



**Fourth Report of  
KSV Advisory Inc.  
as Liquidator of  
LWP Capital Inc.**

**April 20, 2017**

<b>Contents</b>	<b>Page</b>
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Restrictions .....	3
1.3 Currency.....	3
2.0 Background .....	3
2.1 Sale of Special Crops.....	3
2.2 Scoular Dispute.....	4
3.0 Claims Procedure.....	4
3.1 Olympic Claim .....	5
4.0 Claims Officer .....	5
5.0 Proposed Interim Distribution .....	6
5.1 Recommendation re: Interim Distributions .....	6
5.2 Return of Capital .....	7
6.0 Overview of the Liquidator’s Activities .....	7
7.0 Anticipated Next Steps in these Proceedings .....	9
8.0 Conclusion and Recommendation.....	10

## Appendices

<b>Appendix</b>	<b>Tab</b>
Liquidation Order dated January 11, 2016.....	A
Claims Procedure Order .....	B
Proposed Claims Officer Information .....	C
Interim Statement of Receipts and Disbursements.....	D



Court File No.: CV-16-11242-00CL

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

**IN THE MATTER OF THE LIQUIDATION OF  
LWP CAPITAL INC.  
PURSUANT TO SECTION 211 OF THE  
CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED**

and

**KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR  
OF LWP CAPITAL INC.**

**Applicant**

**FOURTH REPORT OF  
KSV ADVISORY INC.  
IN ITS CAPACITY AS LIQUIDATOR OF  
LWP CAPITAL INC.**

**APRIL 20, 2017**

## **1.0 Introduction**

1. At a special meeting of shareholders convened on November 9, 2015 (the “Special Meeting”), the shareholders of LWP Capital Inc. (formerly Legumex Walker Inc.) (the “Company”) passed a special resolution approving, among other things:
  - a) A transaction between the Company and The Scoular Company (“Scoular”) pursuant to an Asset Purchase Agreement dated September 14, 2015, as amended (the “APA”), whereby the Company sold substantially all of the assets comprising its Special Crops division to Scoular (the “Transaction”);
  - b) The voluntary liquidation and dissolution of the Company pursuant to the *Canada Business Corporations Act* (the “CBCA”) at a time to be determined by the Company’s board of directors; and
  - c) The plan of liquidation and distribution substantially in the form attached to the Notice of Special Meeting (the “Liquidation Plan”).
2. The Liquidation Plan appointed KSV Advisory Inc. (“KSV”) as liquidator of the Company (the “Liquidator”). The Liquidation Plan became effective on December 31, 2015 (“Effective Date”).

3. Pursuant to the Liquidation Plan, Joel Horn, Ivan Sabourin, Jay Lubinsky and Mick Fleming were appointed inspectors (collectively, the “Inspectors”). Each Inspector is also a shareholder of the Company, holding, in aggregate, approximately 30% of the Company’s shares.
4. The Liquidation Plan contemplated that the Company’s liquidation proceedings would be brought by the Liquidator under the supervision of the Ontario Superior Court of Justice – Commercial List (the “Court”). Pursuant to a Court Order made on January 11, 2016 (the “Liquidation Order”), the Court granted the Liquidator’s application. A copy of the Liquidation Order is attached as Appendix “A”<sup>1</sup>.
5. This report (“Report”) has been prepared by KSV in its capacity as Liquidator.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) Provide background information on the Company and its liquidation proceedings;
  - b) Summarize the status of a disputed claim in the amount of approximately \$228,000 filed by Olympic Wholesale Company Limited (“Olympic”), including the basis on which the Liquidator is recommending Kevin McElcheran be appointed as Claims Officer in these proceedings (the “Claims Officer”) as contemplated under the Claims Procedure Order made on January 11, 2016 (the “Claims Procedure Order”);
  - c) Set out the basis on which the Liquidator is seeking Court approval to pay an interim distribution to the Company’s shareholders of approximately \$6.5 million, representing approximately \$0.40 per common share;
  - d) Provide an overview of the Liquidator’s activities since the filing of its Third Report to Court dated December 8, 2016 (the “Third Report”); and
  - e) Recommend that this Honourable Court issue an Order:
    - appointing Mr. McElcheran as Claims Officer in these proceedings;
    - approving an interim distribution to the Company’s shareholders in the amount of approximately \$6.5 million (\$0.40 per common share);
    - authorizing the Liquidator to make further interim distributions without further Order of this Court; and
    - approving this Report and the Liquidator’s activities detailed herein.

---

<sup>1</sup> The Liquidation Plan is attached as Schedule A to the Liquidation Order.

## 1.2 Restrictions

1. In preparing this Report, the Liquidator has relied upon financial information prepared and provided by the Company's former management, the Company's books and records and discussions with its former management and advisors. The Liquidator has not performed an audit or other verification of such information.
2. Future oriented financial information relied upon in this Report, including the estimated funds available for distribution to shareholders, is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

## 1.3 Currency

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

## 2.0 Background

1. The Company was incorporated on April 20, 2011 under the CBCA. The Company was comprised of two operating segments, being: (a) the "Special Crops" segment, which provided primary processing for special crops<sup>2</sup> received from growers and some secondary processing; and (b) the "Oilseed Processing" segment, which was involved in the processing of Canola oilseed. The Company had operations in Canada, the US and China. Its consolidated annual revenue totalled approximately \$468 million in fiscal 2014.
2. The Company's common shares were publicly traded under the symbol "LWP" on the Toronto Stock Exchange ("TSX"). Effective at the close of markets on December 31, 2015, the common shares were delisted from trading on the TSX. The common shares are not traded on any other market. Effective May 12, 2016, the Ontario Securities Commission issued an order ceasing trading in the common shares of the Company.

## 2.1 Sale of Special Crops

1. On September 14, 2015, the Company entered into the APA for, among other things, the sale of substantially all of the Company's Special Crops assets to Scoular for gross proceeds of \$94 million, plus working capital of approximately \$71.5 million, subject to closing and post-closing adjustments.
2. On November 9, 2015, the Transaction was approved by approximately 99.56% of the Company's shareholders who voted at the Special Meeting in person or by proxy.
3. The Transaction closed on November 23, 2015.

---

<sup>2</sup> Special crops include sunflower seed, flax, canary seed, dry beans, chick peas, peas and lentils.

## 2.2 Scoular Dispute

1. From the outset, the focus of these proceedings was to deal with Scoular on post-closing Transaction issues and resolving the significant purchase price adjustment and other claims advanced by Scoular, which claims exceeded \$25 million.
2. The Scoular dispute resolution process was lengthy and extensive - it involved litigation and third-party experts as prescribed under the APA.
3. As detailed in the Third Report, all issues between the Company and Scoular were resolved effective October 20, 2016 pursuant to multiple settlement agreements between the parties.

## 3.0 Claims Procedure

1. The Liquidator has administered the claims process in accordance with the Claims Procedure Order (“Claims Procedure”), a copy of which is attached as Appendix “B”.
2. There were 13 claims filed in the Claims Procedure, as summarized in the table below.

Claimant	Number of Claims	(\$000s)		
		Amount of Claim	Amount Paid	Amount Outstanding
Scoular	1	25,964	5,149	-
Redmond Riverwalk LLC (“Redmond”)	1	709	-	709
Olympic	1	228	-	228
Other <sup>3</sup>	10	462	454	-
Total	13	27,363	5,603	937

3. As noted above, the claim filed by Scoular has been resolved pursuant to settlement agreements, the details of which were set out in the Third Report. At this time, there remains two outstanding claims, the status of which is as follows:
  - Redmond is the landlord of the Company’s premises in Seattle, Washington. The Company subleased this premises and the subtenant continues to pay monthly rent (approximately US\$15,000) as required under the lease. Redmond filed a “placeholder” claim covering rent for the balance of the term of the lease (i.e. until August 31, 2019). The Liquidator does not expect there will be any amounts owing to Redmond under this claim; and
  - Olympic filed a claim for damages in the amount of approximately \$228,000. Olympic’s claim pre-dates the liquidation proceedings – it commenced litigation against the Company on May 22, 2012. The status of this claim is summarized in the following section of this Report.

<sup>3</sup> Of these claims, one claim totaling approximately \$8,000 was disallowed by the Liquidator.

### 3.1 Olympic Claim

1. Olympic filed its claim in the Claims Procedure on May 3, 2016.
2. The claim was disallowed entirely by the Liquidator pursuant to a Notice of Determination dated October 6, 2016, based on, *inter alia*, its merits, statute of limitations issues and because it was filed after March 15, 2016, being the Claims Bar Date under the Claims Procedure Order.
3. In response to the Notice of Determination and in accordance with the Claims Procedure Order, Olympic filed a Notice of Objection on October 19, 2016.
4. Since the filing of Olympic's Notice of Objection, the Liquidator has attempted to resolve Olympic's claim; however, a settlement has not been achieved. Pursuant to the Claims Procedure Order, the Liquidator's next step in resolving Olympic's claim is to direct the dispute to a Court-appointed Claims Officer or seek directions from the Court concerning an appropriate process for resolving the dispute.

### 4.0 Claims Officer

1. The Liquidator believes that Mr. McElcheran should be appointed Claims Officer to resolve outstanding claims in the Claims Procedure in these proceedings for the following reasons:
  - the appointment of a Claims Officer for this purpose is contemplated in the Claims Procedure Order;
  - as reflected in his biography and other information attached as Appendix "C", Mr. McElcheran is an independent and highly qualified party with extensive experience in claims resolution processes in the context of solvent and insolvent entities, including prior experience acting as a Claims Officer;
  - it is the most cost-efficient way to adjudicate Olympic's claim. Protracted litigation will significantly exceed the cost of the Claims Officer and any adjudication process it may impose. This is particularly appropriate given the quantum of Olympic's claim (\$228,000) relative to the potential litigation costs; and
  - the Inspectors support the appointment of a Claims Officer should that process help to minimize costs.
2. Olympic has been notified of the relief sought in this regard and has been served with a copy of the Liquidator's motion record.

## 5.0 Proposed Interim Distribution

1. As at the date of this Report, there is cash on deposit in the Company's Canadian and US dollar bank accounts maintained by the Liquidator of approximately \$18.3 million and US\$900,000, respectively. There are presently 16,294,635 common shares in the capital of the Company issued and outstanding.
2. Attached as Appendix "D" is an interim statement of receipts and disbursements, which provides an accounting of all activity in the Liquidator's accounts since the Effective Date of the Liquidation Plan (December 31, 2015).
3. In the Third Report, the Liquidator provided an estimate of funds available for distribution to the Company's shareholders at the completion of these proceedings, being a range of \$1.14 to \$1.20 per share. As at the date of this Report, the Liquidator's prior estimate remains unchanged.

### 5.1 Recommendation re: Interim Distributions

1. The Liquidator believes it is appropriate at this time to pay an interim distribution of \$0.40 per common share for the following reasons:
  - The Claims Procedure has been administered in accordance with the Claims Procedure Order and the proposed distribution of approximately \$6.5 million leaves a substantial holdback (approximately \$13 million), which adequately provides for all remaining known and potential obligations of the Company, including the two unresolved claims filed in the Claims Procedure, potential tax obligations that may arise prior to the issuance of the Clearance Certificates (as defined in the Liquidation Plan) and the costs to completion of these proceedings;
  - The payment of interim distributions by the Liquidator is contemplated under the Liquidation Plan and the CBCA;
  - The Inspectors unanimously approved the proposed interim distribution on April 12, 2017. Prior approval of any interim distribution by the Inspectors is required under the Liquidation Plan; and
  - These proceedings commenced in January, 2016. As a result of the purchase price adjustment dispute with Scoular, the shareholders have waited longer than anticipated for monies to be distributed. Given the extended period of time it typically takes to obtain Clearance Certificates from Canada Revenue Agency ("CRA"), a final distribution is unlikely to be issued in the near term. Accordingly, it is appropriate for the shareholders to now receive approximately 1/3 of the projected total distributions in these proceedings.
2. Subject to Court approval, the Liquidator anticipates working with the Company's transfer agent to pay the interim distribution to shareholders by mid-May, 2017.



3. The Liquidator is also seeking Court approval to make additional interim distributions to the Company's shareholders as it considers appropriate, provided prior Inspector approval is obtained as required under the Liquidation Plan. This will avoid the costs of a subsequent motion by the Liquidator for the sole purpose of approving further interim distributions. At the conclusion of these proceedings, the Liquidator intends to seek Court approval of the final distribution before it is paid to shareholders.
4. The Liquidator intends to periodically assess the quantum of the holdback and, subject to any known and potential obligations of the Company, including the two unresolved claims filed in the Claims Procedure, any tax issues arising in the Clearance Certificate process and the costs to completion of these proceedings, will facilitate further interim distributions, as appropriate, subject to Inspector approval.

## 5.2 Return of Capital

1. Pursuant to section 7.3 of the Liquidation Plan, the Inspectors are to determine the basis on which an interim distribution is to be paid to shareholders, being either a return of capital (subject to satisfying the applicable solvency tests in the CBCA) or a taxable dividend.
2. The Company satisfies and, following the proposed interim distribution, will satisfy the applicable solvency tests under Part V of the CBCA.
3. On April 12, 2017, the Inspectors each notified the Liquidator that the proposed interim distribution, subject to Court approval, shall be treated as a return of capital.

## 6.0 Overview of the Liquidator's Activities

1. The Liquidator's activities through the date of the Third Report were approved pursuant to a Court Order made on December 19, 2016. Since that date, the Liquidator's activities have included:
  - Corresponding with the Company's and the Liquidator's counsel regarding all matters in these proceedings;
  - Corresponding routinely with the Company's former CFO and other former employees in connection with financial, tax, accounting and cash management issues;
  - Corresponding routinely with the Inspectors so that they are apprised of all matters in these liquidation proceedings;
  - Attending at Court on December 19, 2016 to seek an order, *inter alia*: (a) exempting the Liquidator from calling and holding an annual shareholders' meeting; and (b) extending the time for approval of final accounts and for making a distribution to shareholders;
  - Corresponding with the Company's Panamanian counsel regarding enforcing security over an apartment in Panama which secures an outstanding receivable owing from one of the Company's foreign customers;

- Dealing with other matters concerning the Company's foreign accounts receivable;
- Pursuing accounts receivable collections with the assistance of certain of the Company's former employees;
- Corresponding with Canada Border Services Agency ("CBSA") for the purposes of collecting import duty receivables and working with the Company to respond to information requests from CBSA;
- Corresponding routinely with MNP LLP ("MNP"), the Company's accountants, regarding the Company's final corporate tax returns and dealing extensively with MNP in connection with tax matters;
- Dealing with MNP and the Liquidator's legal counsel in connection with the filing of applications to CRA for the Clearance Certificates;
- Dealing with CRA and Manitoba Department of Finance regarding their respective corporate tax, payroll and sales tax audits;
- Corresponding with TMX Equity Transfer Services Inc., the Company's transfer agent, in connection with distribution issues;
- Completing the administration of the Claims Procedure, including corresponding with Olympic and its legal counsel regarding Olympic's claim;
- Dealing with matters in connection with the Company's leased premises in Seattle, WA;
- Corresponding with the Company's US counsel regarding the dissolution of the Company's US subsidiaries, and addressing related issues;
- Dealing generally with cash management issues, including corresponding with the Company's bank regarding the Company's accounts and arranging, when necessary, for the transfer of funds from the Company's bank accounts to the accounts set up by the Liquidator;
- Responding to numerous shareholder and creditor calls and emails regarding these liquidation proceedings and the status of pending distributions;
- Reviewing the Company's GST/HST filings on a monthly basis and coordinating with the Company to file same; and
- Drafting this Report and reviewing all Court materials filed in connection with this motion.

## 7.0 Anticipated Next Steps in these Proceedings

1. The resolution of the Scoular dispute enabled the Liquidator to work with the Company's former management team and external accountants to finalize the Company's financial statements and tax returns for the period ended September 30, 2016. The filing of the tax return, and receipt of the corresponding Notice of Assessment from CRA, enabled the Liquidator to recently file applications for Clearance Certificates. The Company's liquidation proceedings, including a final distribution payment to shareholders, cannot be concluded and paid until the Clearance Certificates are obtained.
2. The Liquidator's anticipated next steps include the following:
  - a) Continuing to pursue accounts receivable collections with the assistance of certain of the Company's former employees;
  - b) Dealing with the resolution of Olympic's claim as required by the Claims Officer, subject to its appointment, and the claim filed by Redmond;
  - c) Subject to Court approval, issuing the first interim distribution to shareholders and considering further interim distributions, as and when appropriate;
  - d) Dealing with CRA on any requests for information in connection with the Clearance Certificates issuance process. It is the Liquidator's experience that obtaining Clearance Certificates from CRA is typically a lengthy process. In addition, it is possible that CRA elects to conduct an audit prior to issuing the Clearance Certificates. An audit would increase the cost and extend the time before a final distribution can be paid to shareholders;
  - e) Keeping the Company's shareholders and this Honourable Court apprised of any material developments, including by way of press release and/or filing reports with the Court, which will continue to be made available on the Liquidator's website; and
  - f) Subject to Court approval, paying a final distribution to shareholders once the Clearance Certificates are obtained from CRA.

## 8.0 Conclusion and Recommendation

1. Based on the foregoing, the Liquidator respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1 (1)(e) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Advisory Inc.*

**KSV ADVISORY INC.  
IN ITS CAPACITY AS LIQUIDATOR OF  
LWP CAPITAL INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. )


)

MONDAY, THE 11<sup>TH</sup> DAY

JUSTICE NEWBOULD )

)

OF JANUARY 2016



IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL INC.  
PURSUANT TO SECTION 211 OF THE *CANADA BUSINESS CORPORATIONS  
ACT*, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF LWP  
CAPITAL INC.

Applicant

**LIQUIDATION ORDER**

THIS APPLICATION, made by KSV Advisory Inc. in its capacity as the liquidator (in such capacity, the “**Liquidator**”) of LWP Capital Inc., formerly “Legumex Walker Inc.”, pursuant to section 211 of the *Canada Business Corporations Act*, R.S.C. 1989, c. C-44, as amended (the “**CBCA**”) to have the voluntary liquidation of LWP Capital Inc. pursuant to the plan of liquidation and distribution approved on November 9, 2015 at a special meeting of the shareholders and adopted by the directors of LWP Capital Inc., effective December 31, 2015, and attached hereto as Schedule “A” (the “**Liquidation Plan**”) continued under the supervision of this Court, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Liquidator dated January 4, 2016 (the “**First Report**”) and the affidavit of Joel Horn sworn January 6, 2016, and on hearing the submissions of counsel for the Liquidator and counsel for LWP Capital Inc., no one appearing for any other person on the service list although duly served,

**SERVICE**

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

**LIQUIDATION PLAN**

2. THIS COURT ORDERS AND DECLARES that the Liquidation Plan (and the appointment of the Liquidator thereunder) be and is hereby approved and affirmed.

3. THIS COURT ORDERS that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Liquidation Plan.

4. THIS COURT ORDERS that that the liquidation of LWP Capital Inc. shall continue under the supervision of this Court and in accordance with the terms of the Liquidation Plan and any further order of this Court.

5. THIS COURT ORDERS that, for greater certainty, the Liquidator hereby has and shall have all of the powers and authorities as provided to it under the Liquidation Plan and the CBCA and any further order of this Court.

6. THIS COURT ORDERS that in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Liquidation Plan and this Order, the terms, conditions and provisions of this Order shall govern and be paramount, and the Liquidation Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

7. THIS COURT ORDERS that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of LWP Capital Inc., any of its subsidiaries or affiliates (collectively, “**LWP**”) or the Liquidator, or affecting any of LWP’s current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of LWP or affecting the Property are hereby stayed and suspended pending further order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

8. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of LWP or the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which LWP is not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

9. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,



contract, agreement, lease, sub-lease, licence or permit in favour of or held by LWP, except with the written consent of the Liquidator, or leave of this Court.

### **CONTINUATION OF SERVICES**

10. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with LWP 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, employee benefits, transportation services, utility, leasing or other services to LWP, 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 Liquidator, and that the Liquidator shall be entitled to the continued use of LWP's current premises, telephone numbers and facsimile numbers, 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 Liquidator in accordance with normal payment practices of LWP or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

11. THIS COURT ORDERS that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of LWP with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of LWP whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of LWP.

## **THE LIQUIDATOR**

12. THIS COURT ORDERS that, in the case of information requests submitted to the Liquidator by creditors or shareholders, if the Liquidator has been advised by LWP or determines in its discretion that the requested information is confidential or otherwise material and non-public, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court or on such terms as the Liquidator may agree. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph.

13. THIS COURT ORDERS that, in addition to the rights and protections afforded the Liquidator under the CBCA and the Liquidation Plan or as an officer of this Court, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Liquidation Plan, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the CBCA, the Liquidation Plan or any applicable legislation.

14. THIS COURT ORDERS that the Liquidator and its counsel shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, by LWP as part of the costs of these proceedings. The Liquidator is hereby authorized and directed to pay its accounts and the accounts of its counsel as and when such accounts are rendered.

15. THIS COURT ORDERS that the Liquidator and its counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its counsel are hereby referred to a judge of this Court.

16. THIS COURT ORDERS that the Liquidator and its counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Liquidator and its counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall constitute a first charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

17. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

18. THIS COURT ORDERS that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) the provisions of any federal or provincial statutes; or (c) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds LWP, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by LWP of any Agreement to which it is a party;

- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by LWP pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR**

19. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 19 or in paragraph 20 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 Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

20. 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **INSPECTORS**

21. THIS COURT ORDERS that the Liquidator shall consult with the Inspectors regarding the business and financial affairs of LWP to the extent necessary to enable the Liquidator to adequately carry out its functions under the Liquidation Plan and any Order of this Court.

22. THIS COURT ORDERS that, notwithstanding anything to the contrary in the Liquidation Plan, the Inspectors are hereby only directed and empowered to:

- (a) provide guidance and assistance to the Liquidator to the extent necessary to enable the Liquidator to carry out its functions under the Liquidation Plan, this Order and any claims procedure approved by this Court;
- (b) be advised of, and provide input in respect of, material steps taken by the Liquidator pursuant to the Liquidation Plan, this Order and any claims procedure approved by this Court;

- (c) consult with the Liquidator in connection with the liquidation of LWP under the Liquidation Plan and this Order;
- (d) participate in meetings convened by the Liquidator, as required by the Liquidator, to provide guidance on material developments in the liquidation of LWP; and
- (e) perform such other duties as may be required by the Liquidator or this Court from time to time.

### **SERVICE AND NOTICE**

23. THIS COURT ORDERS that the Liquidator be 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 electronic transmission to LWP's creditors or other interested parties at their respective addresses as last shown on the records of LWP and that any such service or notice by courier, personal delivery or electronic 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.

24. THIS COURT ORDERS that the Liquidator, and any party who has filed a Notice of Appearance, may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Liquidator may post a copy of any or all such materials on its website at [www.ksvadvisory.com](http://www.ksvadvisory.com).

**DISPENSING WITH AUDITED FINANCIAL STATEMENTS**

25. THIS COURT ORDERS AND DECLARES that LWP and the Liquidator are not required to produce or place before LWP's shareholders any further audited financial statements as required under subsections 155(1) and 159(1) of the CBCA or otherwise and that LWP and the Liquidator be and are hereby exempt from the requirements of Part XIV of the CBCA regarding the appointment and duties of an auditor.

**GENERAL**


26. THIS COURT ORDERS that the Liquidator 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 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 Liquidator and its respective 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

28. THIS COURT ORDERS that the Liquidator 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 Liquidator 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.

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

30. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



A handwritten signature in blue ink, appearing to be "D. J. ...", is written above a horizontal line.

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

JAN 11 2016



A handwritten mark or signature in blue ink, possibly a stylized "u" or "h", is written below the date stamp.



**Schedule A – Plan of Liquidation and Distribution**

**PLAN OF LIQUIDATION AND DISTRIBUTION**

**LWP CAPITAL INC.**  
**(formerly LEGUMEX WALKER INC.)**

---

**PLAN OF LIQUIDATION AND DISTRIBUTION**

---

---

**December 31, 2015**

---

**LWP CAPITAL INC.  
PLAN OF LIQUIDATION AND DISTRIBUTION**

WHEREAS the board of directors of LWP Capital Inc. (formerly "Legumex Walker Inc.") (the "**Board**") has concluded that it is in the best interests of LWP Capital Inc. ("**LWP**" or the "**Company**") to be wound up voluntarily pursuant to the *Canada Business Corporations Act* in accordance with the terms of this Liquidation Plan (as defined below);

AND WHEREAS the Board has passed a resolution authorizing the Company to seek shareholder approval for the liquidation and dissolution of the Company and hold a special meeting of shareholders to consider and vote to require the Company to be wound up voluntarily and, in connection therewith, approve this Liquidation Plan;

NOW THEREFORE THIS Liquidation Plan is adopted by the Board as of the last date set forth below, having the terms and conditions as set out herein.

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Liquidation Plan:

"**Assets**" means all of the property, assets, undertaking and the proceeds thereof of LWP;

"**Board**" has the meaning given to it in the recitals of this Liquidation Plan;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**Calendar Day**" means any day, including a Saturday, Sunday or statutory holiday in Toronto, Ontario;

"**Canadian Dollars**" or "**CDNS**" means dollars denominated in lawful currency of Canada;

"**CBCA**" means the *Canada Business Corporations Act*;

"**CBCA Director**" means the Director, as defined in and appointed under Section 260 of the CBCA;

"**Claim**" means

- (a) any right of any Person against LWP in connection with any indebtedness, liability or obligation of any kind of LWP and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any claim made or asserted against LWP through any affiliate, associate or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future with respect to any matter, action, cause or chose in action; and
- (b) any existing or future right of any Person against any one or more of the Directors which arose or arises as a result of such Director's position, supervision, management or involvement as a Director or otherwise in any other capacity in connection with LWP whether such right, or the circumstances giving rise to it, arose before or after the Effective Date and whether enforceable in any civil, administrative or criminal proceeding;

**"Claims Bar Date"** means the date on which a Claim must be filed pursuant to the Claims Process;

**"Claims Process"** means the process established by the Liquidator and approved by the Court for the identification, resolution and barring of certain Claims, including *inter alia* the issuance of a final order of the Court establishing the Claims;

**"Clearance Certificates"** mean:

- (a) a certificate issued by the Minister pursuant to subsection 159(2) of the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.) as amended (the "**ITA**"), or any equivalent thereto, certifying that all amounts for which LWP is, or can reasonably be expected to become, liable under the ITA and the *Taxation Act*, 2007, S.O. 2007, c. 11, Sched. A, up to and including the date of distribution have been paid, or that the Minister has otherwise accepted security for payment;
- (b) a certificate issued by the Minister pursuant to subsection 23(5) of the *Canada Pension Plan*, R.S.C. 1985, c. C-8 (the "**CPP**"), or any equivalent thereto, certifying that all amounts for which LWP is liable under the CPP up to and including the date of distribution, have been paid or that security for the payment thereof has been accepted by the Minister;
- (c) a certificate issued by the Minister pursuant to subsection 86(3) of the *Employment Insurance Act*, S.C. 1996, c. 23 (the "**EIA**"), or any equivalent thereto, certifying the payment, or acceptance by the Minister of security for payment, of all amounts for which LWP is liable under the EIA up to and including the date of distribution;
- (d) a certificate issued by the Minister pursuant to subsection 81(1) of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "**ETA**"), or any equivalent thereto, certifying that no tax, penalty, interest or other sum under the ETA, chargeable against or payable by the Liquidator or chargeable against or payable in respect of the Assets, remains unpaid or that security for the payment thereof has, in accordance with section 80.1 of the ETA, been accepted by the Minister; and
- (e) a certificate issued by the Minister pursuant to subsection 270(3) of the ETA, or any equivalent thereto, certifying that all amounts payable or remittable under Part IX of the ETA by LWP in respect of the reporting period during which the distribution is made or any previous reporting period, and all amounts that are, or can reasonably be expected to become, payable or remittable under Part IX of the ETA by the Liquidator in respect of the reporting period during which the distribution is made, has been paid or that security for the payment thereof has been accepted by the Minister.

**"Common Shares"** means the common shares in the capital of LWP;

**"Court"** means the Ontario Superior Court of Justice (Commercial List);

**"Creditor"** means any Person with a Claim;

**"Directors"** means all individuals who were, on or at any time before the Effective Date, directors or officers of LWP, and the term "**Director**" shall mean any one of them;

**"Dissolution Date"** means the date on which the Company is dissolved pursuant to the CBCA or by order of the Court;

**"Effective Date"** means the date to be established by a resolution of the Board upon which the implementation of the Liquidation Plan shall commence, which date shall be no earlier than the date upon which the certificate of intent to dissolve is issued to the Company pursuant to and in accordance with the CBCA.

**"Employees"** means the employees of LWP;

**"Governmental Authority"** means any nation or government, any province, state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any Legal Requirement and any corporation or other entity owned or controlled, through capital stock or otherwise by any of the foregoing;

**"Inspectors"** has the meaning given to it in Section 6.1;

**"Legal Requirement"** means any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator, court, Governmental Authority or securities exchange and, with respect to any Person, includes all such Legal Requirements applicable or binding upon such Person, its business or the ownership or use of any of its assets;

**"Liquidation Date"** means the date on which the Shareholders pass the Resolution;

**"Liquidation Plan"** means this plan of liquidation and distribution as it may be amended, modified, supplemented, restated or otherwise modified in accordance with its terms;

**"Liquidator"** means the Person appointed from time to time pursuant to Sections 4.1, 4.5, or 4.6 in its capacity as liquidator of LWP;

**"LWP"** or **"Company"** has the meaning given to it in the recitals of this Liquidation Plan;

**"Minister"** means the Minister of National Revenue;

**"Person"** means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other judicial entity howsoever designated or constituted domiciled;

**"Proven Claim"** means a Claim finally determined or accepted in accordance with the provisions of the Claims Process;

**"Public Trustee"** means the Public Guardian and Trustee pursuant to the *Public Guardian and Trustee Act*, R.S.O. 1990, Chapter P.51;

**"Purchase Agreement"** means the asset purchase agreement dated September 14, 2015, between the Company, Legumex Walker Canada Inc., St. Hilaire Seed Company, Inc., Legumex Walker Sunflower LLC, and The Scoular Company;

**"Purchaser"** means The Scoular Company.

**"Resolution"** means the special resolution of the Shareholders authorizing the voluntary liquidation and dissolution of LWP made in accordance with the CBCA and approving this Liquidation Plan;

**"Shareholders"** means all holders of Common Shares shown from time to time in the registers maintained by or on behalf of LWP by the Transfer Agent in respect of the Common Shares and, unless otherwise specified, includes all beneficial owners of Common Shares;

**"Tax Return"** means any report, return or other information required to be supplied to a taxing authority in connection with (a) all taxes, charges, fees, levies and other assessments (whether federal, provincial, local or foreign), including income, gross receipts, excise, property, sales, use, transfer, license, payroll, franchise, withholding, social security and unemployment taxes, and (b) any interest, penalties and additions related to the foregoing;

**“Transfer Agent”** means Equity Financial Trust Company, as transfer agent for the Common Shares of the Company;

**“Transitional Services Agreement”** means the Transitional Services Agreement to be entered into between the Company and the Purchaser addressing the provision of the transitional services described in Schedule I to the Purchase Agreement;

**“TSX”** means the Toronto Stock Exchange.

## 1.2 **Certain Rules of Interpretation**

In this Liquidation Plan and the Schedules hereto:

- (a) all references to currency are to Canadian Dollars, except as otherwise expressly indicated;
- (b) the division of this Liquidation Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Liquidation Plan. The terms “this Liquidation Plan”, “hereof”, “hereunder”, “herein” and similar expressions refer to this Liquidation Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Liquidation Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Liquidation Plan;
- (c) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Liquidation Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes without limitation” and “including without limitation”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m., on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Liquidation Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day;
- (f) unless otherwise specified, where any reference to an event occurring within any number of “days” appears in this Liquidation Plan, such reference means Calendar Days and not Business Days; and
- (g) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

## ARTICLE 2 PURPOSE OF THE PLAN

### 2.1 Purpose

The purpose of this Liquidation Plan is to provide for a plan of liquidation and distribution of the Assets, payment or settlement of all Claims and dissolution of the Company.

### 2.2 Commencement of Liquidation and Dissolution

The voluntary liquidation and dissolution of the Company shall commence on and as of the Effective Date.

### 2.3 Affected Persons

This Liquidation Plan will be implemented under the CBCA and, as of the Effective Date will be binding on the Company, the Directors, the Inspectors, the Liquidator and the Shareholders in accordance with its terms. On the Liquidation Date, each Shareholder shall be deemed to have consented and agreed to all of the provisions of this Liquidation Plan in their entirety.

## ARTICLE 3 EFFECT OF PLAN

### 3.1 Share Transfers

If not already otherwise halted and/or delisted, on and as of the Effective Date, the Common Shares will be halted and shall cease to trade on the TSX.

### 3.2 Company to Cease Business

On and as of the Effective Date, the Company shall cease to carry on its undertaking, except in so far as may be required as beneficial for the liquidation and dissolution thereof in the discretion of the Liquidator, but its corporate existence and all its corporate powers, even if it is otherwise provided by its articles or by-laws, shall continue under the control of the Liquidator until its affairs are wound up.

### 3.3 Resignation of Directors

On and as of the Effective Date, all the powers of the Directors shall cease and the Directors shall be deemed to have resigned.

## ARTICLE 4 THE LIQUIDATOR

### 4.1 Appointment of Liquidator

On and as of the Effective Date, KSV Advisory Inc. is hereby appointed as the liquidator of the estate and effects of the Company (the "**Liquidator**") for the purpose of liquidation and dissolution its business and affairs and distributing its Assets, after satisfying all Claims, all in accordance with the terms of this Liquidation Plan, and who shall serve until removal and replacement in accordance with this Liquidation Plan. The Liquidator shall have the authority to enter into agreements and execute documents for and on behalf of the Company pursuant to the powers and obligations of the Liquidator as contained in this Liquidation Plan or otherwise under the CBCA.

### 4.2 Mandatory Obligations of the Liquidator

The Liquidator is expressly directed, empowered and authorized to, and shall:

- (a) deposit all money that the Liquidator has belonging to the Company in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, and as approved by the Inspectors, which deposit shall not be made in the name of the Liquidator individually, but shall be a separate deposit account in the Liquidator's name as Liquidator of the Company, and such money shall be withdrawn for payment of Claims or fees and expenses incurred in connection with the implementation of the Liquidation Plan and signed in accordance with such signing authorities as may be determined by the Liquidator in consultation with the Inspectors;
- (b) at every meeting of the Shareholders, produce a pass-book, or statement of account showing the amount of the deposits, the dates at which they were made, the amounts withdrawn and the dates of withdrawal, and mention of such production shall be made in the minutes of the meeting, and the absence of such mention shall be admissible in evidence as proof, in the absence of evidence to the contrary, that the pass-book or statement of account was not produced at the meeting;
- (c) forthwith after the Effective Date, make an application to the Court under Section 211(8) of the CBCA to have the liquidation of the Company supervised by the Court if the Liquidator considers such an application advisable under the circumstances then existing;
- (d) establish and implement a Claims Process;
- (e) following the Effective Date and following the delisting of the Common Shares from the TSX, if applicable, pursuant to the CBCA, all transfers of Common Shares thereafter shall be void unless made with the explicit sanction of the Liquidator;
- (f) pay or otherwise satisfy all Proven Claims from the Assets in accordance with the Claims Process;
- (g) after satisfying all Proven Claims and in accordance with the provisions of the CBCA and any order of the Court, distribute the remaining Assets rateably among the registered Shareholders according to their rights and interests in the Company;
- (h) cause to be filed with the appropriate Governmental Authority all Tax Returns required to be filed by LWP, its subsidiaries and, if necessary, any trusts or special purpose entities for which LWP continues to have responsibility under applicable Legal Requirements;
- (i) remit all taxes required to be remitted by LWP in accordance with all applicable statutes, all outstanding CPP contributions and EIA premiums, including any associated interest and penalties and obtain the Clearance Certificates;
- (j) cause to be filed with the appropriate Governmental Authority all financial statements and reports required to be filed by LWP subject to amendments or exclusions which may be obtained by Court Order during the liquidation proceedings;
- (k) maintain the continuous disclosure requirements applicable to the Company under all applicable securities laws, subject to amendments or exclusions which may be obtained by Court Order during the liquidation proceedings;
- (l) meet with the Inspectors regularly and shall call such meetings by providing at least two days written notice to the Inspectors which notice period may be waived by such Inspectors in their discretion; and
- (m) make up an account showing the manner in which the liquidation and dissolution has been conducted and the Assets disposed of, and thereupon shall call a meeting of the Shareholders for the purpose of having the account laid before them and hearing any explanation that may be given



by the Liquidator, and the meeting shall be called in the manner prescribed by the articles or by-laws of the Company or, in default thereof, in the manner prescribed by the CBCA for the calling of meetings of shareholders, and within ten days after the meeting is held file a notice in the prescribed form under the CBCA with the CBCA Director stating that the meeting was held and the date thereof and shall forthwith publish the notice in The Ontario Gazette.

#### 4.3 Discretionary Powers of the Liquidator

The Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) with the prior approval of the Inspectors, bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Company;
- (b) carry on the business of the Company so far as may be required as beneficial for the liquidation and dissolution of the Company;
- (c) oversee and address any of the Company's obligations under the Purchase Agreement and/or the Transitional Services Agreement with the Purchaser;
- (d) engage any former employee of the Company on a "term and task" basis to assist with the Liquidator's administration and implementation of the Liquidation Plan;
- (e) sell any of the Assets by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (f) do all acts and execute, in the name and on behalf of the Company, all documents, and for that purpose use the seal of the Company, if any;
- (g) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company;
- (h) raise upon the security of the Assets any requisite money;
- (i) call meetings of the Shareholders for any purpose the Liquidator thinks fit;
- (j) in accordance with the Claims Process or any further order of the Court and with the approval of the Shareholders or the Inspectors, make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Company may be rendered liable;
- (k) in accordance with the Claims Process or any further order of the Court and with the approval of the Shareholders or the Inspectors, compromise all debts and liabilities capable of resulting in debts, and all Claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Company and any contributory, alleged contributory or other debtor or person who may be liable to the Company and all questions in any way relating to or affecting the Assets, or the liquidation and dissolution of the Company, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (l) at any time after the affairs of the Company have been fully wound up, make an application to the Court for an order dissolving the Company;
- (m) in accordance with the provisions of the CBCA and any order of the Court, make or cause to be made, from time to time, any interim distributions or distributions in kind of portions of the Assets

to the registered Shareholders rateably among the registered Shareholders according to their rights and interests in the Company, as considered appropriate and approved by the Inspectors, and while maintaining such reserves as are reasonably necessary to provide for all Claims;

- (n) at any time after the Effective Date and following the delisting of the Common Shares from the TSX, request the Transfer Agent to refrain from making any changes to the registers maintained by the Transfer Agent in respect of the Common Shares, except with the explicit sanction of the Liquidator;
- (o) liquidate or dissolve subsidiaries of the Company; and
- (p) do and execute all such other things as are necessary for the liquidation and dissolution of the business and affairs of the Company and distributing the Assets.

#### **4.4 Reporting Obligations**

The Liquidator shall report to the Inspectors and Shareholders at such times and intervals as the Liquidator may deem appropriate with respect to matters relating to the Assets, LWP and such other matters as may be relevant to this Liquidation Plan.

#### **4.5 Removal of the Liquidator**

The Liquidator may be removed by order of the Court pursuant to a motion brought following either:

- (a) a resolution of the majority of the Inspectors;
- (b) a determination by the Liquidator, in its discretion, to be discharged by the Court; or
- (c) ordinary resolution of the Shareholders at a meeting called for the purpose of removing the Liquidator,

but only if such order of the Court appoints another liquidator in the Liquidator's stead which successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.6 Resignation of the Liquidator and Filling Vacancy**

If the Liquidator resigns or is discharged by order of the Court, then a successor liquidator shall be appointed by resolution of the majority of Inspectors, by ordinary resolution of the Shareholders at a meeting called for the purpose of appointing a successor liquidator, or by order of the Court, and such successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.7 Fees of the Liquidator and its counsel**

The Liquidator and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, from the Assets as and when the Liquidator or its counsel renders an account to the Company and such account is approved by the Inspectors. Pursuant to Section 223(1) of the CBCA, the costs, charges and expenses of the liquidation and dissolution, including the remuneration of the Liquidator and its counsel, are payable out of the Assets in priority to all other Claims. In the event of a dispute between the Liquidator and Inspectors with respect to the Liquidator's fees and disbursements, including the fees of its counsel, the Liquidator may apply to the Court.

#### **4.8 Indemnity**

The Company hereby releases, holds harmless, and indemnifies the Liquidator from and against all liabilities, claims and costs of any nature arising from the Liquidator's execution of this Liquidation Plan, save and

except any such liabilities, claims or costs arising as a result of the Liquidator's fraud, gross negligence or wilful misconduct.

## **ARTICLE 5 TERMINATION OF EMPLOYEES**

### **5.1 Termination of Employment**

All Employees shall be terminated on the Effective Date, other than those Employees who are requested by the Liquidator to remain in service and assist in the implementation of this Liquidation Plan and agree to do so which Employees shall remain Employees of the Company.

### **5.2 Employment Agreements**

In connection with the termination of all Employees, LWP will comply with all existing agreements with such Employees, if any.

## **ARTICLE 6 INSPECTORS**

### **6.1 Appointment of Inspectors**

On and as of the Effective Date, Joel Horn, Ivan Sabourin, Jay Lubinsky and Mick Fleming are hereby appointed as inspectors of the Company's liquidation pursuant to Section 217 of the CBCA (the "**Inspectors**").

### **6.2 Approval of Inspectors**

For any action or inaction which requires the approval of the Inspectors under this Liquidation Plan, by order of the Court or pursuant to the CBCA, such approval shall exist if a majority of the Inspectors approve of the action or inaction by vote at a meeting of Inspectors or otherwise by written resolution signed by a majority of the Inspectors.

### **6.3 Meetings of Inspectors**

The Liquidator or any one of the Inspectors may call a meeting of Inspectors by providing all of the Inspectors with two days written notice of such meeting, which notice may be waived by the Inspectors in their discretion. Such meetings may be held by teleconference. Quorum for any meeting of Inspectors shall be a majority of the Inspectors. Each of the Inspectors shall have one vote at any such meetings. The Liquidator shall have no vote at such meetings but may chair such meetings with the approval of a majority of the Inspectors.

### **6.4 Removal of Inspectors**

An Inspector may be removed by:

- (a) order of the Court; or
- (b) ordinary resolution of the Shareholders at a meeting called for the purpose of removing an Inspector.

### **6.5 Filing Vacancies of Inspectors**

There shall always be at least one Inspector and not more than four Inspectors at any time. Any vacancy in the number of permissible Inspectors may be filled by election by the majority of remaining Inspectors.

#### 6.6 **Remuneration of Inspectors**

The compensation paid to Inspectors shall be \$5,000.00 per Inspector per year, plus \$100.00 per Inspector per day on which meetings of Inspectors are held for attendance at such meetings in person or, if attended by conference call, \$50.00 per Inspector per day.

#### 6.7 **Indemnity**

The Company hereby releases, holds harmless, and indemnifies the Inspectors from and against all liabilities, claims and costs of any nature arising from the Inspector's actions as an Inspector under the Liquidation Plan and pursuant to the CBCA, save and except any such liabilities, claims or costs arising as a result of the Inspector's fraud, gross negligence or wilful misconduct.

### **ARTICLE 7 DISTRIBUTIONS**

#### 7.1 **Delivery of Distribution to Shareholders**

Unless otherwise directed, distributions to registered Shareholders shall be made by the Liquidator at the addresses set forth in the registers maintained by the Transfer Agent in respect of the Common Shares as at the date of any such distribution, or if applicable, and to the extent differing from the foregoing, at the address of such registered Shareholder's respective legal representatives, in trust for such registered Shareholder. Beneficial holders of Common Shares shall be entitled to receive distributions only through the applicable registered Shareholder on the registers maintained by the Transfer Agent in respect of the Common Shares.

#### 7.2 **Undeliverable Distributions to Shareholders**

Where the Liquidator is unable to distribute rateably the Assets among the registered Shareholders because a registered Shareholder is unknown or a registered Shareholder's whereabouts is unknown, the share of the Assets of such registered Shareholder may, by agreement with the Public Trustee or as otherwise ordered by the Court, be delivered or conveyed by the Liquidator to the Public Trustee or such other party as ordered by the Court to be held in trust for the registered Shareholder, and such delivery or conveyance shall be deemed to be a distribution to that registered Shareholder of his, her or its rateable share for the purpose of this Liquidation Plan.

#### 7.3 **Interim Distributions**

Any distributions to registered Shareholders (other than any final distribution on the cancellation of the Common Shares) shall be either as a reduction of stated capital, subject to satisfying the applicable solvency tests in the CBCA, or as a dividend. Subject to applicable law, the determination as to whether or not to make any such interim distribution and whether or not any such interim distribution is made as a reduction of stated capital or as a dividend shall be made by the Inspectors.

### **ARTICLE 8 COMPLETION OF THE LIQUIDATION PLAN**

#### 8.1 **Discharge of Liquidator and Inspectors**

At the Dissolution Date, the Liquidator and Inspectors shall be discharged and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Liquidation Plan.

**ARTICLE 9  
GENERAL PROVISIONS**

**9.1 Liquidation Plan Amendment**

- (a) The Liquidator and Inspectors may, at any time prior to the Dissolution Date, agree to amend, modify and/or supplement this Liquidation Plan without the approval of the Shareholders, (i) in order to correct any clerical or typographical error, (ii) as required to maintain the validity or effectiveness of this Liquidation Plan as a result of any change in any Legal Requirement, or (iii) in order to make any change that in the opinion of the Liquidator and the Inspectors is administrative in nature and does not materially change the terms of this Liquidation Plan.
- (b) Subject to the ability of the Liquidator and Inspectors to agree to amend, modify and/or supplement or amend this Liquidation Plan without the approval of the Shareholders as provided in Section 9.1(a), the Liquidator and Inspectors reserve the right, at any time prior to the Dissolution Date, to amend, modify and/or supplement this Liquidation Plan, provided that any such amendment, modification or supplement shall not be effective until approved by a special resolution of the Shareholders at a meeting of Shareholders called for the purposes of approving such amendment, modification or supplement.

**9.2 Severability**

In the event that any provision in this Liquidation Plan is held by the Court to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered and interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Liquidation Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

**9.3 Paramourncy**

From and after the Liquidation Date, any conflict between: (A) this Liquidation Plan; and (B) any information summary in respect of this Liquidation Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, document or agreement, written or oral, and any and all amendments and supplements thereto existing between LWP and any of the Shareholders, Directors, Liquidator, and Inspectors as at the Liquidation Date, will be deemed to be governed by the terms, conditions and provisions of this Liquidation Plan, which shall take precedence and priority.

**9.4 Responsibilities of the Liquidator**

The Liquidator will have only those powers granted to it by this Liquidation Plan, by the CBCA and by any order of the Court.

**9.5 Notices**

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Liquidation Plan and may, subject as hereinafter provided, be made or given by personal delivery, by fax, courier or e-mail addressed to the respective parties as follows:

- (i) if to a Shareholder:  
at the addresses set forth in the securities register kept at the Transfer Agent;

(ii) if to a Creditor:

at the addresses set forth in the books and records of the Company or the proofs of claim filed by such Creditor in accordance with the Claims Process

(iii) if to the Company or the Liquidator:

KSV Advisory Inc.  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

Attention: David Sieradzki  
Fax: 416-932-6266  
E-mail: dsieradzki@ksvadvisory.com

with a copy to (which shall not constitute notice):

Osler Hoskin & Harcourt  
1 First Canadian Place  
Toronto, ON M5X 1B8

Attention: Marc Wasserman  
Fax: 416-862-6666  
E-mail: mwasserman@osler.com

and

Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West, 44<sup>th</sup> Floor  
Toronto, ON M5H 3Y4

Attention: Edmond Lamek  
Fax: 416-361-2436  
E-mail: elamek@blg.com

(iv) if to the Inspectors:

c/o Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West, 44<sup>th</sup> Floor  
Toronto, ON M5H 3Y4

Attention: Edmond Lamek  
Fax: 416-361-2436  
E-mail: elamek@blg.com

or to such other address as any party may from time to time notify the others in accordance with this Section 9.5. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications which are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Standard Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Liquidator to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Liquidation Plan.

**9.6 Governing Law**

This Liquidation Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of laws. All questions as to the interpretation or application of this Liquidation Plan and all proceedings taken in connection with this Liquidation Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The foregoing Liquidation Plan being adopted by the Board as of this 31<sup>st</sup> day of December, 2015.

**BY ORDER OF THE BOARD**

by



Name: Bruce A. Schevr  
Title: Chairman

IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL INC.  
PURSUANT TO SECTION 211 OF THE *CANADA BUSINESS  
CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF LWP  
CAPITAL INC.

Court File No: CV-16-11242-00CL

Applicant

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**Commercial List**

Proceeding commenced at TORONTO

**LIQUIDATION ORDER**

**OSLER, HOSKIN & HARCOURT LLP**  
Box 50, 1 First Canadian Place  
Toronto, Canada M5X 1B8

Marc Wasserman (LSUC#: 44066M)  
Tel: 416.862.4908

Sonja Pavic (LSUC #: 64558U)  
Tel: 416.862.5661  
Fax: 416.862.6666

Lawyers for the Liquidator, KSV Advisory Inc.



## **Appendix “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.

)

MONDAY, THE 11<sup>TH</sup> DAY

)

JUSTICE NEWBOULD

)

OF JANUARY, 2016

IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL INC.  
PURSUANT TO SECTION 211 OF THE *CANADA BUSINESS CORPORATIONS  
ACT*, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF LWP  
CAPITAL INC.

Applicant

**CLAIMS PROCEDURE ORDER**

THIS APPLICATION, made by KSV Advisory Inc. in its capacity as the liquidator (in such capacity, the “**Liquidator**”) of LWP Capital Inc., formerly “Legumex Walker Inc.” (“**LWP**”), pursuant to section 211 of the *Canada Business Corporations Act*, R.S.C. 1989, c. C-44, as amended (the “**CBCA**”), for an Order, among other things, continuing the voluntary liquidation of LWP under the supervision of this Court and, in connection therewith, approving and establishing a procedure for the solicitation, determination and resolution of certain claims against LWP and its former directors and officers (the “**Claims Process**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Liquidator dated January 4, 2016 (the “**First Report**”) and the Affidavit of Joel Horn sworn January 6, 2016, and on hearing the submissions

of counsel for the Liquidator and counsel for LWP, no one appearing for any other person on the service list, although duly served,

## **DEFINITIONS AND INTERPRETATION**

1. THIS COURT ORDERS that for purposes of this Order, the following terms shall have the following meanings:

- (a) “**Affected Respondent**” means a Director or Officer in respect of whom a D&O Claim has been made in any Proof of Claim delivered in accordance with paragraph 11 of this Order;
- (b) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (c) “**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1989, c. C-44, as amended;
- (d) “**Claim**” means a Company Claim or a D&O Claim or both;
- (e) “**Claim Bar Date**” means 5:00 p.m. (E.S.T.) on March 15, 2016 or such later date as may be ordered by this Court;
- (f) “**Claim Process Notice**” means the notice of this Order to be published in accordance with paragraph 8 of this Order, substantially in the form attached hereto as Schedule “A”;
- (g) “**Claimant**” means a Person who has asserted a Claim or could have asserted a Claim but for the provisions hereof concerning the Claim Bar Date;

- (h) **“Company Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against LWP, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of LWP, including on account of Wages and Benefits, and any accrued interest thereon and costs payable in respect thereof, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future;
- (i) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (j) **“D&O Claim”** means:
  - (i) any existing or future right or claim of any Person that may be asserted or made in whole or in part against a Director or Officer of LWP that relates to a claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers; or
  - (ii) any existing or future right or claim of any Person that may be asserted or made in whole or in part against a Director or Officer of LWP, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of

the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future.

- (k) “**Director**” means anyone who was, or may be deemed to be, at any time prior to and from and including the Effective Date, a director of LWP;
- (l) “**Effective Date**” means December 31, 2015;
- (m) “**Inspectors**” means the inspectors appointed pursuant to the Liquidation Plan or any order of this Court;
- (n) “**Liquidation Order**” means the Order of this Court made in these proceedings on January 11, 2016 approving and affirming, among other things, the Liquidation Plan and the appointment of the Liquidator.

- (o) “**Liquidation Plan**” means the plan of liquidation and distribution pursuant to the Liquidation Order;
- (p) “**Liquidator**” means KSV Advisory Inc., in its capacity as the liquidator of LWP pursuant to the Liquidation Plan and the Liquidation Order;
- (q) “**LWP**” means LWP Capital Inc., formerly “Legumex Walker Inc.”;
- (r) “**Notice of Determination of Claim**” means the notice provided by the Liquidator pursuant to paragraph 19 or 30 of this Order;
- (s) “**Notice of Objection**” means the notice provided pursuant to paragraph 20 or 31 of this Order;
- (t) “**Officer**” means anyone who was or may be deemed to be, at any time prior to and from and including the Effective Date, an officer of LWP;
- (u) “**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity;
- (v) “**Proof of Claim**” means the proof of claim referred to herein to be filed by Claimants in connection with any Claim, substantially in the form attached as Schedule “B”, which shall include all supporting documentation in respect of such Claim;
- (w) “**Proven Claim**” means a Claim to the extent that it has been finally determined in accordance with the terms of this Order;

- (x) **“Proven D&O Claim”** means a D&O Claim to the extent that it has been finally determined in accordance with the terms of this Order; and
  - (y) **“Wages and Benefits”** means all outstanding wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, bonus plans, incentive plans, share compensation plans, share allocation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits) vacation pay, commissions, bonuses and other incentive payments, and employee and director expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with compensation policies and arrangements.
2. THIS COURT ORDERS that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00PM Toronto time on such Business Day unless otherwise indicated herein.
  3. THIS COURT ORDERS that all references to the word “including” shall mean “including without limitation”, and that all references to the singular herein include the plural, the plural include the singular, and that any gender includes all genders.
  4. THIS COURT ORDERS that for the purposes of this Order, any Claim denominated in any currency other than Canadian dollars shall be converted to and constitute obligations in Canadian dollars, such calculation to be effected by the Liquidator using the Bank of Canada noon spot rate on the Effective Date.

## **LIQUIDATOR'S ROLE**

5. THIS COURT ORDERS that the Liquidator, in addition to its prescribed rights, responsibilities and obligations under the CBCA, the Liquidation Plan and the Liquidation Order, shall administer the Claims Process, including the determination of Claims, and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.

## **SOLICITATION OF CLAIMS**

### **Notice to Claimants**

6. THIS COURT ORDERS that the Claims Process Notice is hereby approved.

7. THIS COURT ORDERS that the Liquidator shall cause the Claims Process Notice and Proof of Claim to be posted on the Liquidator's website at [www.ksvadvisory.com](http://www.ksvadvisory.com) no later than five (5) days after the date of this Order.

8. THIS COURT ORDERS that the Liquidator shall take all reasonable steps to cause the Claims Process Notice to be published twice in The Globe and Mail (National Edition) and in a US publication to be determined by the Liquidator no later than ten (10) days after the date of this Order.

9. THIS COURT ORDERS that the Liquidator shall, no later than no later than fifteen (15) days after the date of this Order, send the Claims Process Notice and Proof of Claim by ordinary mail, electronic mail, facsimile transmission or courier to:

- (a) Each party that appears on the service list in these proceedings;
- (b) All of the known creditors of LWP as evidenced by its books and records; and



(c) All Persons who have notified the Liquidator or LWP of a potential Claim.

10. THIS COURT ORDERS that the sending of the Claims Process Notice and the publication of the Claims Process Notice, in accordance with this Order, shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons and no other notice or service need to be given or made.

**Deadline for Filing a Proof of Claim**

11. THIS COURT ORDERS that any Person that intends to assert a Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before the Claim Bar Date.

12. THIS COURT ORDERS that the Claims of all Claimants who do not deliver a Proof of Claim to the Liquidator by the Claim Bar Date shall be forever extinguished and barred and all such Claimants shall be deemed to have fully and finally released and discharged all such Claims without any further act or notification.

13. THIS COURT ORDERS that, with respect to any Claims which are deemed to have been released and discharged in accordance with paragraph 12 of this Order, LWP and the Directors and Officers shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, and that no Director, Officer or any other Person shall be entitled to assert a claim for indemnification against LWP with respect to any such D&O Claims which have been released and discharged.

14. THIS COURT ORDERS that the Liquidator shall maintain a list of all Proof of Claims received by it, including the name of the Claimant, the party or parties claimed against, the amount claimed, the nature of the Claim and the status of the Claim.

15. THIS COURT ORDERS that the Liquidator is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proof of Claims are completed and executed and the time in which they are submitted and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to the completion and execution of Proof of Claims and to request any further documentation from a Claimant that the Liquidator may require in order to enable it to determine the validity of a Claim.

#### **DETERMINATION OF COMPANY CLAIMS**

16. THIS COURT ORDERS that, following the Claim Bar Date, the Liquidator shall review the Proof of Claims filed on or before the Claim Bar Date and, with respect to all Company Claims, the Liquidator shall, in consultation with the Inspectors, determine to either allow, partially allow, partially disallow or disallow the Company Claims.

17. THIS COURT ORDERS that the Liquidator, in consultation with Inspectors, may attempt to consensually resolve the amount of any asserted Claim with the Claimant prior to allowing, partially allowing, partially disallowing or disallowing such Claim.

18. THIS COURT ORDERS that for any Company Claim commenced prior to the Effective Date by the issuance of an originating process (as defined in the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended), the Liquidator may, in consultation with the Inspectors, choose to have such Company Claim determined in the context of the proceedings commenced by such originating process and, in such case, the Liquidator shall notify such Claimant of such a decision

rather than provide a Notice of Determination (as defined below). The value and status of such Claimant's Company Claim shall be as finally determined in such proceedings and shall be deemed to constitute such Claimant's Proven Claim (as defined below) as so finally determined.

19. THIS COURT ORDERS that, where a Company Claim is to be allowed, partially allowed, partially disallowed or disallowed pursuant to the process contained in this Order, the Liquidator shall deliver to the Claimant a written notice of such determination setting out therein the reasons for the determination (a "**Notice of Determination**") as soon as reasonably practicable.

20. THIS COURT ORDERS that in the event that a Claimant objects to the Liquidator's determination of a Company Claim and intends to contest the Notice of Determination, such Claimant shall deliver written notice of such party's objection and a brief description of the grounds for such objection (a "**Notice of Objection**") so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination is deemed to be received.

21. THIS COURT ORDERS that any Claimant that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph 20 shall be deemed to have agreed with the Notice of Determination pertaining to that Claimant's Claim. Any Claim, or any portion thereof, that is disallowed pursuant to a Notice of Determination and in respect of which no Notice of Objection is received by the Liquidator by the deadline set forth in paragraph 20 hereof, shall be forever extinguished, barred, discharged and released as against the Property without any further act or notification.

22. THIS COURT ORDERS that the Liquidator, in consultation with the Inspectors, shall attempt to resolve and settle the dispute with respect to the Company Claim and, in the event

that a settlement is not achieved within a reasonable time, the Liquidator shall direct the dispute to a claims officer (as may be appointed by the Court on application of the Liquidator) or the Liquidator shall seek directions from the Court concerning an appropriate process for resolving the disputed Company Claim.

23. THIS COURT ORDERS that where a Claimant who receives a Notice of Determination of Claim agrees to same or otherwise settles with the Liquidator pursuant to paragraph 22 of this Order, or where the Company Claim is finally determined by order of the Court, the value and status of such Claimant's Company Claim shall be deemed to be as set out in the Notice of Determination, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven Company Claim (a "**Proven Claim**").

24. THIS COURT ORDERS that the Claims Procedure and forms of Claims Process Notice and Proof of Claim are hereby approved. Notwithstanding the foregoing, the Liquidator may from time to time, make minor non-substantive changes to the forms as may be necessary or desirable.

#### **DETERMINATION OF D&O CLAIMS**

25. THIS COURT ORDERS that, following the Claim Bar Date, the Liquidator shall review the Proof of Claims filed on or before the Claim Bar Date with respect to all D&O Claims. The Liquidator shall provide a copy of each of the D&O Claims to the relevant Affected Respondents and shall work with the Affected Respondents to determine as promptly as possible the extent to which the D&O Claims are covered under any directors' and officers' insurance policy and, if covered, the extent, if any, that such coverage is insufficient to pay amounts set out in the relevant D&O Claims.

26. THIS COURT ORDERS that where: (a) a D&O Claim is covered under any directors' and officers' insurance policy; and (b) such insurer has admitted or confirmed such coverage in writing (or a final order of a court, where no further rights of appeal exist, has issued determining that the relevant Director or Officer is entitled to coverage under any directors' and officers' insurance policy); and (c) such coverage is sufficient to pay the amounts set out in the relevant D&O Claim; then (d) such D&O Claim shall no longer constitute a Claim under this Order and the relevant Claimant and Director or Officer shall not be entitled to any recovery from LWP in respect of such D&O Claim.

27. THIS COURT ORDERS that where: (a) a D&O Claim is covered under any directors' and officers' insurance policy; and (b) such insurer has admitted or confirmed in writing such coverage (or a final order of a court, where no further rights of appeal exist, has issued determining that the relevant Director or Officer is entitled to coverage under any directors' and officers' insurance policy); but (c) such coverage is insufficient to pay the amounts set out in the relevant D&O Claim; then (d) only the amount of such deficiency in respect of the covered D&O Claim shall continue to constitute a Claim under this Order.

28. THIS COURT ORDERS that a D&O Claim which is not covered under any directors' and officers' insurance policy shall continue to constitute a Claim under this Order.

29. THIS COURT ORDERS that after a determination of coverage (or not) under any directors' and officers' insurance policy and the extent thereof in connection with the D&O Claims, the Liquidator shall, in consultation with the relevant Affected Respondents and the Inspectors, determine to either allow, partially allow, partially disallow or disallow the remaining D&O Claims.

30. THIS COURT ORDERS that, where a D&O Claim is to be allowed, partially allowed, partially disallowed or disallowed, the Liquidator shall deliver to the Claimant a Notice of Determination as soon as reasonably practicable.

31. THIS COURT ORDERS that, in the event that a Claimant objects to the Liquidator's determination of a D&O Claim and intends to contest the Notice of Determination, such Claimant shall deliver a Notice of Objection so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination is deemed to be received.

32. THIS COURT ORDERS that any Claimant that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph 20 shall be deemed to have agreed with the Notice of Determination pertaining to that Claimant's D&O Claim. Any D&O Claim, or any portion thereof, that is disallowed pursuant to a Notice of Determination and in respect of which no Notice of Objection is received by the Liquidator by the deadline set forth in paragraph 20 hereof, shall be forever extinguished, barred, discharged and released as against the Property without any further act or notification.

33. THIS COURT ORDERS that the Liquidator shall forthwith provide the Inspectors with a copy of the Notice of Objection. The Liquidator, in consultation with the Inspectors, shall attempt to resolve and settle the dispute with respect to the D&O Claim and, in the event that a settlement is not achieved within a reasonable time, the Liquidator shall direct the dispute to a claims officer (as may be appointed by the Court on application of the Liquidator) or the Liquidator shall seek directions from the Court concerning an appropriate process for resolving the disputed D&O Claim.

34. THIS COURT ORDERS that where a Claimant who receives a Notice of Determination of Claim agrees to same or otherwise settles with the Liquidator pursuant to paragraph 33 of this Order, or where the D&O Claim is finally determined by order of the Court, the value and status of such Claimant's D&O Claim shall be deemed to be as set out in the Notice of Determination, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven D&O Claim (a "**Proven D&O Claim**").

**Indemnity Claims of Directors and Officers**

35. THIS COURT ORDERS that, upon all Proven D&O Claims being determined, the Liquidator, in consultation with the Inspectors and the relevant Affected Respondents, shall determine whether or not any Proven D&O Claim is subject to indemnification by LWP. In the event that the Liquidator and the relevant Affected Respondents do not agree whether certain of the Proven D&O Claims are subject to indemnification by LWP, then the Liquidator shall serve and file a Notice of Motion with this Court for an order for directions concerning the applicability of such indemnification to the particular Proven D&O Claims in question.

**Payment of Claims**

36. THIS COURT ORDERS that the amount of all Proven D&O Claims which are determined by the Liquidator, in consultation with the Inspectors, or are otherwise determined by final order of the Court, to be subject to indemnification by LWP shall be paid by LWP.

37. THIS COURT ORDERS that the amount of all Proven Claims which are not Proven D&O Claims shall be paid by LWP

38. THIS COURT ORDERS that, upon the payment in full of any Proven D&O Claim or any Proven Claim which is not a D&O Claim, the Claimants in respect of such Claims shall be deemed to have fully and finally released and discharged all such Claims and LWP and the

Directors and Officers shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any such Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising.

### **NOTICES AND COMMUNICATIONS**

39. THIS COURT ORDERS that, except as set out in this Order, any notice or communication (including Notices of Determination) to be given under this Order by the Liquidator to a Claimant shall be in writing and may be delivered by prepaid ordinary mail, by courier, by delivery, by facsimile transmission or electronic mail to the Claimant to such address, facsimile number or e-mail address, as applicable, for such Claimant as shown on the books of LWP or as set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

40. THIS COURT ORDERS that any document, notice or other communication (including, without limitation, Proof of Claims) required to be delivered to the Liquidator under this Order



shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

KSV Advisory Inc.,  
in its capacity as the liquidator of LWP Capital Inc.,  
formerly Legumex Walker Inc.  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

Attention: David Sieradzki  
Fax: 416.932.6030  
E-mail: dsieradzki@ksvadvisory.com

41. THIS COURT ORDERS that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

42. THIS COURT ORDERS that the Liquidator is authorized to enter into settlement negotiations with a Claimant at any stage of the Claims Procedure and is further authorized to enter into agreements with such Claimant resolving the value of their Claim.

43. THIS COURT ORDERS that if, during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.

44. THIS COURT ORDERS that the Company and/or the Inspectors shall provide a list setting out the name and last known address of each Director and Officer to the Liquidator and that any obligation upon the Liquidator hereunder to provide notice or information to any

Director or Officer shall be satisfied by delivery of such notice or information to the last known address of the Director or Officer as set out in the list provided by the Company and/or the Inspectors.

45. THIS COURT ORDERS that nothing in this Order shall prevent or bar any Person from seeking recourse against or payment from any directors' and/or officers' liability insurance policy or policies that may exist to protect or indemnify the Directors or Officers, whether such recourse or payment is sought directly by the Claimant from the insurer or derivatively through LWP. However, nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

#### **GENERAL PROVISIONS**

46. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order.

47. THIS COURT ORDERS that in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Liquidation Plan and this Order, the terms, conditions and provisions of this Order shall govern and be paramount, and the Liquidation Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

48. 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 Liquidator and its respective 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

49. THIS COURT ORDERS that the Liquidator 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 Liquidator 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.



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

JAN 11 2016



Schedule "A"

---

NOTICE OF CLAIMS BAR DATE

---

IN RESPECT OF CLAIMS AGAINST LWP CAPITAL INC., FORMERLY "LEGUMEX WALKER INC.", AND ITS FORMER DIRECTORS AND OFFICERS

---

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

---

***PLEASE TAKE NOTICE*** that this notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated January 11, 2016 (the "Claims Procedure Order"). All capitalized terms in this Notice are defined in the Claims Procedure Order, a copy of which can be found on the website of the Liquidator, KSV Advisory Inc., at [www.ksvadvisory.com](http://www.ksvadvisory.com).

Any Person who believes that it has a Claim against LWP Capital Inc., formerly Legumex Walker Inc. ("LWP"), or a former Director or Officer of LWP, should send a Proof of Claim to the Liquidator to be received **by the Liquidator by 5:00 p.m. local Toronto time on March 15, 2016 or such other date as ordered by the Court (the "Claims Bar Date")**.

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER BARRED AND EXTINGUISHED.**

A copy of the Claims Procedure Order providing a full definition of Claims being called for can be found on the Liquidator's website at: [www.ksvadvisory.com](http://www.ksvadvisory.com).

Claimants who require a Proof of Claim form may access the form at the Liquidator's website at [www.ksvadvisory.com](http://www.ksvadvisory.com) or they may contact the Liquidator (Attention: David Sieradzki, Telephone: 416.932.6030) to obtain a hard copy of the Proof of Claim and/or the Claims Procedure Order.

Claimants should file their Proof of Claim with the Liquidator by mail, facsimile, email, courier or hand delivery, so that the Proof of Claim is actually received by the Liquidator by the Claims Bar Date at the address below.

Address of the Liquidator

KSV Advisory Inc.,  
in its capacity as the liquidator of LWP Capital Inc.,  
formerly Legumex Walker Inc.  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

Attention: David Sieradzki  
Fax: 416.932.6266  
E-mail: [dsieradzki@ksvadvisory.com](mailto:dsieradzki@ksvadvisory.com)

Schedule "B"

PROOF OF CLAIM

IN RESPECT OF LWP CAPITAL INC, FORMERLY "LEGUMEX WALKER INC."  
("LWP"), AND ITS FORMER DIRECTORS AND OFFICERS

1. PARTICULARS OF CLAIMANT

Full Legal Name of Claimant: \_\_\_\_\_ (the "Claimant").  
(Full legal or corporate name should be the name of the original Claimant.)

Full Mailing Address of the Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Claimant: \_\_\_\_\_ \*

Facsimile Number of Claimant: \_\_\_\_\_ \*

Attention (Contact Person): \_\_\_\_\_ \*

Email Address: \_\_\_\_\_ \*

Has the Claim been sold or assigned by Claimant to another party?

Yes \_\_\_ No \_\_\_ (If yes please complete section D)

2. PROOF OF CLAIM:

I, \_\_\_\_\_ [Name of Claimant or Representative of the  
Claimant ], do hereby certify:

that I am (please check one):

\_\_\_ the Claimant ; or

\_\_\_ hold the following position of \_\_\_\_\_ the Claimant

and have personal knowledge of all the circumstances connected with the Claim  
described herein;

**3. PARTICULARS OF CLAIM:**

Name of the specific party or parties against whom the Claim is being made and the amount of the Claim:

Debtor Party	Amount	Currency
□	\$ _____	
□	\$ _____	
□	\$ _____	
□	\$ _____	

Description of transaction, agreement or event giving rise or relating to the Claim:

---



---



---



---



---

If the Claim is contingent or unliquidated, state the basis and provide evidence upon which the Claim has been valued:

---



---



---

**IF CLAIMANTS REQUIRE ADDITIONAL SPACE, PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD PROVIDE PARTICULARS OF THE CLAIM AND COPIES OF ALL SUPPORTING DOCUMENTATION, INCLUDING AMOUNT AND DESCRIPTION OF TRANSACTION(S), AGREEMENT(S) OR LEGAL BREACH(ES) GIVING RISE TO THE CLAIM.**

**4. PARTICULARS OF ASSIGNEE(S) (IF ANY):**

Full Legal Name of Assignee(s) of the Claim *(if all or a portion of the Claim has been sold)*. If there is more than one assignee, please attach separate sheets with the following information:

\_\_\_\_\_  
(the "Assignee(s)")

Amount of Total Claim Assigned	\$ _____
Amount of Total Claim Not Assigned	\$ _____
Total Amount of Claim (should equal "Total Claim" as entered on Section B)	\$ _____

Full Mailing Address of Assignee(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Assignee(s): \_\_\_\_\_

Facsimile Number of Assignee(s): \_\_\_\_\_

Email address of Assignee(s): \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

**FILING OF CLAIMS:**

**The duly completed Proof of Claim together with supporting documentation must be returned and received by the Liquidator, no later than 5:00 pm local Toronto time on March 15, 2016, to the email address or address listed below.**

Failure to file your Proof of Claim by such date will result in your claim **being forever extinguished and barred** and you will be prohibited from making or enforcing a Claim against LWP or the Directors or Officers.

This Proof of Claim must be delivered by email, facsimile, personal delivery, courier or prepaid mail at the following address:

**Address of the Liquidator:**

KSV Advisory Inc.,  
in its capacity as the liquidator of LWP Capital Inc.,  
formerly Legumex Walker Inc.  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

Attention: David Sieradzki  
Fax: 416.932.6266  
E-mail: dsieradzki@ksvadvisory.com

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of individual completing this form)

\_\_\_\_\_  
(Please print name)

\_\_\_\_\_  
(Please print name)

IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL INC.  
PURSUANT TO SECTION 211 OF THE *CANADA BUSINESS  
CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF LWP  
CAPITAL INC.

Applicant

Court File No: Court File No. CV-16-11242-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
Commercial List**

Proceeding commenced at TORONTO

**CLAIMS PROCEDURE ORDER**

**OSLER, HOSKIN & HARCOURT LLP**

Box 50, 1 First Canadian Place  
Toronto, Canada M5X 1B8

Marc Wasserman (LSUC#: 44066M)  
Tel: 416.862.4908

Sonja Pavic (LSUC #: 64558U)  
Tel: 416.862.5661  
Fax: 416.862.6666

Lawyers for the Liquidator, KSV Advisory Inc.



## **Appendix “C”**

## Professional History

---

Mr. McElcheran has more than three decades of experience leading the restructuring practices of first tier commercial law firms, first at Blake, Cassels & Graydon LLP and then at McCarthy Tétrault LLP. In 2014, he opened Kevin McElcheran Commercial Dispute Resolution to offer mediation, arbitration and independent counsel services to participants in commercial disputes, particularly disputes arising from financial distress. Mr. McElcheran's current practice focuses on providing mediation and arbitration services to facilitate the discovery and implementation of effective and permanent resolutions of commercial disputes. In addition to these essentially legal services, Mr. McElcheran has founded Oriole Advisors Ltd. to provide restructuring advisory services.

Mr. McElcheran has completed the Commercial Mediation Course offered by the Chartered Institute of Arbitrators in London, United Kingdom and is a member of CI Arb. He is the author of the text *Commercial Insolvency in Canada* (3<sup>rd</sup> edition) published by LexisNexis Butterworths and is an Adjunct Professor at Queen's University.

Mr. McElcheran was awarded the 2015 Murray Klein Award for excellence in insolvency law by the Ontario Bar Association. He is experienced in all areas of insolvency practice and has been certified by The Law Society of Upper Canada as a specialist in bankruptcy and insolvency law since 1996. Throughout his career, Mr. McElcheran has used creativity, commercial expertise and strong consensus building skills to advance the interests of debtors, creditors and other stakeholders with positions of critical importance in large restructuring and insolvency cases.

In addition to his text, Mr. McElcheran has published many articles on insolvency law and mediation. He has lectured extensively on matters of insolvency law at national conferences such as the Annual Review of Insolvency Law, the Turnaround Management Association and the Insolvency Institute of Canada. He is a frequent speaker at programs sponsored by The Law Society of Upper Canada, the Ontario Bar Association, Canadian Institute and Insight Information, and has published papers on a variety of topics related to insolvency law.

He received his BA (Hons.) from the University of Toronto in 1976, and his LLB from Queen's University in 1980. He was called to the Ontario bar in 1982. He became a member of the Chartered Institute of Arbitrators in 2014.



## PLAN MEDIATION

Mr. McElcheran offers “Plan Mediation” as a unique service for businesses in financial distress.

Plan Mediation is a process of mediated financial restructuring which can be implemented out of court or in conjunction with formal, court based restructuring proceedings.

Plan Mediation uses a specially designed Mediation Agreement at the core of a solution based approach to business restructuring.



A revitalizing transaction that positions a viable but troubled business for future success cannot be won in a

court, it can only be negotiated. Plan Mediation facilitates the multi-party negotiations that are necessary to build stakeholder consensus for a commercial solution that can be implemented through agreement among the debtor and its key stakeholders or through a pre-negotiated plan of arrangement that can be efficiently implemented through traditional court based restructuring proceedings.

For a detailed description of Plan Mediation, please see The Case for Plan Mediation in Canada in the Annual Review of Insolvency Law, 2014, edited by Dr. Janis P. Sarra and Her Honour Justice Barbara Romaine.



## EXPERIENCE

Over his 34 year career as one of Canada's leading insolvency lawyers, Kevin has acted as counsel to participants with significant roles in most of Canada's largest and most complex restructuring and insolvency cases.

**Representative cases organized by industry follow:**

### Mining

- Curragh Inc. – Counsel of the Interim Receiver
- Royal Oak Mines – Counsel for Interim Receiver and Monitor
- Minven Gold – Counsel for the debtor

### Aviation

- Air Canada – Counsel for Aerogold
- City Express – Counsel for aircraft lessor
- Air Atlantic – counsel for lending syndicate and owner of the restructured airline

#### Forest Products

- Abitibi – counsel for lending syndicate
- Grant Forest Products – counsel for lending syndicate

#### Wholesale distribution

- Arctic Glacier Inc. – counsel for the debtor
- Red Carpet Distribution – counsel for secured creditor

#### Retail

- Eatons – counsel for mortgagee of the Hamilton Eaton's Centre
- Peoples Jewelers – counsel for equipment lessor
- Bargain Harolds – counsel for K-Mart

#### Media

- Canwest Global – counsel for Goldman Sachs

#### Marketing

- Mosaic – Counsel for the secured lender

#### Energy

- Enron Canada – Counsel for the company and


- Calpine Power – Counsel for the trustees of the Income Trust

 **Commercial Real Estate**

- Bramalea – counsel for secured creditor
- Campeau Corporation – counsel for the debtor
- O&Y – counsel for CIBC

 **Land development**

- Mater's Management – Counsel for the Receiver
- Bramalea – Counsel for secured creditor

 **Telcom and high tech**

- Wind Mobile – counsel for the independent members of the board of directors
- Nortel – Canadian counsel for Avaya in purchase of the Enterprise Solutions Business
- GT Telcom – Counsel for the lending syndicate
- 360 Networks – Counsel for the lending syndicate and owners of the restructured company

 **Manufacturing – Automotive**


- Meridian Technologies – counsel for buyers of the business in restructuring

 **Manufacturing – Other**

- W.C. Wood Corporation – counsel for the debtor

 **Financial Services**

- Standard Trust Company – counsel for the liquidator
- Asset Back Commercial Paper – counsel for the 5 largest Canadian banks

 Private Equity

- Growthworks Canadian Fund Inc. – counsel for the Fund.





## ASSOCIATIONS

---

- 1) The Chartered Institute of Arbitrators (CI Arb);
- 2) The Law Society of Upper Canada
- 3) The Insolvency Institute or Canada
- 4) Turnaround Management Association
- 5) Canadian Bar Association
- 6) Advocate's Society

## **Appendix “D”**

LWP Capital Inc. (the "Company")

**Interim Statement of Receipts and Disbursements for the Period Ending April 18, 2017**

(\$; unaudited)

<u>Description</u>	<u>CAD</u>	<u>USD</u>
<i>Receipts</i>		
Cash transferred from Company's bank accounts	10,494,497	11,073,584
US dollars converted to Canadian dollars	14,553,337	(10,940,350)
Accounts receivable collected on behalf of Scoular	9,471,936	21,780
Refund of grain bond security deposit	-	1,165,000
Corporate income tax refund	940,963	-
Accounts receivable collections	86,474	657,903
GST/HST refunds	368,797	-
Other sundry refunds and receipts	274,195	66,780
Interest income	94,623	14,244
	<u>36,284,822</u>	<u>2,058,941</u>
<i>Disbursements</i>		
Reimbursements to Scoular	9,786,146	21,840
Purchase price adjustments - Scoular	5,062,518	-
Payroll costs	1,372,309	640,163
Professional fees	1,110,402	280,574
Operating and other expenses	374,479	153,444
GST/HST/PST paid	173,733	-
Rent	29,361	53,638
Legal publication costs (re: claims process)	40,496	-
Inspector fees	10,000	7,600
	<u>17,959,444</u>	<u>1,157,259</u>
Balance in Liquidator's accounts as at April 18, 2017	<u>18,325,378</u>	<u>901,682</u>

General Note

This schedule has been prepared on a cash basis and excludes accrued liabilities, if any.