

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ECOHOME FINANCIAL INC.

Applicant

- and -

ECO ENERGY HOME SERVICES INC.

Respondent

FOURTH REPORT OF THE RECEIVER

June 24, 2019

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I. INTRODUCTION AND PURPOSE OF THE FOURTH REPORT

1. RSM Canada Limited was appointed as receiver and manager (the “**Receiver**”) of all assets, undertakings and properties of Eco Energy Home Services Inc. (the “**Debtor**”) pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 3, 2019 (the “**Appointment Order**”) on application made by Ecohome Financial Inc. (“**Ecohome**”). A copy of the Appointment Order is attached hereto as Appendix “A”.
2. Since its appointment, the Receiver has worked to take control of the property and assets of the Debtor, obtain access to the information and records needed to administer the Debtor’s estate, and review actions taken by the Debtor and its affiliates and representatives to remove value and assets from the Debtor’s estate in advance of the Receiver’s appointment, to the prejudice of the Debtor and its stakeholders.
3. Among the transactions reviewed by the Receiver was a transaction undertaken in late March 2019 by 236077 Ontario Inc. o/a Global Eco Energy Group (“**Global Eco**”), an affiliate of the Debtor, and Crown Crest Capital Trust (“**Crown Crest**”) for the sale by Global Eco to Crown Crest of 326 lease contracts (the “**Transaction**”). As set out in the Receiver’s Second Report dated April 8, 2019 and its Third Report dated April 25, 2019 (the “**Third Report**”), the Receiver was of the view that the Debtor, Ecohome and other third party purchasers had ownership interests in the contracts purportedly sold by Global Eco to Crown Crest and that the Transaction may have been completed at undervalue to the detriment of the Debtor’s estate.

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4. In light of the Receiver's concerns, Crown Crest, Global Eco and the Receiver entered into an Extension and Standstill Agreement dated April 25, 2019 (the "**Standstill Agreement**") to provide for a standstill period in respect of the Transaction pending the ongoing review and discussion of the parties with respect to the Transaction. The Standstill Agreement was approved by the Court pursuant to a Standstill Approval Order dated April 29, 2019.
 5. Following discussions and negotiations, Crown Crest and the Receiver have reached agreement on a comprehensive settlement (the "**Settlement**") that facilitates the completion of the Transaction and provides incremental value for the benefit of the Debtor's estate. The terms of the Settlement are set forth in a Settlement Agreement dated June 21, 2019 (the "**Settlement Agreement**"), a copy of which is included in the Confidential Supplement to the Receiver's Fourth Report (the "**Confidential Supplement**").
 6. This Fourth Report is filed by the Receiver in support of its motion for an order (the "**Settlement Approval Order**"):
 - a. approving the Settlement Agreement and the Settlement contemplated thereby and approving and ratifying the execution and performance of the Settlement Agreement by the Receiver; and
 - b. sealing the Confidential Supplement containing the Settlement Agreement.
 7. The Receiver believes that approval of the Settlement is in the best interests of the Debtor and its stakeholders as it provides incremental value to the Debtor's estate, resolves a complex dispute that would otherwise be subject to costly and time-

consuming litigation, and preserves value for all parties by facilitating the expeditious completion of the Transaction.

8. Given the need to obtain approval of the Settlement Agreement on an expeditious basis, this Fourth Report only addresses matters with respect to the Transaction and the Settlement. The Receiver continues to have significant concerns with respect to the conduct of the Debtor, the Debtor Affiliates and their representatives both before and during the receivership proceedings and the Receiver intends to file a report with the Court in the near term to provide a further update on such matters.

Terms of Reference

9. In preparing this Fourth Report and making the comments herein, the Receiver has relied upon certain unaudited financial information and documentation obtained from the Debtor's records and information and documentation received from third-party sources, including the principal and other employees of the Debtor and Debtor Affiliates (collectively, the "**Information**"). The Receiver has, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
10. Unless otherwise stated, all dollar amounts contained in this report are expressed in Canadian dollars.

II. THE TRANSACTION

11. The key terms of the Transaction between Crown Crest and Global Eco are summarized in the Third Report. In brief:
- a. Global Eco and Crown Crest entered into a Program Agreement dated March 11, 2019 providing for the acquisition by Crown Crest of 326 lease contracts purportedly owned by Global Eco. Under a Transition Services Agreement between the parties, Global Eco was to service the purchased contracts until such responsibilities were transitioned to Crown Crest on May 1, 2019. At the time of the Transaction, the receivership application in respect of the Debtor was pending before the Court.
 - b. The net purchase price under the Transaction was paid by Crown Crest to Global Eco on March 22, 2019. Once the proceeds were received by Global Eco, Global Eco transferred approximately \$936,000 to the Debtor, which the Debtor indicates was intended to reimburse the Debtor for the share of the proceeds allocable to the Debtor's contracts included in the Transaction. The Debtor subsequently disbursed substantially all of these funds to junior or unsecured creditors or other persons in the next 11 days prior to the appointment of the Receiver on April 3, 2019.
 - c. Based on the Receiver's review of the Transaction, more than 75% of the contracts that Global Eco purported to sell under the Transaction were owned by the Debtor. Certain other contracts were also owned by Ecohome or parties that had acquired such contracts from Ecohome. The Receiver also had

concerns that the Transaction was undertaken at a discount to fair market value to the detriment of the Debtor and its estate.

- d. In light of the Receiver's concerns, Crown Crest, Global Eco and the Receiver entered into the Standstill Agreement to place a hold on the completion of the Transaction pending further review. Under the Standstill Agreement, the end date under the Transition Services Agreement was extended to June 28, 2019 and Global Eco agreed, among other things, to continue to service the purchased contracts until the revised end date and to hold all interim proceeds in blocked accounts and to not disburse funds from the Blocked Accounts except pursuant to a written agreement between Crown Crest and the Receiver or order of the Court.

III. THE SETTLEMENT

12. The Receiver continued its review of the Transaction following execution of the Standstill Agreement and exchanged valuation and other information relating to the Transaction with Crown Crest. Ecohome also reviewed and provided certain information given its interest in certain of the purchased contracts and its economic interest in any settlement as the Debtor's senior secured creditor.
13. Following this exchange and review of information, the Receiver held without prejudice settlement meetings with representatives of Crown Crest and Ecohome. As a result of these discussions, Crown Crest and the Receiver reached agreement on the Settlement and have executed the Settlement Agreement.
14. The key terms of the Settlement include the following:

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- a. Crown Crest will make a settlement payment to the Receiver for the benefit of the Debtor's estate. Counsel to the Receiver is holding the settlement payment in trust and it will be released to the Receiver on the date on which the Court grants the Settlement Approval Order (the "**Effective Date**").
 - b. Eight (8) of the 326 contracts that are owned by third parties will be excluded from the Transaction. The remaining 318 contracts, including those in which the Debtor or Ecohome has an interest, will be purchased contracts under the Transaction.
 - c. The end date under the Transition Services Agreement will be June 28, 2019. On that date, the 318 purchased contracts will be fully transitioned to Crown Crest pursuant to its agreement with Global Eco. During the interim period prior to the Effective Date, Crown Crest and Global Eco are permitted to take such preparatory and transition activities as are reasonably necessary to enable Crown Crest to administer the purchased contracts commencing from and after June 28, 2019.
 - d. On the Effective Date, Crown Crest will become entitled to any proceeds in respect of the purchased contracts collected by Crown Crest prior to the Effective Date and all proceeds received or obtained by Global Eco in respect of the purchased contracts during the standstill period.
 - e. On the Effective Date, Crown Crest and its affiliates, the Debtor and RSM Canada Limited, in its capacities as Receiver and bankruptcy trustee, and each of their respective directors, officers, employees, agents and advisors provide a

full and comprehensive mutual release of all claims, actions or obligations relating to the Transaction.

- f. The Settlement is conditional on approval by the Court.

IV. REQUEST FOR APPROVAL AND SEALING

15. The Receiver believes that the Settlement is fair and reasonable and in the best interests of the Debtor and its estate, and seeks Court approval of the Settlement for the following reasons:

- a. the Settlement will result in the estate receiving a settlement payment as compensation for the sale of certain of its assets in the Transaction;
- b. the Settlement resolves a complex dispute that would otherwise be subject to costly and time-consuming litigation that would further deplete the limited resources of the Debtor's estate;
- c. the Settlement preserves value for all parties by facilitating the expeditious completion of the Transaction. Further delay in transitioning the purchased contracts could lead to further servicing and support issues and reduce the value of the portfolio;
- d. Global Eco has indicated that it is not prepared to service the contracts after June 28, 2019. The Settlement facilitates the transition of the purchased contracts to Crown Crest by this date; and
- e. Ecohome, as the Debtor's senior secured creditor with the remaining economic interest in its estate, supports the Settlement.

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16. The Receiver is also requesting that the Court seal the Confidential Supplement, which contains the Settlement Agreement. The Receiver believes that the sealing of the Confidential Supplement is appropriate in the circumstances given that:
- a. the Settlement Agreement contains sensitive commercial information, including the amount of the settlement payment and lists of the purchased and excluded contracts;
 - b. the commercial terms of the Transaction are not publicly-available. The Transaction was undertaken between two private companies – Crown Crest and Global Eco – and in the ordinary course outside of the receivership context the financial terms of the Transaction would be not publicly-available;
 - c. disclosure of the purchased contracts and the settlement payment could provide strategic advantage to competitors of Crown Crest, including the ability to piece together certain previously-disclosed information to estimate the purchase price and expected return under the Transaction;
 - d. the Receiver may market certain remaining contracts in the Debtor’s “self-billing portfolio” and the indirect disclosure of the purchase price under the Transaction could impede the Receiver’s ability to maximize the value of the self-billing portfolio;
 - e. other than the amount of the settlement payment, the key terms of the Settlement are disclosed in this Fourth Report; and
 - f. the sealing of the Settlement Agreement is an important aspect of the settlement for Crown Crest and the Settlement Agreement contemplates that the Receiver will seek a sealing order in respect of it.

V. CONCLUSION

17. The Settlement will achieve a consensual and comprehensive resolution of matters with respect to the Transaction, provide significant value to the Debtor's estate, and preserve the value of the purchased contracts for the benefit of all parties. The Receiver believes that the Settlement is in the best interests of the Debtor and respectfully requests that this Court grant the Settlement Approval Order.

All of which is respectfully submitted to this Court as of this 24th day of June, 2019.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver
of Eco Energy Home Services Inc. and
not in its personal capacity

A handwritten signature in black ink, appearing to read 'Bryan A. Tannenbaum', is written over the text 'not in its personal capacity'.

Per: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE **MADAM**

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WEDNESDAY, THE 3RD ~~DAY~~

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JUSTICE **CONWAY**

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OF APRIL, 2019

ECOHOME FINANCIAL INC.

Applicant

- and -

ECO ENERGY HOME SERVICES INC.

Respondent



ORDER
(appointing Receiver)

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 RSM Canada Limited ("**RSM**") as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of Eco Energy Home Services Inc. (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.

THIS CROSS APPLICATION made by the Debtor to adjourn the Applicant's application.

ON READING the affidavit of Brent Houlden sworn February 7, 2019 and the Exhibits thereto, the consent endorsement of the Honourable Mr. Justice McEwen made February 13, 2019, the endorsement of the Honourable Mr. Justice McEwen made February 21, 2019, the

affidavit of Wei (David) Ouyang sworn February 25, 2019 and the Exhibits thereto, the affidavit of Brent Houlden sworn February 28, 2019, the Report of Investigative Procedures of BDO Canada LLP dated March 8, 2019, the factum of the Applicant dated March 8, 2019, the factum of the Debtor dated March 12, 2019, the endorsement of the Honourable Madam Justice Conway made March 14, 2019 and the affidavit of Jonathan Yantzi sworn March 28, 2019, and on hearing the submissions of counsel for the Applicant, counsel for the Debtor and such other counsel as were present as indicated on the counsel slip, no one else appearing although duly served as appears from the affidavit of service of Jenaya McLean sworn February 8, 2019, and on reading the consent of RSM to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application, the Notice of Cross Application, the Application and the Cross Application is hereby abridged and validated so that this application and this cross-application are properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM 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

3. 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 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 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;

(j) 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;

(k) 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; 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*, as the case may be, shall not be required;

(l) 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;

(m) 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;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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;
- (p) to make an assignment in bankruptcy on behalf of the Debtor and to consent, on behalf of the Debtor, to the bankruptcy application currently outstanding against the Debtor bearing court file number 31-OR-208359-T (the "**Bankruptcy Application**");
- (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; and
- (s) 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

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) 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.

5. 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.

6. 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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that, save and except for the Bankruptcy Application, 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

9. THIS COURT ORDERS that, save and except for the Bankruptcy Application: (i) 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 (ii) 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

10. THIS COURT ORDERS that, save and except for the Bankruptcy Application, all rights and remedies against the Debtor, the Receiver or affecting the Property, including, without limiting the generality of the foregoing, all rights and remedies of Enbridge Gas Distribution Inc. under its agreements with EcoHome or the Debtor, 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

11. 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

12. 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 the continued use of 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

13. 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

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as: (i) the Receiver, on the Debtor's behalf, may terminate the employment of such employees; or (ii) the employees of the Debtor are otherwise terminated by operation of law. 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

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to 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

16. 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

17. 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

18. 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 unless otherwise ordered by the Court on the passing of accounts, 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 (including statutory, deemed and

constructive 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.

19. 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.

20. 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 standard 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

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow 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 \$500,000.00 (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.

22. 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.

23. 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.

24. 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.

SERVICE AND NOTICE

25. 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/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.rsmcanada.com/eco-energy-home-services-inc.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. 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.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor, including, without limitation, as a result of the Bankruptcy Application.

29. 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.

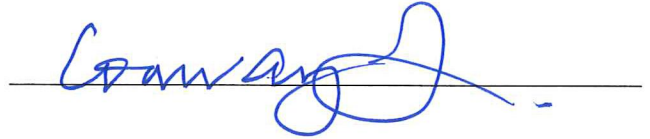
30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

31. THIS COURT ORDERS that the Debtor's cross application be and is dismissed.

32. THIS COURT ORDERS that the Applicant shall have its costs of this application and the Debtor's cross application, 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.

33. 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.



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

APR 03 2019

PER / PAR: *um*

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of Eco Energy Home Services Inc. 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 ____ day of _____, 20__ (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 _____, 20__.

RSM Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title: