proceeds generated from the Transaction and accounts receivable collections. Comerica also applied cash collateral (US\$750,000) funded by the ARXX Group prior to the receivership proceedings against the secured indebtedness owing from the ARXX Group.
3. The Receiver is not aware of any other secured creditors of the ARXX Group.

2.3 Receiver's Discharge

1. Pursuant to an Order made on June 24, 2014 (the "Discharge Order"), the Court approved the Receiver's discharge subject to the Receiver completing its administration. On August 19, 2014, the US Court entered an Order recognizing the Discharge Order and terminating the Chapter 15 Proceedings.
2. As set out in the Receiver's Third Report to Court dated June 13, 2014, the Receiver intended to bring a motion to seek authority to place into bankruptcy certain or all of the entities in the ARXX Group in order to utilize the provisions of the *Bankruptcy and Insolvency Act* ("BIA") to distribute surplus funds to unsecured creditors, in the event that there were surplus funds available after paying costs related to the receivership.
3. The Endorsement of the Honourable Justice Morawetz dated June 24, 2014, a copy of which is attached as Appendix "C", contained the following in respect of surplus funds:

"It is possible that there could be a small surplus available for unsecured creditors. The Receiver recommends that rather than address this possibility today – it will report further with recommendations if there is a surplus."

4. The Receiver has not yet filed its Discharge Certificate – it intends to do so after the surplus funds issue is addressed, in accordance with Justice Morawetz's June 24th endorsement.

3.0 Surplus Funds

1. Attached as Appendix "D" is an interim statement of receipts and disbursements from the commencement of these proceedings to August 9, 2015, reflecting a balance of approximately \$26,000 in the receivership bank account. The Receiver is not aware of any other assets of the ARXX Group that have not been realized upon.
2. The Receiver anticipates that there will be approximately \$15,000 available after paying all sundry costs related to the receivership, principally being professional costs incurred in connection with this final motion.

4.0 Bankruptcy

1. Given that the funds remaining are estimated to be approximately \$15,000, there will not be any funds available for distribution to the ARXX Group's unsecured creditors after considering the costs of a bankruptcy. In order to determine if there were options other than a bankruptcy to deal with the surplus funds, the Receiver contacted the Official Receiver in its district, being a representative of the Office of the Superintendent of Bankruptcy (Canada) ("OSB").
2. One option considered by the Receiver and the OSB was to deal with the surplus funds on the basis contemplated for undistributed funds in a bankruptcy proceeding under Section 154 and Directive 18 of the BIA. However, based on discussions with the OSB, it was confirmed that these provisions of the BIA are only applicable in a bankruptcy and that a bankruptcy appears to be the only applicable mechanism available to deal with the surplus funds. Accordingly, the Receiver determined that it would seek an order authorizing it to file an assignment in bankruptcy in order to bring finality to these proceedings.
3. There is not a detailed allocation of the surplus funds among the entities in the ARXX Group given, *inter alia*, the immaterial quantum of the remaining funds. In this regard, the Receiver believes it is appropriate for the surplus funds to be allocated to ARXX Canada, and for that entity to be assigned into bankruptcy, for the following reasons:
 - It was determined at the outset of these proceedings, including pursuant to the US Recognition Order, that the ARXX Group's Centre of Main Interest was Canada. ARXX Canada was the only Canadian entity and principal operating entity in the ARXX Group - the other entities in the ARXX Group were entirely dependent on ARXX Canada and could not operate on a standalone basis. All administrative, corporate governance, tax and financial, cash management, human resource, payroll, information technology and management functions

for each entity in the ARXX Group were carried out by employees of ARXX Canada;

- If the funds are allocated to ARXX Canada, it will permit a single bankruptcy filing whereas allocation across multiple entities in the ARXX Group would create multiple estates. There are insufficient funds remaining to fund multiple bankruptcy proceedings, much less any US bankruptcy proceedings for the US entities in the ARXX Group; and
- Based on the ARXX Group's books and records, the dollar value of claims against ARXX Canada is greater than the dollar value of claims against any other entity in the ARXX Group. In addition, the books and records do not include any "off balance sheet" obligations, particularly employee severance and termination claims or landlord claims, which would largely be claims against ARXX Canada that would likely exceed \$1 million. A summary of the known unsecured claims against each entity of the ARXX Group is reflected in the table below.²

Debtor	Claims (\$)	Percentage
ARXX Canada	2,294,018 ³	63.0%
ARXX USA	1,283,059	35.3%
ARXX Corporation	-	0%
ECB Holdings, LLC	62,500	1.7%
APS Holdings, LLC	-	0%
Unisas Holdings, LLC	-	0%
Eco-Block International, LLC	-	0%
Total	3,639,577	100%

4. The Receivership Order does not authorize the Receiver to place into bankruptcy any of the entities within the ARXX Group. Given that all of the ARXX Group's Directors and Officers resigned on or around the commencement of the receivership proceedings, the Receiver is seeking an order authorizing it to file an assignment in bankruptcy on behalf of ARXX Canada.
5. On the basis noted above, the Receiver believes that a bankruptcy is required in order to bring these proceedings to a conclusion. The Receiver is also of the view that it is appropriate for it to act as Trustee given its knowledge of ARXX Canada and these proceedings.

² US dollar claims have been converted at \$1.25CAD/\$1USD

³ Includes \$1 million of estimated landlord and employee claims against ARXX Canada.

6. Should the Court authorize the Receiver to file an assignment in bankruptcy on behalf of ARXX Canada, the Receiver intends to transfer the surplus funds to the Trustee upon commencement of the bankruptcy proceedings, after funding any unpaid post-filing professional fees. The Receiver would then file its Discharge Certificate as it will have completed its administration of these receivership proceedings.

5.0 Professional Fees

1. The Discharge Order approved the Receiver's fee accrual of \$40,000 to cover the fees of the Receiver and its legal counsel.
2. Since the Discharge Order was issued, the fees incurred by the Receiver and its legal counsel total approximately \$48,000. Given the insignificant difference between the actual fees incurred and the fee accrual, the Receiver does not believe that the cost of submitting additional fee affidavits and other materials is required.

6.0 Overview of Activities

1. The Receiver's activities since the Discharge Motion, being the date on which its activities were most recently approved, have included the following:
 - Corresponding with Torys LLP, the Receiver's Canadian legal counsel, concerning all outstanding matters and issues in connection with the receivership proceedings;
 - Corresponding with Young Conaway Stargatt & Taylor, LLP, the Receiver's US counsel, concerning all matters and issues in connection with concluding the US recognition proceedings;
 - Dealing with cash management issues, including paying post-filing expenses from the receivership accounts;
 - Corresponding with account debtors in connection with accounts receivable collections;
 - Corresponding with a collection agency engaged by the Receiver in respect of accounts receivable collections;
 - Corresponding with the Purchaser to deal with sundry post-closing issues;
 - Reviewing and commenting on a Notice of Filing of Receiver's Final Report and motion to, among other things, have the US Court recognize the Discharge Order and terminate the Chapter 15 proceedings;
 - Providing former US and Canadian employees 2015 W2s and T4s, respectively;

- Corresponding extensively with former employees and consultants of ARXX Canada in order to provide them with other information required for their tax filings;
- Corresponding with a representative of the OSB regarding the surplus funds issue detailed in this Report; and
- Preparing this Report.

7.0 Service List

1. Given that the ARXX Group's unsecured creditors are the parties with an economic interest in these proceedings, the Receiver has served a copy of this Motion Record on the nine largest unsecured creditors, representing approximately 60% in value of the known unsecured claims against the ARXX Group. The Receiver will update the Court at the return of this motion should it receive feedback from any stakeholder in respect of any of the relief sought herein.
2. The Receiver has also served the OSB given the reference in this Report to its discussions with the OSB on the issue of surplus funds.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an Order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc.

**KSV KOFMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS USA INC., ARXX
CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC,
UNISAS HOLDINGS, LLC AND ECO-BLOCK INTERNATIONAL, LLC
AND NOT IN ITS PERSONAL CAPACITY**

APPENDIX A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *MR*

)

MONDAY, THE 9TH

JUSTICE *MORAWETZ*

)

DAY OF DECEMBER, 2013

)

COMERICA BANK

Applicant

- and -

**ARXX BUILDING PRODUCTS INC.
ARXX CORPORATION
ARXX BUILDING PRODUCTS U.S.A. INC.
ECB HOLDINGS, LLC
APS HOLDINGS, LLC
UNISAS HOLDINGS, LLC
ECO-BLOCK INTERNATIONAL, LLC**

Respondents

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Duff & Phelps Canada Restructuring Inc. ("D&P") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC (collectively the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Moore sworn December 6, 2013 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for counsel for the Respondents although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of Duff & Phelps Canada Restructuring Inc. to act as the Receiver,

SERVICE

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

2. THIS COURT ORDERS THAT the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/to-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Duff & Phelps Canada Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, or any similar legislation having similar effect in any other applicable

jurisdiction, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, (iii) any supplier in possession of moulds ("Moulds"), inventory or other goods (jointly, "Inventory") owned by the Debtor and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that the release of any Moulds and Inventory that are the subject of a valid possessory lien shall be delivered to the Receiver on the basis that the holder of such a lien shall be entitled to a non-possessory lien against any proceeds of sale of such Moulds or Inventory with such non-possessory lien having the same priority and being equal in amount to the value of its possessory lien immediately prior to release of the Moulds or Inventory to the Receiver.

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to continue to purchase goods from the Respondents' suppliers, and continue to use the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the

Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

26. 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.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to 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 to provide such assistance to the Receiver, as an officer of this 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.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS THAT the Receiver be at liberty and is hereby authorized and empowered to apply as foreign representative to the United States Bankruptcy Court for relief pursuant to the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended and if such relief is granted is authorized to take such other steps with respect thereto as it may deem appropriate from time to time.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.




 DEC - 9 2013

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that Duff & Phelps Canada Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 9th of December, 2013 (the "Order") made in an action having Court file number _____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of December, 2013.

Duff & Phelps Canada Restructuring Inc., solely
in its capacity as Receiver of the Property, and
not in its personal capacity

Per: _____

Name:

Title:

COMERICA BANK and ARXX BUILDING PRODUCTS INC., et al
Applicant Respondents

Court File No: CV-13-10353-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

MCMILLAN LLP
Brookfield Place,
181 Bay Street, Suite 4400
Toronto ON M5J 2T3, Canada

Brett Harrison LS#: 44336A
brett.harrison@mcmillan.ca
Tel: (416) 865-7932
Fax: (416) 865-7048

Lawyers for the Applicant

B. Harrison for Applicant

December 9, 2013

N. MacParland for ARXX

D. BISH for ~~R.~~ Duff & Phelps

- On consent of the respondent debtors.
- Having reviewed the record, including the comprehensive financials of the Applicant, I am satisfied that it is both just and convenient to appoint Duff & Phelps Canada Restructuring, Inc. as Receiver of the Respondent.

In doing so, I have been persuaded that the appointment of a Receiver over the US Corporations is reasonable for the reasons set out - the further at paragraphs 21-28 Applicant's proposed and order

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

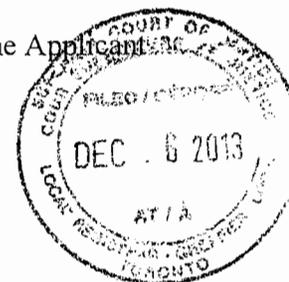
Proceeding commenced at Toronto

APPLICATION RECORD
(RETURNABLE ON December 9, 2013)

McMILLAN LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Brett Harrison LS#: 44336A
Tel: (416) 865-7932
Fax: (416) 865-7048

Lawyers for the Applicant



signed in the form presented, which
includes the e-service Protocol of the
Contract Act.

37

[Handwritten Signature]

APPENDIX B



Court File No. CV-15-11025-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) FRIDAY, THE 10TH DAY
JUSTICE HAINES) OF JULY, 2015

BETWEEN:

KSV KOFMAN INC.

Applicant

-AND-

D&P CANADA ACQUISITION CORP.

Respondent

Application under Rule 14.05(3)(h) of the *Rules of Civil Procedure*

SUBSTITUTION ORDER

THIS APPLICATION made by KSV Kofman Inc. ("KSV") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of KSV, including the Affidavit of Robert Kofman sworn July 3, 2015, together with the exhibits attached thereto (the "Affidavit"), and on hearing the submissions of counsel for KSV and counsel listed on the Counsel Slip, no one else appearing although served as evidenced by the Affidavit of Service:

1. THIS COURT ORDERS that the effective date of this order (the "Effective Date") shall be June 30, 2015, being the effective date of the amalgamation of KSV and Duff & Phelps Canada Restructuring Inc. ("D&P Restructuring").

BIA ESTATES

2. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as Trustee in Bankruptcy or Proposal Trustee (the "Trustee") of the estate files listed on **Schedule "A"** hereto (the "BIA Estates").

3. **THIS COURT ORDERS AND DIRECTS** that all real and personal property wherever situate of the BIA Estates be and is hereby vested in KSV in its capacity as Trustee, to be dealt with by KSV in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), pursuant to its powers and obligations as Trustee of the BIA Estates.

4. **THIS COURT ORDERS** that KSV is authorized and directed to continue and complete the administration of the BIA Estates, to deal with the BIA Estates' property in accordance with the duties and functions of the Trustee as set out in the BIA and to receive all remuneration of the Trustee in the BIA Estates for services performed from the commencement of each of the BIA Estates until the discharge of the Trustee, less any remuneration already received by D&P Restructuring in accordance with the provisions of the BIA, or otherwise payable to D&P Restructuring to the date of closing of the Transaction (as defined in the Affidavit).

5. **THIS COURT ORDERS** that the requirement and responsibility for taxation of the Trustee's accounts in respect of the BIA Estates with respect to all work performed in respect of such BIA Estates from the initial appointment of D&P Restructuring or any other party, through to the completion of the administration of such BIA Estates and discharge of KSV as the new Trustee, be and is hereby assigned and transferred to KSV.

6. **THIS COURT ORDERS AND DIRECTS** that KSV be and is hereby required, in respect of the BIA Estates, to (i) observe all of the terms provided by Rule 61(2) of the BIA Rules, (ii) keep all estate books, records and documents as provided by Rule 68 of the BIA Rules, and (iii) retain all books, estate records, documents within its control including work in progress, billing or time records in support of any claims made for time charges and advances on fees made by D&P Restructuring, and detailed trial

balances (electronic or otherwise) from the date of bankruptcy showing all the funds received and disbursed since the date of bankruptcy notwithstanding KSV assuming responsibility for the BIA Estates as at the Effective Date.

7. **THIS COURT ORDERS AND DIRECTS** to the extent that D&P Restructuring has given security in cash or by bond of a guarantee company pursuant to section 16(1) of the BIA (the "**Security**"), such Security shall be transferred from D&P Restructuring to KSV and any party holding such Security be and is hereby directed to take all steps necessary to effect such transfer. Upon transfer, KSV shall assume, and D&P Restructuring shall be relieved of, all obligations respecting the Security.

RECEIVERSHIP AND CCAA PROCEEDINGS

8. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as the Receiver, Receiver and Manager, or Interim Receiver (collectively, "**Receiver**") in respect of the mandates listed in **Schedule "B"** hereto (the "**Receivership Proceedings**") and the Monitor and Information Officer in respect of the mandates listed on **Schedule "C"** hereto (the "**CCAA Proceedings**").

OBCA PROCEEDINGS

9. **THIS COURT ORDERS** that KSV be and is hereby substituted in place of D&P Restructuring as the Liquidator in respect of the mandates listed in **Schedule "D"** hereto (the "**OBCA Proceedings**"). Collectively, the BIA Estates, the Receivership Proceedings, the CCAA Proceedings and the OBCA Proceedings are referred to herein as the "**Transferred Mandates**".

10. **THIS COURT ORDERS** that KSV (and its legal counsel and representatives, as applicable) will have all rights, benefits, protections and obligations granted to such court officer (and its legal counsel and representatives, as applicable) under any order made in the Transferred Mandates or any statute applicable to the now Transferred Mandates or any contract or agreement to which D&P Restructuring is a signatory in the Transferred Mandates. For greater certainty and without limitation, this includes the benefit of any indemnity, charge or priority granted in the Transferred Mandates and relief from the application of any statute including the *Personal Information Protection and Electronic Documents Act (Canada)* ("PIPEDA").

11. **THIS COURT ORDERS** that to the extent required by the applicable Orders in the Receivership Proceedings and CCAA Proceedings, the accounts of D&P Restructuring and its legal counsel in respect of the Receivership Proceedings and CCAA Proceedings shall be passed in accordance with the applicable Orders in the Receivership Proceedings and CCAA Proceedings on the application of KSV.

ACCOUNTS

12. **THIS COURT ORDERS** that D&P Restructuring be and is hereby authorized to transfer to the name of KSV all funds that remain in its consolidated trust bank accounts and all other trust bank accounts that belong or related to the Transferred Mandates, and D&P Restructuring and KSV be and are hereby authorized to take all steps and to execute any instrument required for such purpose.

13. **THIS COURT ORDERS AND DIRECTS** that KSV be and is hereby authorized to endorse for deposit, deposit, transfer, sign, accept or otherwise deal with all cheques, bank drafts, money orders, cash or other remittances received in relation to any of the Transferred Mandates where such cheques, bank drafts, money orders, cash or other remittances are made payable or delivered to D&P Restructuring, in relation to the same, and any bank, financial institution or other deposit-taking institution with which KSV be and is hereby authorized to rely on this Order for all purposes of this paragraph.

REAL PROPERTY

14. **THIS COURT ORDERS AND DIRECTS** that the Registrar of Land Titles in any Land Title District wherein any registration was previously made by D&P Restructuring in its capacity as Trustee or Receiver of Transferred Mandates including, without limitation, the registration in respect of the real property described in **Schedule "E"** hereto, be and is hereby authorized and directed to amend any such registration to reflect the substitution of KSV for D&P Restructuring as Trustee or Receiver, as the case may be.

GENERAL

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the PIPEDA and any substantially similar legislation, D&P Restructuring is authorized and permitted to disclose and transfer to KSV all employee records within its control. KSV shall maintain and protect the privacy of any personal information contained in the employee records and shall be entitled to collect and use the personal information provided to it for the same purpose(s) as such information was used by D&P Restructuring.

16. **THIS COURT ORDERS** that D&P Restructuring will deliver all files, papers, books, records and property within its control relating to the Transferred Mandates to KSV as soon as practicable following the closing of the Transaction (as defined in the Affidavit).

17. **THIS COURT ORDERS** that any required notification of the discharge of D&P Restructuring in respect of the Transferred Mandates, including without limitation statutory notices to proven creditors within the BIA Estates, the applicable bankrupts or debtors within the BIA Estates, the Court, the Office of the Superintendent of Bankruptcy and any other person, be and is hereby waived.

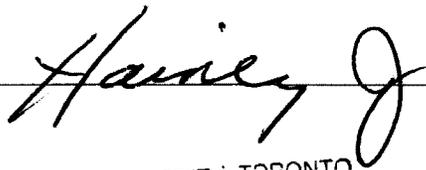
18. **THIS COURT ORDERS** that this Order shall be effective in all judicial districts in Ontario which govern any of the Transferred Mandates.

- 6 -

19. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Transferred Mandates be and is hereby waived.

20. **THIS COURT ORDERS** that the requirement for service or notification of this motion on any interested party in the Transferred Mandates including, without limitation, proven creditors within the BIA Estates, the applicable bankrupts or debtors within the BIA Estates, and any other person, be and is hereby waived.

21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist D&P Restructuring and KSV in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to D&P Restructuring and KSV as may be necessary or desirable to give effect to this Order, or to assist D&P Restructuring and KSV and their respective agents in carrying out the terms of this Order.


ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 13 2015
MB

SCHEDULE A

Duff & Phelps Canada Restructuring Inc.
 Bankruptcies to be transferred to KSV Kofman Inc.

Name	Estate File No.
2515080 Nova Scotia Company	32-1501841
252862 Ontario Inc. (formerly Tectrol Inc.)	31-1929721
Boparai, Rantej Singh	32-158782
Career Canada C.F.P. Limited	31-1963353
Cole, Henry George	31-456669
Colossus Minerals Inc.	31-1826899
CPI Corp.	32-1929730
CPI Portrait Studios of Canada Corp.	32-1929729
EnerNorth Industries Inc.	31-45469B
Everest Colleges Canada Inc.	31-1963343
Frontline Technologies Inc.	31-1696523
IceGen Inc.	31-2003505
Linens 'N Things	31-1121528
Margosa Credit Union Limited	31-1570748
NMC Canada, Inc.	32-1501836
NS Studios (7291931 Canada Inc.)	31-1783744
Premium Disc Corp.	32-158728
Revstone Industries Burlington Inc.	32-1672848
Shaw Canada, L.P.	32-158522
SKD Automotive Co.	32-158287
Stone & Webster Canada Holding One	32-158523
Stone & Webster Canada Holding Two, Inc	32-158524
Surefire Industries Ltd.	25-094411
The Ravelston Corporation Limited	31-455711
The Ravelston Management	31-456255
Trinity Real Estate Partners Inc.	31-456667
Zsemba Apron & Upholstry	31-1901005

SCHEDULE B

Duff & Phelps Canada Restructuring Inc.
 Receiverships to be transferred to KSV Kofman Inc.

<u>Name</u>	<u>Court File No.</u>
1095195 Ontario Limited - Di Felice	11-9193-00CL
1650473 Ontario Inc./2328247 Ontario Inc. o/a Scrapmen	13-10386-00CL
252862 Ontario Inc. (formerly Tectrol Inc.)	31-1929721
721362 Ontario Limited	11-9193-00CL
ARXX Building Products Inc.	13-10353-00CL
CO Capital Growth Corp.	10-8883-00CL
CPI Corporation	13-10069-00CL
Di Felice, Nina & Italo	11-9193-00CL
Goudas Food Products and Investments Limited	14-10680-00CL
Graceway Canada Company	11-9411CL
Grafikom LP	08-CL-7840
Linens 'N Things	31-1121528
Mady Steeles 2011 Ltd.	15-10897-00CL
Newtek Automotive	13-9982-00CL
Prizm Group	11-9375-00CL
Quebec Lithium Inc., QLI Metaux Inc., and Sirocco Mining Inc.	500-11-047560-145
RB Energy Inc.	500-11-047560-145
Retrocom Growth Fund	31-452496
Revstone Industries Burlington Inc.	12-9542-00CL
Robgreen Investments Limited	31-456362
Robert Mander and E.M.B. Asset Group Inc.	10-8619-00CL
Sirocco Mining Inc.	500-11-047560-145
SKD Automotive Co.	09-CL-7960
Stewart v. Lawrynowicz	13-10224-00CL
Surefire Industries Ltd.	1301-11285
Tamerlane Ventures inc.	14-10417-00CL
The Ravelston Corporation Limited	31-455711
Xchange Technology Group	13-10310-00CL
Zsemba Apron & Upholstry	14-10569-00CL

SCHEDULE C

Duff & Phelps Canada Restructuring Inc.
CCAA proceedings to be transferred to KSV Kofman Inc.

<u>Name</u>	<u>Court File No.</u>
Allied Systems (Canada) Company	12-CV-9757-00CL
Eddie Bauer of Canada Inc. Monitor	09-8240-CL
iMarketing Solutions Group Inc.	13-10067-00CL
Labrador Iron Mines Limited	15-10926-00CL
Pine Point Holding Corp.	13-10028-00CL
Tamerlane Ventures Inc.	13-10228-00CL
Unique Broadband Systems, Inc.	11-9283-00CL

Duff & Phelps Canada Restructuring Inc.
OBCA Court proceedings to be transferred to KSV Kofman Inc.

<u>Name</u>	<u>Court File No.</u>
Diversinet Corp.	13-10282-00CL
Coventree	12-9594-00CL

SCHEDULE E

SCHEDULE**LEGAL DESCRIPTION****PIN 06050-0199 (LT)**

PT LOTS 18 & 19, CON 5; PT ROAD ALLOWANCE BETWEEN LOTS 18 & 19 CON 5, AS CLOSED BY-LAW 406 BEING PT OF PT 1 66R12477 LYING NORTH OF PLAN 66M1996; SAVE & EXCEPT PT OF LOTS 18 & 19 CON 5 PT 1 66R16987...SUBJ. TO EASE. OVER PTS 1 & 2 66R17070 AS IN C981858. SCARBOROUGH, CITY OF TORONTO; S/T EASEMENT OVER PART 37 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0266 (LT)

PT LT 20 CON 5 SCARBOROUGH DESIGNATED AS PT 1 PL 66R23210; SCARBOROUGH; CITY OF TORONTO

PIN 06050-0263 (LT)

PART OF LOT 19 CON 5, SCARBOROUGH, DESIGNATED AS PART 1 ON PLAN 66R-23217, CITY OF TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

PIN 06050-0264 (LT)

PART LOT 18 CON 5, SCARBOROUGH; PT RDAL BTN LOTS 18 AND 19, CON 5, SCARBOROUGH (CLOSED BY BY-LAW NO. 406 AS IN SC608215), CITY OF TORONTO, DESIGNATED AS PART 2 ON PLN 66R-23217; S/T EASEMENT OVER 38 PL 66R23655 AS IN AT1787207; TORONTO; T/W EASEMENT OVER PT 35 PL 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655

PIN 06050-0272 (LT)

PT LOT 18 CON. 5 SCARBOROUGH, PT 3 PL 66R23217 SAVE AND EXCEPT PT 32 PL 66R23655; CITY OF TORONTO; S/T EASEMENT OVER PT 36 66R23655 AS IN AT1787207; T/W ROW OVER PT 32 66R23655 AS IN AT1787644; T/W EASEMENT OVER PT 35 66R23655 AS IN AT1787250; T/W EASEMENT OVER PTS 24 & 25 PL 66R23655 AS IN AT1787250

KSV KOFMAN INC.
Applicant

and

D&P CANADA ACQUISITION CORP.
Respondent

Court File No: CV-15-11025-COCL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced At Toronto

ORDER

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Jay A. Swartz / Dina Milivojevic
(LSUC #: 15417L / 64521U)

Telephone: 416.863.0900
Facsimile: 416.863.0871

Lawyers for KSV Kofman Inc.

APPENDIX C

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

B E T W E E N:

COMERICA BANK

Applicant

- and -

**ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING
PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS
HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC**

Respondents

**APPLICATION UNDER 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**

**Unofficial Transcription of the Reasons
of Justice Morawetz made June 24, 2014**

D. Bish for Duff & Phelps, Receiver

The Receiver seeks its discharge subject to performance of remaining administrative steps as set out in the Third Report. The Receiver has Chapter 15 issues and a receivable issue still outstanding. It is possible that there could be a small surplus available for unsecured creditors. The Receiver recommends that rather than address this possibility today – it will report further with recommendations if there is a surplus. The Receiver makes this recommendation, having taken the step of serving the 8 largest unsecured creditors who represent approximately 2/3 of unsecured claims. No response was received from the group.

In my view the Receiver has demonstrated a common sense and practical approach in addressing its issue. Its recommendation is accepted.

Likewise, the Receiver has taken a common sense approach in its fee requests. It has allowed for a fee accrual for itself and legal counsel to take into account the work that remains. This approach is reasonable in the circumstances given that the surplus, if any, will be modest. The approach suggested by the Receiver is cost-effective. The fee requests of the Receiver and its counsel appear to be reasonable in the circumstances and are approved.

- 2 -

Receiver's discharge on terms set out in draft order.

Receiver's Third Report is approved together with activities described.

Motion granted and order signed.

Morawetz R. S. J.

COMERICA BANK

and ARXX BUILDING PRODUCTS INC., ARXX CORPORATION,
ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS,
LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND
ECO-BLOCK INTERNATIONAL, LLC

Court File No. CV-13-10353-00CL

June 24 / 14

APPLICANT

RESPONDENTS

D. Bail for Duff + Phelps Rec.

June 24, 2014

The Receiver seeks its discharge subject to performance
of remaining administrative steps as set out in
the Third Report. The Receiver has Chapter 15
status and a receivable issue still outstanding.
It is possible that there could be a
small surplus available for unsecured
creditors. The Receiver recommends that rather
than address this possibility, today - it
will report further with recommendation of
there is a surplus. The Receiver ^{makes} this
recommendation, having taken the steps of
serving the 8 largest unsecured creditors
who represent approximately 2/3 of unsecured
claims. No response was received
for the groups.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

MOTION RECORD

Torys LLP

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David Bish (LSUC#: 41629A)

Tel: 416.865.7353

Lily Coodin (LSUC#: 621438)

Tel: 416.865.7541

Lawyers for Duff & Phelps Canada
Restructuring, Inc., in its capacity as
the receiver for ARXX Building
Products Inc., ARXX Corporation,
ARXX Building Products U.S.A. Inc.,
ECB Holdings, LLC, APS Holdings,
LLC, UNISAS Holdings, LLC, and
Eco-Block International, LLC

In my view the Review has demonstrated a commonsense + practical approach in addressing the issues. It remains to be assessed.

Like wise, the Review has taken a common sense approach in its fee requests. It has allowed for a fee accrual for study + legal counsel to take into account the work that remains. This approach is reasonable in the circumstances since that the savings, if any, will be modest. The approval requested by the Review is cost-effective.

The fee requests of the Review and the counsel appear to be reasonable in the circumstances and are approved.

Review discharge a terms set out in report order.

Review's Final Report is approved to settle with amounts described.

MS. quoted as And sized

60

A. H. Brown & S. J.

APPENDIX D

ARXX Group

Statement of Receipts and Disbursements

For the period December 9, 2013 to August 9, 2015

(Unaudited; \$)

61

	<u>USD Account</u>	<u>CAD Account</u>
Receipts		
Proceeds from Transaction	3,232,708	-
Transfers from USD receivership bank account	-	1,999,169
Accounts receivable collections	1,397,545	471,391
Sundry receipts	600	84,185
Total receipts	<u>4,630,853</u>	<u>2,554,746</u>
Disbursements		
Secured creditor (Comerica Bank)	1,702,405	1,313,999
Transfer to CAD receivership bank account	1,826,794	-
Payroll	489,370	210,349
Inventory purchases	408,426	108,845
Professional fees		
Receiver	-	327,957
Receiver's Canadian counsel	-	237,658
Receiver's US counsel	63,291	-
General operating expenses	123,567	65,007
Sales tax	5,151	91,301
Freight	8,670	75,594
Occupancy	3,180	51,479
Insurance	-	46,614
Total disbursements	<u>4,630,853</u>	<u>2,528,803</u>
Balance	<u>-</u>	<u>25,942</u>

TAB 3

Court File No. CV-13-10353-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	FRIDAY, THE 21ST
)	
JUSTICE)	DAY OF AUGUST, 2015

B E T W E E N:

COMERICA BANK

Applicant

- and -

**ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING
PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS
HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC**

Respondents

ORDER

THIS MOTION, made by KSV Kofman Inc. (“**KSV**”) (formerly, Duff & Phelps Canada Restructuring Inc.), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the undertaking, property and assets of ARXX Building Products Inc. (“**ARXX Canada**”), ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the “**ARXX Group**”) for an Order in substantially the form set out at Tab 3 of the Receiver’s Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver’s Motion Record in respect of this motion, filed, and the Receiver’s Fourth Report dated August 10, 2015 (the “**Fourth Report**”);

AND UPON hearing the submissions of counsel for the Receiver, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Elizabeth Nigro sworn August 11, 2015, filed,

1. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to file an assignment in bankruptcy on behalf of ARXX Canada.
2. **THIS COURT ORDERS** that KSV is hereby authorized to act as trustee in bankruptcy for ARXX Canada.
3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to transfer the balance of funds remaining in the receivership bank account, after funding any unpaid post-filing professional fees, to the trustee in bankruptcy forthwith following commencement of the bankruptcy proceedings.
4. **THIS COURT ORDERS** that the Receiver is hereby granted leave to apply to this Honourable Court for such further advice, direction or assistance as may be necessary to give effect to the terms of this Order.
5. **THIS COURT ORDERS** that the Fourth Report and the Receiver's activities described therein are hereby approved.
6. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.
7. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance 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.

COMERICA BANK

and

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION,
ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS,
LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND
ECO-BLOCK INTERNATIONAL, LLC

Court File No. CV-13-10353-00CL

APPLICANT

RESPONDENTS

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

Proceedings commenced in Toronto

ORDER

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Lawyers for KSV Advisory Inc., in its
capacity as the receiver for ARXX
Building Products Inc., ARXX
Corporation, ARXX Building Products
U.S.A. Inc., ECB Holdings, LLC, APS
Holdings, LLC, UNISAS Holdings
LLC, and Eco-Block International,
LLC

COMERICA BANK

and

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION,
ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS,
LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND
ECO-BLOCK INTERNATIONAL, LLC

Court File No. CV-13-10353-00CL

APPLICANT

RESPONDENTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
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Lawyers for KSV Kofman Inc., in its capacity as the receiver for ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC