



Court File No. CV-21-00664778-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM )  
JUSTICE STEELE )  
FRIDAY, THE 5TH  
DAY OF APRIL, 2024

B E T W E E N:

**SKYMARK FINANCE CORPORATION**

Applicant

- and -

**MAHAL VENTURE CAPITAL INC. and GOLDEN MILES FOOD  
CORPORATION**

Respondents

**ORDER**

**(Interim Distribution and Fee Approval)**

**THIS MOTION**, made by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of Mahal Venture Capital Inc. (“**Mahal VC**”) and Golden Miles Food Corporation (together with Mahal VC, the “**Companies**”) owned or used in connection with the flour mill located on the property municipally known as 155 Adams Blvd., Brantford, Ontario, for an order (i) authorizing and directing the Receiver to make certain distributions from the proceeds of the sale of the real property owned by Mahal VC (the “**Real Property Proceeds**”) and other recoveries associated with Mahal VC (together with the Real Property Proceeds, the “**Mahal VC Proceeds**”) to Skymark Finance Corporation, acting by its

receiver Alvarez & Marsal Canada Inc. (“**Skymark Receiver**”), KLN Holdings Inc. (“**KLN**”), 1989474 Ontario Inc. (“**198 Ontario**”), and Vicano Construction Limited (“**Vicano**”), (ii) approving the Sixth Report of the Receiver and Third Report of the Trustee, dated March 26, 2024 (the “**Sixth Report**”) and the Receiver’s activities described therein, (iii) approving the Receiver’s statement of receipts and disbursements for the period ending March 8, 2024 (the “**R&D**”), and (iv) approving the fees and disbursements of the Receiver and its counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), for the period of August 1, 2023 to February 29, 2024, was heard this day by judicial videoconference.

**ON READING** the Sixth Report, the Supplement to the Sixth Report, dated April 3, 2024, and on hearing the submissions of counsel for the Receiver, and such other parties listed on the Participant Information Form, no one else appearing although properly served as appears from the Affidavits of Service of Nancy Thompson sworn March 27 and April 4, 2024, filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion dated March 27, 2024 (the “**NOM**”) and the Sixth Report, be and hereby is abridged, such that service of the NOM and the Sixth Report is hereby validated, and that further service thereof is hereby dispensed with.

## **INTERIM DISTRIBUTIONS**

### *Disputed Transfer Distribution*

2. **THIS COURT ORDERS** that, in addition to the other distributions authorized by this Order, the Receiver is hereby authorized to make the following distributions from the Mahal VC

Proceeds, subject to minor modifications to account for accruals of interest and expenses as reasonably determined by the Receiver:

- (a) \$523,913 to the Skymark Receiver; and
- (b) \$523,913 to KLN.

***Orr Holdback Distribution***

3. **THIS COURT ORDERS** that, in addition to the other distributions authorized by this Order, the Receiver is hereby authorized to distribute, from the Mahal VC Proceeds, (a) the aggregate of \$3,650,000 to 198 Ontario and the Skymark Receiver, in such amounts (not to exceed \$3,650,000 in the aggregate) as 198 Ontario and the Skymark Receiver may direct the Receiver in writing, and (b) \$121,095 plus any accrued interest thereon to the Skymark Receiver.

***Vicano Disputed Amount Distribution***

4. **THIS COURT ORDERS** that, in addition to the other distributions authorized by this Order, the Receiver is hereby authorized to make the following distributions from the Mahal VC Proceeds, not to exceed \$71,096 in the aggregate, upon the written consent of the Skymark Receiver, KLN and Vicano, subject to minor modifications to account for accruals of interest and expenses as reasonably determined by the Receiver:

- (a) Up to \$71,096 to Vicano;
- (b) Up to \$58,881.50 to the Skymark Receiver; and
- (c) Up to \$12,214.50 to KLN.

5. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings; and
- (b) the bankruptcy proceedings commenced in respect of the Companies on or about November 15, 2021,

the distributions authorized by Paragraphs 3 to 8 hereof (the “**Distributions**”) shall be binding on KSV, in its capacity as licensed insolvency trustee of the Companies, and any successor licensed insolvency trustee that may be appointed in respect of the Companies, and shall not be void or voidable by creditors of the Companies, nor shall the Distributions constitute nor be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada), or any other applicable federal or provincial legislation, nor shall the Distributions constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation and shall, upon the receipt thereof by the recipients, be free of all claims, liens, security interests, charges or encumbrances.

#### **SIXTH REPORT & STATEMENT OF RECEIPTS AND DISBURSEMENTS APPROVAL**

6. **THIS COURT ORDERS** that the Sixth Report, and the activities of the Receiver described therein, be and are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

7. **THIS COURT ORDERS** that the R&D attached to the Sixth Report be and is hereby accepted and approved.


### FEE APPROVALS

8. **THIS COURT ORDERS** that the fees of the Receiver in the amount of \$28,682.50, plus HST and disbursements, for the period August 1, 2023 to February 29, 2024 (the “**Fee Approval Period**”) be and hereby are approved.

9. **THIS COURT ORDERS** that the fees of the Receiver’s counsel, Blakes, in the amount of \$105,708.00, plus HST and disbursements, for the Fee Approval Period be and hereby are approved.

### MISCELLANEOUS

10. **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.

 Digitally signed  
by Jana Steele  
Date: 2024.04.05  
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**Applicant**

- and -

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**Respondents**

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

Proceeding Commenced at Toronto

**ORDER**  
**(Interim Distribution and Fee Approval)**

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