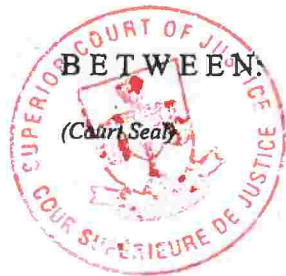


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE *Patillo*

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)

FRIDAY, THE 24TH
DAY OF MAY, 2019



WEICHANG YANG

Applicant

and

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

ORDER

THIS MOTION, made by Besco International Investment Co., Ltd. (“Besco”), for an order, among other things; (i) lifting the stay of proceedings contained in the Order of the Honourable Mr. Justice Penny dated February 13, 2019 appointing KSV Kofman Inc. (“KSV”) as receiver and manager (the “Receiver”) of certain property (the “Property”) of Besco (the “Receivership Order”), to permit Besco to redeem the mortgage in favour of the Applicant (the “Yang Mortgage”) on or before May 30, 2019 (the “Redemption”); and (ii) discharging the Receiver effective upon the delivery of a certificate by the Receiver to Besco certifying that the

conditions precedent to the Redemption have been satisfied or waived, was heard this day at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

ON READING the Affidavit of Hui Geng Sun (“Sun”) sworn May 15, 2019, the Factum of the Respondent and the First Report of KSV (the “First Report”), in its capacity as the Receiver, dated May 17, 2019 and on hearing the submissions of the counsel for the Receiver, the Applicant and the Respondent, no one else appearing although duly served as appears from the Affidavit of Service, filed:

LIFTING OF STAY OF PROCEEDINGS AND REDEMPTION

1. **THIS COURT ORDERS** that the stay of proceedings contained in paragraphs 10 and 11 of the Receivership Order be and are hereby lifted for the sole purpose of permitting Besco to redeem the Yang Mortgage on or before May 30, 2019 (the “Redemption”), until the earlier of (i) May 31, 2019, or (ii) the date upon which the Redemption fails to close in accordance with its terms.

2. **THIS COURT ORDERS** that, as part of the Redemption, Besco shall pay:

- (a) to the Receiver the amount of \$250,000 (the “Administrative Holdback”) which shall be held by the Receiver and applied against the professional fees and costs incurred by the Receiver, including the fees and costs of the Receiver’s legal counsel, during the course of these receivership proceedings; and
- (b) to the Applicant’s legal counsel, Fasken Martineau DuMoulin LLP (“Fasken”) the amount of \$25,000 (the “Applicant Holdback”), which shall be held by Fasken and

applied against the professional fees and costs incurred by the Applicant to the closing of the Redemption.

3. **THIS COURT ORDERS** that if the Redemption fails to close in accordance with its terms, Besco and Sun are directed to deliver to the Receiver by no later than June 4, 2019 all accounting records and bank statements of Besco for the period from and after January 1, 2016 up to the effective date of the Receiver's appointment under the Receivership Order.

APPROVAL OF THE FIRST REPORT

4. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the First Report, are hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the fee affidavits attached to the First Report, are hereby approved.

6. **THIS COURT ORDERS** that, notwithstanding its discharge as Receiver, KSV be and is hereby authorized to retain the Administrative Holdback on account of (i) accrued and unpaid amounts owing by the Receiver up to and including the effective date of the Receiver's discharge (the "Discharge Date") (the "Receivership Accruals"); (ii) the fees of the Receiver and its counsel from the date of the Receivership Order up to and including the Discharge Date; and (iii) the fees and disbursements of KSV and its counsel in respect of statutory and other administrative obligations of KSV arising after the Discharge Date (the "Administrative Obligations").

7. **THIS COURT ORDERS** that KSV shall release any unused portion of the Administrative Holdback to Besco or as Besco's counsel may direct, upon the later of: (i) the satisfaction of all Administrative Obligations and (ii) KSV, in its sole discretion, being satisfied that all Receivership Accruals have been paid in full, or liability for any outstanding Receivership Accruals have been duly assumed by Besco and KSV has been indemnified to its satisfaction by Besco in respect of such assumed Receivership Accruals, or by further order of the Court.

8. **THIS COURT ORDERS** that Fasken shall release any unused portion of the Applicant Holdback to Besco, or as Besco's counsel may direct, upon the closing of the Redemption.

RECEIVER'S DISCHARGE

9. **THIS COURT ORDERS** that conditional and with effect upon the Receiver delivering a certificate certifying that the conditions to closing of the Redemption have been waived or satisfied to the satisfaction of the Receiver substantially in the form attached as Schedule "A" hereto (the "Discharge Certificate") to Besco, KSV shall be discharged as Receiver of the Property, provided however that notwithstanding its discharge as Receiver herein, KSV shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all authorizations, approvals, protections and stays of proceedings in favour of KSV in its capacity as Receiver and, subject to paragraph 11 below, the benefit of the Receiver's Charge, including, without limitation, in respect of the completion of the Administrative Obligations.

10. **THIS COURT ORDERS** that KSV shall file a copy of the Discharge Certificate with the Commercial List Court Office as soon as practicable after the delivery of the Discharge Certificate to Besco.

11. **THIS COURT ORDERS** that conditional and with effect upon the Receiver's discharge, the Receiver's Charge and the Receiver's Borrowing Charge set out in paragraphs 19 and 22 of the Receivership Order, be and are hereby discharged and vacated from the Property, save and except that the Receiver's Charge shall continue to charge the Administrative Holdback.

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

13. **THIS COURT ORDERS** that the Registrar is hereby directed to amend the parcel register by deleting the Receivership Order, registered as instrument #ND 179652, from title to the real property bearing PIN 51082-0010 (LT), legally described as PT LT 1-2 Con 1 Hope PT 2(R2307 EXCEPT PT 1 39R9406; Port Hope, and municipally known as 414 Croft Street, Port Hope, Ontario.



(Signature of Judge)

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

MAY 24 2019

PER / PAR:



Schedule "A"

Court File No. CV-18-605366-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

WEICHANG YANG

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**RECEIVER'S CERTIFICATE
(Redemption of Applicant's Mortgage and Receiver's Discharge)**

RECITALS

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated February 13, 2019, KSV Kofman Inc. was appointed as Receiver of certain property of Besco International Investment Co., Ltd., including the real property municipally known as 414 Croft Street, Port Hope, Ontario (the "Property").
2. Pursuant to an Order of the Court dated May 24, 2019, the Court ordered the Discharge of the Receiver to become effective (and conditional) upon the delivery by the Receiver to Besco of a certificate confirming (i) that the conditions to closing of the Redemption of the Yang Mortgage by Besco have been satisfied or waived; and (ii) the Redemption has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. The conditions to closing of the Redemption of the Yang Mortgage by Besco have been satisfied or waived.
2. The Redemption has been completed to the satisfaction of the Receiver.

3. This Certificate was delivered by the Receiver at _____ on June, 2019.

KSV KOFMAN INC., in its capacity as
Receiver of the Besco Property and not in
its personal capacity

Per: _____

Name:

Title:

WEICHANG YANG

and

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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Lawyers for the Respondent