

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

BRIDGING FINANCE INC.,
as agent for SPROTT BRIDGING INCOME FUND L.P.

Applicant

- and -

THOMAS CANNING (MAIDSTONE) LIMITED
and 692194 ONTARIO LIMITED

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTIONS 47(1) AND
243(1) OF THE *BANKRUPTCY ACT AND INSOLVENCY ACT* R.S.C. 1985, c. B-3, AS
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990, c. C.43,
AS AMENDED

**REPLY MOTION RECORD OF
THE MOVING PARTY, WILLIAM THOMAS**
(Returnable November 28, 2017)

November 17, 2017

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSUC #423571)
Fax: (416) 594-2437
Email: dullmann@blaney.com

Alexandra Teodorescu (LSUC # 63889D)
Tel: (416) 596-4279
Email: ateodorescu@blaney.com

Lawyers for the Moving Party, William Thomas

TO: SERVICE LIST

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TAB 1

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as agent for SPROTT BRIDGING INCOME FUND L.P.

Applicant

- and -

THOMAS CANNING (MAIDSTONE) LIMITED
and 692194 ONTARIO LIMITED

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO
SUBSECTIONS 47(1) AND 243 (1) OF THE *BANKRUPTCY ACT AND*
INSOLVENCY ACT R.S.C. 1985, c. B-3, AS AMENDED;

AFFIDAVIT OF WILLIAM THOMAS
(Motion Returnable November 28, 2017)

I, **WILLIAM THOMAS**, of the Hamlet of Maidstone, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the former Chief Executive Officer of Thomas Canning (Maidstone) Limited (“**Thomas Canning**”) and the Vice-President of 692194 Ontario Limited (“**692 Ontario**”) (collectively, the “**Respondents**”), and as such I have personal knowledge of the matters deposed in my affidavit, except where I have indicated that I have obtained facts from other sources, in which case I believe those facts to be true.

2. I swear this affidavit in reply to the affidavit of Ken Rosenstein, sworn November 10, 2017, and the new evidence set out therein. All capitalized terms not otherwise defined herein have the definition ascribed to them in my original affidavit, sworn June 20, 2017.

Alleged Termination of the Accommodation Agreement

3. Attached hereto and marked as exhibits are emails between my counsel, David Ullmann of Blaney McMurtry LLP ("**Blaney**") and counsel for Bridging Finance Inc., as agent for Sprott Bridging Income Fund L.P. ("**Bridging**"), including in most cases Mr. Rosenstein. These e-mails are provided in order to complete the record which was distorted by the affidavit of Mr. Rosenstein:

- (a) **Exhibit "A"**: E-mail correspondence between Blaney and Bridging re: Notice of Pre-hearing Conference and Intention to Issue a Notice of Hearing, dated May 8, 2017
- (b) **Exhibit "B"**: E-mail correspondence between Blaney and Bridging re: Commission and Grower Issues and documents, dated May 8, 2017
- (c) **Exhibit "C"**: E-mail correspondence between Blaney and Bridging re: Forecasts and Farmers, dated May 12, 2017
- (d) **Exhibit "D"**: E-mail correspondence between Blaney and Bridging re: Thomas Canning (Maidstone) Limited, dated May 16, 2017
- (e) **Exhibit "E"**: E-mail correspondence between Blaney and Bridging re: Thomas Canning (Maidstone) Limited, dated May 17, 2017
- (f) **Exhibit "F"**: E-mail correspondence between Blaney and Bridging re: Thomas Canning (Maidstone) Limited, dated May 17, 2017

- (g) **Exhibit “G”:** E-mail correspondence between Blaney and Bridging re: Motion to Compel Monitor to Extend Sale Process and Provide Dataroom Disclosure, dated May 17, 2017
- (h) **Exhibit “H”:** E-mail correspondence between Blaney and Bridging re: Thomas Canning, dated May 17, 2017
- (i) **Exhibit “I”:** E-mail correspondence between Blaney and Bridging re: TCL, dated May 18, 2017
- (j) **Exhibit “J”:** E-mail correspondence between Blaney and Bridging re: Status of RISP, dated May 29, 2017
- (k) **Exhibit “K”:** E-mail correspondence between Blaney and Bridging re: 100 Conventional Acres - pending contract, dated June 1, 2017
- (l) **Exhibit “L”:** E-mail correspondence between Blaney and Bridging re: Thomas Canning, dated June 5, 2017
- (m) **Exhibit “M”:** E-mail correspondence between Blaney and Bridging re: Thomas Canning, dated June 8, 2017
- (n) **Exhibit “N”:** E-mail correspondence between Blaney and Bridging re: Thomas Canning, dated June 9, 2017
- (o) **Exhibit “O”:** E-mail correspondence between Blaney and Bridging re: Without Prejudice Settlement Offer, dated June 14, 2017

4. At no time did I ever receive notice or any formal communication from Bridging that the Accommodation Agreement was terminated or that the Forbearance Period was at an end.

5. I worked throughout the Forbearance Period for no pay in order to keep the company operating so that it could be sold as a going concern. Had I been advised or believed that the Accommodation Agreement was at an end, I would have ceased working.

6. I note that my brother Robert requested the right to stop working on May 15th and Mr. Rosenstein insisted he continue to do so or face the consequences for breaching the Accommodation Agreement.

7. I believed then and I believe now that Mr. Rosenstein was using threats and strong arm tactics, as his emails clearly show, to force compliance with the Accommodation Agreement. At no time did I believe that the Accommodation Agreement was at an end. If it was, these threats would have carried no weight.

8. I also noted that despite these threats, Bridging continued to fund what it interpreted to be its obligations under the Accommodation Agreement until the last day of the monitorship.

9. For example, each time we requested payment of Blaney's invoices in June 2017 those requests were accompanied by other requests for other necessary payments for the company. Bridging did not in all cases provide for all of the requested payments, but their reasons for not doing so was never that the Accommodation Agreement was terminated or that their obligation to do so was at an end. Rather, their position was always that the payments were not "critical payments" and therefore they were not obliged by the Accommodation Agreement to fund those payments.

10. Although many emails have now been produced, there were many more, and there was an almost daily requirement of one kind or another by the Monitor and/or Bridging requiring the compliance of the company with one aspect or another of the Accommodation Agreement.

11. The only time to my knowledge when Bridging acted as if the Accommodation Agreement was terminated was when they decided not to pay our counsel. It is clear to me that they simply did not want to pay them and it had nothing to do with the status of our agreement with them.

Alleged Diverted Funds

12. In terms of the diverted funds issue, I note that all of the allegedly diverted funds occurred prior to the execution of the Accommodation Agreement. There is no allegation that we “diverted” any funds during the Forbearance Period.

13. It was my understanding in entering into the Accommodation Agreement that it was the intent of the parties that the issue of funds diverted prior to the date of Accommodation Agreement, being April 29, 2017, would not be an event of default thereafter. I did not take the wording of the agreement to limit that amnesty to only the events enumerated in the affidavit of Graham Marr, sworn on April 20, 2017. That interpretation was in keeping with the negotiations leading up to the execution of the agreement.

14. The alleged transfer of funds from time to time via Western Union to my brother, Robert (Bob) Thomas, is not proof of anything and would not come as a surprise to Mr. Marr or Bridging in any event. We routinely used Western Union as the transaction record shows.

15. During the breakdown of the relationship between Bridging and the company prior to the execution of the Accommodation Agreement, Bridging had ceased funding critical expenses. They encouraged the company to fund those expenses.

16. Mr. Rosenstein refers to certain transactions disclosed by Western Union under which he says funds were received by Robert Thomas.

17. However, Mr. Rosenstein fails to mention that the same Western Union account to which he refers demonstrates that on June 6, 2016, Robert Thomas personally deposited approximately \$84,000 USD into Thomas Canning through the use of that same wire transfer system.

18. There are also several other deposits set out in that accounting system where no "Third Party Remitter" is recorded but in some cases I believe those deposits were likely made by Robert Thomas.

19. A complete review of the records of the company would likely show that to the extent any funds were actually received by Robert Thomas, those funds were applied to pay suppliers of the company and that such payments were recorded on the books and records of the company.

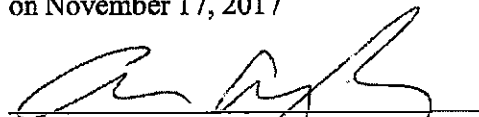
20. On November 17th, I reviewed the allegations in Mr. Rosenstein's affidavit related to the allegedly missing funds with Ms. Eva Juracek, the company's controller, and was advised by Ms. Juracek, that were she provided with those records, she is quite confident that she could further substantiate that all funds were properly accounted for and applied for company purposes.

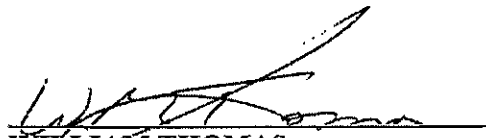
21. It is clear to me that Mr. Rosenstein has no knowledge of the actual accounting of the company. He is not to my knowledge an accountant nor has he ever conducted a forensic or other review of our books and records. In fact, I do not believe he has seen any aspect of our

accounting other than what he has read from the recent Western Union disclosure. As such, he is presenting only one side of a multisided and complex accounting picture which requires further investigation.

22. I am swearing this affidavit in reply to Mr. Rosenstein's affidavit, and for no improper purpose.

SWORN BEFORE ME
at the City of Windsor,
in the Province of Ontario,
on November 17, 2017


A Commissioner for Taking Affidavits

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)

WILLIAM THOMAS

A

This is Exhibit "A" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

David T. Ullmann

Partner

du@blaney.com

☎ 416-596-4289 | ☎ 416-594-2437

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: May-08-17 3:53 PM
To: David T. Ullmann
Cc: Alexandra Teodorescu; Sam Babe; Sam P. Rappos
Subject: RE: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

David further to our call today, we require and you have agreed to provide us with any and all docs and correspondence relating to any settlements with any growers reached, any and all correspondence and docs regarding any and all licensing issues/matters, any and all proposed contracts with any and all growers for this growing season including evidence/docs to support your statement that the aggregate face amount of all contracts for this year is \$2.6mill and not some higher amount for 400 acres of tomatoes, the borrowers business plan which supports these proposed contracts, copies of any and all licenses required to operate the business together with evidence of comfort from the commission that they will issues/maintain the co's license if the co reaches agreements with the 3 or 4 proposed growers. We also require that we be on any and all calls and correspondence with any and all regulators given that this materially affects the business, the RISP and our client's senior secured position. thx

From: Sam Babe
Sent: May-08-17 10:40 AM
To: 'David T. Ullmann' <DUllmann@blaney.com>; Sam P. Rappos <samr@chaitons.com>
Cc: Alexandra Teodorescu <ATEodorescu@blaney.com>; Ken Rosenstein <krosenstein@airdberlis.com>
Subject: RE: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

We can do 11:30

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: May-08-17 10:35 AM
To: Sam P. Rappos <samr@chaitons.com>; Sam Babe <sbabe@airdberlis.com>
Cc: Alexandra Teodorescu <ATEodorescu@blaney.com>
Subject: FW: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

Gentlemen,

I think we should have a call today to discuss this. As Sam R knows from my conversations with him last week, we did speak to the Commission on Thursday afternoon about the status of this matter and we would like to respond to their note

from Friday (attached). My clients think a negotiated solution is quite possible. I did also speak with counsel for the Growers association, Robb Wilson, on Friday and he is interested in trying to negotiate a solution as well.

We also need to speak about the pending contract with the growers to plant this year's crop. The issue with the commission and the contract for this year's growers are obviously interconnected. The company needs to reach a resolution with the growers in the next two days or so. There are three growers who have agreed to contract with the company and all three are essential to this year's crop. Our client has spoken with the most reasonable of the three and proposed to them the 30% upfront payment suggested by Richter. That was rejected. We need to talk about the next offer back to them.

Let me know when you want to speak today. I am free at 11:30, 2 and 4 today for such a call.

Regards,

David

David T. Ullmann

Partner

dullmann@bianey.com

☎ 416-596-4289 | ☎ 416-594-2437

From: OFPMC [<mailto:ontariofarm.productsmarketing.omafra@ontario.ca>]

Sent: May-05-17 4:54 PM

To: David T. Ullmann; sbabe@airdberlis.com; samr@cahitons.com; rwilson@wilsonspurrlaw.ca; jeff@hewittlaw.ca; dvd5@bell.net; Meredith, Greg (OMAFRA); greg.sayer@agricorp.com; Clark, Jim (OMAFRA)

Cc: Alexandra Teodorescu; williamt@thomascanning.net; gmarr@bridgingfinance.ca; clonergan@richter.ca; opvg@opvg.org; Schelling, Jeff (OMAFRA); Ireland, Michele (OMAFRA); ebuchanan@opvg.org; Relf, Mike (OMAFRA)

Subject: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

Good Afternoon, please see attached a Notice of Prehearing Conference and Intention to Issue a Notice of Hearing regarding Thomas Canning.

Please confirm receipt.

**Ontario Farm Products Marketing
Commission**

1 Stone Road West, 5th Floor SW
Guelph, Ontario N1G 4Y2
Tel: (519) 826-4220
Fax: (519) 826-3400

B

This is Exhibit "B" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: Commission and Grower Issues and documents
Attachments: Farmer settlement .pdf; opvg 2017 agree0001.jpg; opvg 2017 agree0002.jpg; opvg 2017 agree0003.jpg; opvg 2017 agree0004.jpg; opvg 2017 agree0005.jpg; opvg 2017 agree0006.jpg; opvg 2017 agree0007.jpg; cert of reg 2017 001.jpg; CA - Certificat Produits Bio.pdf

David T. Ullmann
 Partner
 d.ullmann@blaney.com
 ☎416-596-4289 | 📠416-594-2437

From: David T. Ullmann
Sent: May-08-17 11:28 PM
To: Ken Rosenstein; Sam Babe; 'Sam P. Rappos'
Cc: Alexandra Teodorescu
Subject: Commission and Grower Issues and documents

Ken,

Thank you for your email, I have tried to address your comments below.

Attached is the settlement with the three growers which are the three growers our client intends to use going forward for the 2017 season. We were not retained by the company to deal with these settlements, but they appear to be in order. Apparently the same settlement proposal was made to the other farmers who launched the law suit, but they did not accept it. For this reason, our client is not intending to contract with those other farmers. There is no intention to pay any amount to those farmers at this time, and the claim they have brought has been defended, as you know. The client does recommend that these settlement payments be made to the three farmers. There is no contract yet with any of these three growers, but it is expected there will be shortly. The company will not enter into any contracts without oversight and approval by Richters.

With respect to your request for a business plan I spoke with my client after our call and was advised that they had already been working with Richter to provide them with more of the information as part of the ongoing discussions they are having as to how to reach an agreement with the growers. I am hopeful that there will be something we can all review from Richter and the company tomorrow.

As to the numbers I provided on the call to which you refer below, I was recalling them from memory and apologize if there is any inaccuracy. We should both operate on the basis of the numbers which will be provided to you and I by Richter this week, rather than what I said on the call. For the record, the 400 acre number I used came from the attached license document (as well as previous advice from my client to the same effect). The \$2.6 Million number comes from the amount of security requested in the Commission order, which I was previously advised represented the cost of 100% of the anticipated 2017 crop (you will have seen reference to that in my letter to the commission of April 24th which was provided to Sam Babe on Monday last week by the Commission). It is certainly understood that your client will not fund an "approximate" number. There will have to be a final and accurate number produced.

With respect to other farming done by our client, I want to remind you that the company directly farms some 300 acres of land itself. That land is to be seeded directly with beans, oats and corn. This is known to Richters and was discussed last week. It is necessary that this land be farmed so that it can have the soil integrity necessary to allow it to support the waste which is spread on it. This is all an essential part of the farming and canning process. It has historically been a cash positive process and, as I said, is a requirement for the overall production process. If this land is not farmed, the plant has no way to distribute its waste. The company would also run the risk of being offside its drainage/irrigation certificate (which I will find and send you separately), which is part of its licensing regime. It is not currently offside this license at this time as far as I know. The farming of beans, oats and corn has been discussed with Richter.

In response to your request, it is my understanding that the commission does not issue a licence certificate, so much as it issues a license number. Attached is the current agreement which shows, among other things, the 2017 limit of 400 acres.

You have all the correspondence from our office with respect to the Commission, as there has only been one letter and one response. This was provided to Sam B by the Commission last Monday. The correspondence with the Commission supports the conclusion that the license is in effect, as the Commission was threatening to cancel same. You cannot cancel something that does not exist. The Commission further confirms that their order which was to commence the process of cancelling the licence was suspended by them on April 27th. As such, we are of the view that the License is currently in effect. We agree with your comment on the call that the ability of the commission to terminate the licence is likely stayed by the Order. However, as discussed in our call and in my email from earlier today, it is also our client's view that a consensual resolution is the best and most productive option.

In terms of your request to be included in all calls and communication going forward with the Commission or any other regulator, I think that might be counter-productive. I think we should discuss this, but we will ultimately defer to your wishes in this regard. Maybe the solution is for Richter to be on such calls in the future? I should note that we reported to Richter our intent to communicate with the Commission before we did so last week, mindful of the potentially delicate nature of that call. Sam R agreed with our approach. We confirmed that intent in writing to him on May 4 before we reached out to the Commission. He did not recommend that you be on the call, or that Richter be on the call.

In terms of other licensing issues, the only other issue of which we are aware is the pending dispute with CFIA. We are not currently managing that litigation through our firm. There is a call with the current company counsel on that matter on Wednesday afternoon to figure out the status of that matter. It is our understanding that there is nothing immediately pending on that matter, but we will let you know what comes from that call, or you could attend that call with us if you wish.

Regards,

David

David T. Ullmann

Partner

dullmann@biane / com

☎416-596-4289 | ☎416-594-2437

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]

Sent: May-08-17 3:53 PM

To: David T. Ullmann

Cc: Alexandra Teodorescu; Sam Babe; Sam P. Rappos

Subject: RE: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

David further to our call today, we require and you have agreed to provide us with any and all docs and correspondence relating to any settlements with any growers reached, any and all correspondence and docs regarding any and all licensing issues/matters, any and all proposed contracts with any and all growers for this growing season including evidence/docs to support your statement that the aggregate face amount of all contracts for this year is \$2.6mill and not some higher amount for 400 acres of tomatoes, the borrowers business plan which supports these proposed contracts, copies of any and all licenses required to operate the

business together with evidence of comfort from the commission that they will issues/maintain the co's license if the co reaches agreements with the 3 or 4 proposed growers. We also require that we be on any and all calls and correspondence with any and all regulators given that this materially affects the business, the RISP and our client's senior secured position. thx

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To: 'David T. Ullmann' <DUllmann@blaney.com>; Sam P. Rappos <samr@chaitons.com>
Cc: Alexandra Teodorescu <ATEodorescu@blaney.com>; Ken Rosenstein <krosenstein@airdberlis.com>
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We also need to speak about the pending contract with the growers to plant this year's crop. The issue with the commission and the contract for this year's growers are obviously interconnected. The company needs to reach a resolution with the growers in the next two days or so. There are three growers who have agreed to contract with the company and all three are essential to this year's crop. Our client has spoken with the most reasonable of the three and proposed to them the 30% upfront payment suggested by Richter. That was rejected. We need to talk about the next offer back to them.

Let me know when you want to speak today. I am free at 11:30, 2 and 4 today for such a call.

Regards,

David

David T. Ullmann
 Partner
dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: OFPMC [<mailto:ontariofarm.productsmarketing.omafra@ontario.ca>]
Sent: May-05-17 4:54 PM
To: David T. Ullmann; sbabe@airdberlis.com; samr@chaitons.com; rwilson@wilsonspurrlaw.ca; jeff@hewittlaw.ca; dvd5@bell.net; Meredith, Greg (OMAFRA); greg.sayer@agricorp.com; Clark, Jim (OMAFRA)
Cc: Alexandra Teodorescu; williamt@thomascanning.net; gmarr@bridgingfinance.ca; clonergan@richter.ca; opvg@opvg.org; Schelling, Jeff (OMAFRA); Ireland, Michele (OMAFRA); ebuchanan@opvg.org; Relf, Mike (OMAFRA)
Subject: NOTICE OF PRE-HEARING CONFERENCE AND INTENTION TO ISSUE A NOTICE OF HEARING

Good Afternoon, please see attached a Notice of Prehearing Conference and Intention to Issue a Notice of Hearing regarding Thomas Canning.

Please confirm receipt.

**Ontario Farm Products Marketing
Commission**

1 Stone Road West, 5th Floor SW
Guelph, Ontario N1G 4Y2
Tel: (519) 826-4220
Fax: (519) 826-3400

THOMAS CANNING LTD.

Packers of UTOPIA Brand Products

13301 - 3rd South Street Rd.
Malden, Ontario
M3L 1M1



Minutes of meeting:

March 13, 2017

Between: Triple P Farms & Thomas Canning (Malden) LTD.

As per our meeting we have agreed on the following topics:

1. Contract Tonnage: 4,050
2. Delivered tonnage 1,609.05 tons
3. Undelivered tonnage 2,440.95 tons
4. Price per tons \$85 per tons
5. Amount owing \$207,480.75

We further discussed a repayment of \$1,729.00 per month over a 120 month period; with the stipulation to re-open discussions after twenty four months (24).

6. As per our discussion the payment schedule is intended to start in April 2017, but will depend on license renewal.

Note: All discussions are considered confidential and should not be discussed or shared with any third party.

Attached: "Non-Disclosure Agreement" for you to view and sign

Date: March 14/2017

Signature: Robert D. Thomas
(Robert D. Thomas - Thomas Canning)

Date: March 14/2017

Signature: Dario Prelaz
(Dario Prelaz - Triple P Farms)

NON-DISCLOSURE AGREEMENT

1. This Non-Disclosure Agreement (referred to interchangeably as "Agreement") is made this 13th day of March, 2017 between Thomas Canning (Maidstone) Ltd. with corporate offices located at 326 South Talbot Road in Maidstone, Ontario N0R 1K9 ("the Company") and Triple P Farms and/or its solicitors and agents (collectively, the "Recipient").

Purpose and Consideration:

2. The Company has agreed to share Confidential Information with the Recipient, and in exchange for such information and pursuant to the provisions of this Agreement, the Recipient will not disclose the Confidential Information.

Confidential Information:

3. The Company and the Recipient wish to maintain the confidentiality and non-disclosure of information relative to but not limited to financial data, result, strategy and business development, technologies, projects, initiatives, suppliers, customers, litigation, and dispute settlements.
4. The Information is being disclosed to the Recipient solely for evaluation.
5. Confidential Information includes but is not limited to proprietary information concerning the business or assets of the Company, including, without limitation, financial data, strategies, operational methods, pricing policies, sales and marketing plans, personnel information, customer information, trade secrets, and intellectual property such as patents, trademarks, copyrights, etc. Confidential information also includes all information described in Appendix A to this Non-Disclosure Agreement.

Protection of Confidential Information:

6. The Recipient will not disclose the Confidential Information provided by the Company to any other individual, corporation, partnership, or similar entity. There are no exceptions. The Recipient agrees that it will keep secret all Confidential Information disclosed by the Company, and will maintain such information secretly and confidentially, using the same degree of care it would use in the protection of its own secret and proprietary information. The Recipient must not publicly announce or discuss the fact that the Confidential Information has been made available or the existence of any relationship between the parties.
7. The Recipient, furthermore, must not reveal to any person the substance of its discussions with the Company whether or not such discussions include Confidential Information. For the purposes of this Agreement, discussions include any verbal, written or other communicative method.

Term:

8. The Recipient agrees to maintain and keep all Confidential Information in confidence for the term of this Agreement. The term of this Agreement shall be effective on March 13, 2017 and will continue until the Company consents to an end of this Agreement. The obligation herein contained by the Company and the Recipient and their personnel (or contractors) shall continue in full force and effect whether or not any other agreement is entered into between the parties.

Binding Effect:

- 9 This Agreement benefits and binds the Recipient and the Company and their respective successors and assignees.

Equitable Relief:

10. The Recipient acknowledges that its breach of this Agreement may result in immediate and irreparable harm to the Company, for which there will be no adequate remedy at law, and the Company shall be entitled to equitable relief to compel the Recipient to cease and desist all unauthorized use and disclosure of the Confidential Information, in addition to any other right or remedy it may have under the applicable law.

Applicable Law:

11. This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the Country of Canada exclusive of any choice of law principles. The Company and the Recipient agree that any recourse must be sought in the Superior Court of Justice in the Province of Ontario.

Counterparts:

12. This Agreement may be executed in any number of identical counterparts, each of which is deemed to be an original, provided that executed copies are exchanged in due course and all of which taken together will constitute one and the same Agreement. The Recipient and the Company agree that this executed Agreement may be delivered electronically through email or facsimile.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Date: March 14/2017
Signee: Robert D. Thomas
(Robert D. Thomas - Thomas Canning)

Date: March 14/2017
Signee: Dario Prelaz
(Dario Prelaz - Triple P. Farms)

I have authority to bind the Company

I have authority to bind the Recipient

Appendix A:

- a) Any information with respect to litigation and/or settlements;
- b) Any information with respect to any dispute between the Company and another person or entity; and
- c) Any information with respect to purchase price of tomatoes

THOMAS CANNING LTD.

Packers of UTOPIA Brand Products

R.R.#1 - 324 South Talbot Rd
Maidstone, Ontario
N0R 1K0



Minutes of meeting:

March 20, 2017

Between: J & J Farms (Todd VanDellen) & Thomas Canning (Maidstone) LTD.

As per our meeting we have agreed on the following topics:

1. Contract Tonnage: 1,225.00
2. Delivered tonnage 558.99 tons
3. Undelivered tonnage 487.41 tons
- Transfer: 178.60 tons
4. Price per tons \$ 189.00 per tons
5. Amount owing \$ 92,120.49

We further discussed a repayment of \$ 767.67 per month over a 120 month period; with the stipulation to re-open discussions after twenty four months (24).

6. As per our discussion the payment schedule is intended to start in April 2017, but will depend on license renewal.

Note: All discussions are considered confidential and should not be discussed or shared with any third party.

Attached: "Non-Disclosure Agreement" for you to view and sign.

Date: April 11 2017

Signee: Robert D. Thomas
(Robert D. Thomas - Thomas Canning)

Date: April 11/17

Signee: Todd VanDellen

(Todd VanDellen - J&J Farms)

NON-DISCLOSURE AGREEMENT

1. This Non-Disclosure Agreement (referred to interchangeably as "Agreement") is made this 20th day of March, 2017 between Thomas Canning (Maidstone) Ltd. with corporate offices located at 326 South Tallbot Road in Maidstone, Ontario N0R 1K9 ("the Company") and J&J Farms (Todd VanDellen) and/or its solicitors and agents (collectively, the "Recipient").

Purpose and Consideration:

2. The Company has agreed to share Confidential Information with the Recipient, and in exchange for such Information and pursuant to the provisions of this Agreement, the Recipient will not disclose the Confidential Information.

Confidential Information:

3. The Company and the Recipient wish to maintain the confidentiality and non-disclosure of information relative to but not limited to financial data, result, strategy and business development, technologies, projects, initiatives, suppliers, customers, litigation, and dispute settlements.
4. The Information is being disclosed to the Recipient solely for evaluation.
5. Confidential Information includes but is not limited to proprietary information concerning the business or assets of the Company, including, without limitation, financial data, strategies, operational methods, pricing policies, sales and marketing plans, personnel information, customer information, trade secrets, and intellectual property such as patents, trademarks, copyrights, etc. Confidential information also includes all information described in **Appendix A** to this Non-Disclosure Agreement.

Protection of Confidential Information:

6. The Recipient will not disclose the Confidential Information provided by the Company to any other individual, corporation, partnership, or similar entity. There are no exceptions. The Recipient agrees that it will keep secret all Confidential Information disclosed by the Company, and will maintain such information secretly and confidentially, using the same degree of care it would use in the protection of its own secret and proprietary information. The Recipient must not publicly announce or discuss the fact that the Confidential Information has been made available or the existence of any relationship between the parties.
7. The Recipient, furthermore, must not reveal to any person the substance of its discussions with the Company whether or not such discussions include Confidential Information. For the purposes of this Agreement, discussions include any verbal, written or other communicative method.

Term:

8. The Recipient agrees to maintain and keep all Confidential Information in confidence for the term of this Agreement. The term of this Agreement shall be effective on March 13, 2017 and will continue until the Company consents to an end of this Agreement. The obligation herein contained by the Company and the Recipient and their personnel (or contractors) shall continue in full force and effect whether or not any other agreement is entered into between the parties.

Binding Effect:

9. This Agreement benefits and binds the Recipient and the Company and their respective successors and assignees.

Equitable Relief:

10. The Recipient acknowledges that its breach of this Agreement may result in immediate and irreparable harm to the Company, for which there will be no adequate remedy at law, and the Company shall be entitled to equitable relief to compel the Recipient to cease and desist all unauthorized use and disclosure of the Confidential Information, in addition to any other right or remedy it may have under the applicable law.

Applicable Law:

11. This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the Country of Canada exclusive of any choice of law principles. The Company and the Recipient agree that any recourse must be sought in the Superior Court of Justice in the Province of Ontario.

Counterparts:

12. This Agreement may be executed in any number of identical counterparts, each of which is deemed to be an original, provided that executed copies are exchanged in due course and all of which taken together will constitute one and the same Agreement. The Recipient and the Company agree that this executed Agreement may be delivered electronically through email or facsimile.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Date: April 11 / 2017
 Signee: [Signature]
 (Robert D. Thomas - Thomas Canning)

Date: April 11 / 17
 Signee: [Signature]
 (Todd VanDellen - J&J Farms)

I have authority to bind the Company

I have authority to bind the Recipient

Appendix A:

- a) Any information with respect to litigation and/or settlements;
- b) Any information with respect to any dispute between the Company and another person or entity; and
- c) Any information with respect to purchase price of tomatoes.

THOMAS CANNING LTD.

Producers of UTOPIA Brand Products

4141 - 100th Avenue
Maidstone, Ontario
N6A 1A7

Minutes of meeting:

March 14, 2017

Between: 959699 Ont. Inc. (Tony Denijs) & Thomas Canning (Maidstone) LTD.

As per our meeting we have agreed on the following topics:

- | | | |
|------------------------|---------------------|----------|
| 1. Contract Tonnage | 4,375.00 | |
| 2. Delivered tonnage | 2,225.24 | tons |
| 3. Undelivered tonnage | 1,183.46 | tons |
| Transfer: | 966.30 | tons |
| 4. Price per tons | \$ 189.00 | per tons |
| 5. Amount owing | <u>\$223,673.94</u> | |

We further discussed a repayment of \$1,863.95 per month over a 120 month period; with the stipulation to re-open discussions after twenty four months (24).

6. As per our discussion the payment schedule is intended to start in April 2017, but will depend on license renewal.

Note: All discussions are considered confidential and should not be discussed or shared with any third party.

Attached: "Non-Disclosure Agreement" for you to view and sign

Date: March 20, 2017
 Signee: Robert D. Thomas
 (Robert D. Thomas - Thomas Canning)

Date: March 13 2017
 Signee: Tony Denijs
 (Tony Denijs - 959699 Ont. Inc.)

NON-DISCLOSURE AGREEMENT

- 1 This Non-Disclosure Agreement (referred to interchangeably as "Agreement") is made this 13th day of March, 2017 between Thomas Canning (Maldstone) Ltd. with corporate offices located at 326 South Talbot Road in Maldstone, Ontario N0R 1K9 ("the Company") and 959699 Ontario Inc. (Tony Denijs) and/or its solicitors and agents (collectively, the "Recipient").

Purpose and Consideration:

- 2 The Company has agreed to share Confidential Information with the Recipient, and in exchange for such Information and pursuant to the provisions of this Agreement, the Recipient will not disclose the Confidential Information.

Confidential Information:

- 3 The Company and the Recipient wish to maintain the confidentiality and non-disclosure of information relative to but not limited to financial data, result, strategy and business development, technologies, projects, initiatives, suppliers, customers, litigation, and dispute settlements.
- 4 The Information is being disclosed to the Recipient solely for evaluation.
- 5 Confidential Information includes but is not limited to proprietary information concerning the business or assets of the Company, including, without limitation, financial data, strategies, operational methods, pricing policies, sales and marketing plans, personnel information, customer information, trade secrets, and intellectual property such as patents, trademarks, copyrights, etc. Confidential information also includes all information described in **Appendix A** to this Non-Disclosure Agreement.

Protection of Confidential Information:

- 6 The Recipient will not disclose the Confidential Information provided by the Company to any other individual, corporation, partnership, or similar entity. There are no exceptions. The Recipient agrees that it will keep secret all Confidential Information disclosed by the Company, and will maintain such information secretly and confidentially, using the same degree of care it would use in the protection of its own secret and proprietary information. The Recipient must not publicly announce or discuss the fact that the Confidential Information has been made available or the existence of any relationship between the parties.
- 7 The Recipient, furthermore, must not reveal to any person the substance of its discussions with the Company whether or not such discussions include Confidential Information. For the purposes of this Agreement, discussions include any verbal, written or other communicative method.

Term:

- 8 The Recipient agrees to maintain and keep all Confidential Information in confidence for the term of this Agreement. The term of this Agreement shall be effective on March 13, 2017 and will continue until the Company consents to an end of this Agreement. The obligation herein contained by the Company and the Recipient and their personnel (or contractors) shall continue in full force and effect whether or not any other agreement is entered into between the parties.

Binding Effect:

- 9 This Agreement benefits and binds the Recipient and the Company and their respective successors and assignees

Equitable Relief:

- 10 The Recipient acknowledges that its breach of this Agreement may result in immediate and irreparable harm to the Company, for which there will be no adequate remedy at law, and the Company shall be entitled to equitable relief to compel the Recipient to cease and desist all unauthorized use and disclosure of the Confidential Information, in addition to any other right or remedy it may have under the applicable law.

Applicable Law:

- 11 This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the Country of Canada exclusive of any choice of law principles. The Company and the Recipient agree that any recourse must be sought in the Superior Court of Justice in the Province of Ontario.

Counterparts:

- 12 This Agreement may be executed in any number of identical counterparts, each of which is deemed to be an original, provided that executed copies are exchanged in due course and all of which taken together will constitute one and the same Agreement. The Recipient and the Company agree that this executed Agreement may be delivered electronically through email or facsimile.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Date: March 20 2017

Signee: Robert D. Thomas
(Robert D. Thomas - Thomas Canning)

Date: March 19 2017

Signee: Tony Derjls
(Tony Derjls - 959699 Ont. Inc.)

I have authority to bind the Company

I have authority to bind the Recipient

Appendix A:

- a) Any information with respect to litigation and/or settlements;
- b) Any information with respect to any dispute between the Company and another person or entity; and
- c) Any information with respect to purchase price of tomatoes.

Thomas - TOMATOES - 1

THOMAS CANNING (MAIDSTONE) LIMITED

AGREEMENT FOR MARKETING THE 2017 CROP OF TOMATOES FOR PROCESSING

Under the Farm Products Marketing Act

Prices

1. (a) The minimum prices to be paid for tomatoes produced and delivered for processing in Ontario and graded in accordance with the following contract option shall be:

Option 7:	Agtron Colour Level	Price Per Ton		
		Tomatoes for Paste	Tomatoes for Whole Pack	Tomatoes for Juice
	0-37			
	38-39			
	40+			

- (b) Tare factors to be applied to 2017 contract option quality standards shall be as follows:

Category	Tolerance	Reject Point	Tare Penalty
OPTION 7			
1) Colour	0-37 (brankers & prog. Green included)	over 37	
2) Undercolour			
(i) grass green	3%	over 3%	0-3% x 1 4-6% x 2
(ii) processing green	unlimited	nil	nil
(iii) processing brankers	unlimited	nil	nil
3) Other defects	7%	over 7%	0-7% x 1 8-10% x 2
4) Limited use	20%	over 20%	0-6% x nil 7-10% x 1/2 11-20% x 1 21-4% x 2
5) M.O.T.	3%	over 3%	0-1% x 1 2-4% x 2

Note: Regrades are limited to rejectable loads only or where actual M.O.T. exceeds 2%.

2017 prices to be determined in accordance with the 5 year agreement regarding Ontario tomato pricing agreed to and signed by all parties on March 1st last year. As the CTCIA price has yet to be established, paragraph 7 therein shall also apply.

	2017
Annual CTCIA price for tomatoes	TBD
+ Field to factory freight/premiums	\$11.00
+ Transcontinental freight	\$24.04
Price landed in Ontario (U.S.\$)	TBD
Currency Exchange (50% of the difference between the Jan/Feb average and par)	\$0.0802
California Price landed in Ontario (Cdn \$)	TBD
Ontario Contract Price	TBD

R. D. ...
W. H. Thomas

Represents changes for 2017.

Payment Terms

2. (a) The processor shall pay to a grower 90% of the full amount of the purchase price due and owing the grower for tomatoes delivered from and including the 1st to the 15th day of any month on the twenty-fifth day of that same month, and for tomatoes delivered from and including the 16th day to the last day of the month on the 10th day of the next following month.
- (b) All payments shall be postmarked no later than the due date.
- (c) A premium of \$5.00 per contracted ton under all contract options shall be paid on November 15th on all tomatoes designated as early or late by the processor. Early or late contracts shall be defined as tomatoes not subject to regular weekly quota as specified in clause 9 (A). The processor shall be required to commence scheduling the delivery of tonnage contracted under a late contract no later than 56 days after the processor's opening date. Late contract tonnage shall be subject to a minimum daily quota of 25%.
- (d) Alternatively, the board may agree to revised payment terms provided a subsequent agreement is reached between the parties and filed with the Farm Products Marketing Commission prior to August 1st, 2017.

DEFERRED PAYMENT

- (e) A processor that has contracted at least 40 tons/acre or the grower's historical tonnage per acre may defer payment on 50% of the value of any tonnage that is accepted over the individual grower's tonnage contracted. In quality all the growers for the processor must have reached their contracted tonnage or harvested all of their crop. The deferred payment must be paid in full on or before February 1, 2018. This will be in effect until 2020.
3. (a) The processor may deduct from the first payment monies due to him by a grower for those services and charges provided by the processor under the provisions of the Agreement for the 2017 crop of tomatoes for processing. The processor may not deduct monies owing for other processing crops except with the grower's consent.
 - (b) The processor is responsible to remit crop insurance premiums on the growers' behalf to Agricorp by the established premium deadline of September 15th contingent on Agricorp providing the premium invoice for all contracts to the processor by September 1st.
 - (c) No other charges, costs or expenses shall be made other than such charges, costs or expenses as are provided for in the Agreement or Award in force for tomatoes for processing.
 4. (a) The processor shall forward, not later than November 15, his final cheque to the grower, including an itemized statement covering the grower's 2017 sales of tomatoes showing the credits, debits, G.S.T., charges, quantities, grades delivered, productivity adjustment calculations and blending adjustments.
 - (b) Every processor shall contribute 10¢/ton with their licence fee remittance on November 15 to be matched by the OPVC and used for tomato research as determined by the Ontario Tomato Research Institute (OTRI).

Productivity Adjustment

5. An adjustment will be made in accordance with the productivity price schedules detailed in Clause 8. Productivity adjustments must be made no later than November 15.

Blending Adjustment

6. The processor shall estimate his end-use requirements prior to contracting and each contract shall provide the percentage of each category of end-use. The processor shall make initial payments based on the lowest priced end-use per contract option. A final payment based on the procedure detailed in Appendix A shall be made not later than November 15.

Acreage Measurement

7. (a) As a condition of contract, the processor shall require that all tomato acreage, from which tomatoes are to be delivered, be measured by the independent service provider.
- (b) As a condition of contract, the processor agrees to receive tomato tonnage solely from that acreage that was measured by the independent service provider.
- (c) As a condition of contract, the processor shall, after discussions with the grower, complete and sign Form 3, appended to this agreement.
- (d) As a condition of contract, the grower agrees to provide access to the independent service provider for the purpose of measuring all tomato acreage from which tomato tonnage shall be delivered. In addition, the grower agrees to provide the processor or contracting firm with maps of all fields which are to be measured. The processor shall provide these maps to the independent service provider not later than May 15 in each year.
- (e) As a condition of the grower licence, the grower agrees to deliver tomato tonnage solely from that acreage that was measured by the independent service provider.
- (f) As a condition of grower licence, the grower shall, after discussions with the processor, complete and sign Form 3, appended to this agreement.
- (g) An independent service provider has been engaged to act as the independent third party responsible for measuring all tomato acreage in accordance with procedures established by the Ontario Food Processors Association and the Ontario Processing Vegetable Growers through the Ontario Standing Tomato Grading Committee. In the event of a dispute over the measurement, the decision of the independent service provider shall be final.
- (h) The cost of third-party acreage measurement shall be shared equally between the processor and the Ontario Processing Vegetable Growers.

Productivity Incentive Program

8. (a) Processors, following discussions with the grower, will make the determination as to the maximum number of acres each grower may plant for processing. A grower may decide to plant less than the maximum acreage determined by the processor. In any event, planting in excess of the acreage specified on the contract may result in subsequent tonnage reductions or other sanction at the processor's discretion.

Denotes changes for 2017.

TOMATOES - 4

- (f) The processor must supply and the grower must purchase his total tomato transplant requirements to plant his acreage from the processor with whom he is contracted.
- (g) Each grower may designate the sourcing of up to 10% of his total transplant requirements from any of the processor's seedling grower suppliers. The processor shall attempt, where possible, to provide transplants in accordance with this designation.
11. (a) The price for transplants shall include an 8% grower insurance surcharge to cover the cost of maintaining a pool of transplants for replant purposes.
- (b) The processor agrees to contract with seedling growers for a minimum of 8% additional transplants over and above total transplant requirements for the purposes of maintaining an insurance pool for replant purposes.
- (c) The processor shall provide tomato transplants to growers at the following prices (inclusive of the 8% insurance surcharge and the grower share of plant counting cost):

	Open Pollinated	Hybrid
200 Cell Trays	N/A	N/A
288 Cell Trays	\$33.80	\$42.00
512 Cell Trays (Southern)	\$33.80	\$42.00

- (d) It is expressly agreed that no service charges shall be applied to the provision of tomato transplants.
- (e) Any deliberate abuse of transplant handling, storing, sorting or disposal, is subject to termination of contract. The grower will be responsible for payment of plant charges incurred from the above abuses.
- (f) Replanting of acreage shall be mutually agreed between the grower and the processor.
- (g) Where the decision is made to replant, the grower shall pay for replants as per the following:
- (1) replants representing 8% of the growers original plant order no charge.
- (2) All replants over 8% of the growers original plant order as follows:

Open Pollinated	\$32.92
Hybrid	\$38.60

- (h) The processor shall provide to the grower, a transplant recognition in Form 5, attached, not later than July 15th, in every year.

Food Safety

12. (a) A Processor shall have the right as a condition of contract to require that all tomatoes contracted to be grown for delivery to the processor, shall be sprayed for pest control following a spray program using only spray materials registered for use on tomatoes in Canada. In addition, the grower may be restricted from using specified spray materials provided they are clearly identified in the written contract between the grower and processor.
- (b) No processor shall require as a condition of contract any grower to purchase fertilizer or chemicals from such processor or any agent, servant or employee of such processor nor may the processor require any grower to use the services of a specific spray operator.

- (c) The grower shall keep complete records of pesticide applications and shall forward a completed Form 4 to the processor in accordance with the schedule clearly identified in the written contract between the grower and the processor. In addition, the grower will submit all pesticide applications electronically via the industry's accepted software reporting system within 24 hours of any pesticide application. For the 2017 transitional year, the two reporting systems will be managed in tandem until such time that the new one has been proven to be accurate and reliable to the satisfaction of the processor and the software administrator. At such time the written report (Form 4) will no longer be required for submission. However, all growers are required to maintain a hardcopy of their applications throughout the 2017 season for their personal records and have such records available if requested.
- (d) The processor may refuse to schedule delivery of tomatoes in accordance with the agreement in the event that all records of pesticide application have not been provided in accordance with the stated requirements under Section 12 (c).
- (e) As a condition of contract, the processor shall provide written assurance to the grower that transplants have been treated only with pesticides registered for use on greenhouse tomatoes in Canada. Third party random sampling and testing of all tomato transplants shall be conducted prior to shipment to growers.
- (f) Both the grower and the processor shall provide any and all information necessary to facilitate third party random sampling and residue testing in the field. Where third party testing has determined that illegal residues have been discovered, the processor may refuse to accept delivery of tomatoes from the field in question. A confirmatory test shall be conducted in order to rule out the possibility of a false positive in the initial test result.

Contracts

13. (a) This Agreement applies to the buying and selling of tomatoes for processing.
- (b) No tomatoes shall be bought or sold for processing other than tomatoes that are grown under contract between a grower and a processor.
- (c) Where a processor intends to purchase tomatoes from a producer other than a producer named in the contracting report, the producer must first obtain a license in Form 1, in accordance with the regulations of the local board.
- (d) No person shall buy tomatoes for processing that are grown under a contract between a grower and a processor other than a processor.
- (e) No person shall sell tomatoes for processing that are grown under a contract between a grower and a processor other than a grower.
- (f) No grower may sell or transfer tomatoes, contracted for processing, to another individual for resale to a processor. Contract growers engaging in this practice may be refused a contract in future years.

Went
Denotes changes for 2017.

TOMATOES - 5

- (g) The grower has the right to appeal any disciplinary action taken by the processor to the local board.
- (An alleged offence under the above sections may precipitate a public investigation by the Board under Section 4, (1) of the Farm Products Marketing Act.)
14. (a) The provisions of this Agreement shall apply to and form part of every contract and addendum between a processor and a grower whether entered into before or after the date of this Agreement, for the purchase of tomatoes produced in Ontario for processing during the year 2017.
- (b) Notwithstanding any provision in any such contract between a processor and a grower that may be at variance with any provision of this Agreement, the relevant provision of this Agreement shall apply and be the governing provision.
- (c) A copy of this Agreement shall be mailed to the grower by the Ontario Processing Vegetable Growers.
- (d) Every contract between a grower and a processor entered into after the date of this Agreement shall have printed as a clause thereof in the form as follows:
- "The provisions of the Farm Products Marketing Act and the Regulations and the Agreement for Marketing the 2017 Crop of Tomatoes for Processing, as approved by the Commission, shall apply to and form part of this contract."
- and the processor shall insert the said provision and his 2017 licence number issued by the Farm Products Marketing Commission, in every such contract before the contract is signed.
- (e) Every contract between a grower and a processor for the purchase of the 2017 crop of tomatoes for processing entered into before the date of this Agreement shall be deemed to be amended in accordance with this Agreement.
- (f) All tomatoes must be purchased in accordance with the grade option designated at the time of contracting, unless authorization is granted by the local board to the contrary.
- (g) Where the incidence of blossom end-rot in any field (or in any area of a field greater than 3 acres) exceeds 20% by fruit count as determined by a Crop Insurance Representative, the processor may reject the acreage in question.
15. Tomatoes produced in Ontario in 2017 by any grower and sold for processing shall be sold and purchased on a tonnage basis by a written contract between the grower and the processor and subject to what is otherwise provided in this Agreement, the grower shall plant the acreage for the processor with whom he has contracted and shall deliver and sell the tomatoes produced from such acreage to such processor and the processor shall accept and pay for the tomatoes produced as outlined in this agreement. Furthermore, each contract shall state:
- (a) the number of tons contracted.
- (b) the acreage required to produce each grower's contracted tonnage.
16. (a) The processor may close if growers representing 85% of the company's total contracted tonnage commitments, have ceased delivery or delivered their individual contracted commitments.
- (b) The processor may close earlier only upon written approval from the Ontario Processing Vegetable Growers.
17. (a) The processor shall accept delivery of contracted tomatoes at the time tomatoes are ready for processing and the processor shall weigh the tomatoes accurately, keep a true and accurate record of the weights and grades and furnish the grower with a duplicate of the original copy of the weights and grades at the time delivery is made and the grower may enter the premises of the processor for the purpose of checking the above records.
- (b) The weigh tickets shall be signed by the processor or his duly authorized agent, and one signed copy shall be retained by the grower for his permanent record.
- (c) Weigh tickets shall be retained by the grower for his permanent records for use in the event of a dispute.
- (d) The processor shall file with the local board on or before the commencement of seasonal deliveries, certification from Weights and Measures (Canada) or an independent firm, confirming that the weight measurement equipment upon which payment to the grower is based, is accurate, operating properly and complies with the standards administered by the Ministry of Consumer and Corporate Affairs (Canada) Weights and Measures.
- (e) No weight measurement equipment other than that certified under paragraph (d) shall be used by the processor for the weighing of any tomatoes marketed pursuant to this agreement.
18. A grower may contract to deliver tomatoes to more than one processor providing the grower has first obtained the written consent of each of the processors to which the grower wishes to contract to deliver tomatoes. The processors or either of them may refuse the grower consent for any reason the processor considers proper at the processor's absolute discretion.
19. In the event that there is no existing agreement between the labour work force and the management of a processing plant, the processor shall notify the grower before contracting that such a situation exists.
20. Any notice required to be given by a processor to a grower under any contract between a processor and a grower shall be:
- (a) delivered to the grower personally, or to the grower's agent or by mail to his home; or
- (b) in the case of notice of closing, posted at the processor's factory or factory receiving station in a conspicuous place.

21. The processor agrees to contract
to a maximum of 400 acres
for 2017.



Ward

Denotes changes for 2017

Transfers

21. (a) A contract grower shall not sell his tomatoes to any other processor. The processor with whom the grower is contracted may, at his sole discretion, direct the grower to deliver his tomatoes to another licensed processor provided that a tonnage transfer for each delivery is completed in accordance with Form 2.
- (b) Where this occurs, the grower shall be paid by November 15th by the processor with whom he is contracted in accordance with the following:
- (i) the grade option designated on the grade slip;
 - (ii) the designated end use or the blended price of the processor receiving the tomatoes; and,
 - (iii) the productivity factor of the processor receiving tomatoes.
- (c) Where a processor directs a grower to deliver tomatoes to another licensed processor, the delivered tonnage shall be credited to the processor transferring the tonnage for purposes of productivity calculations.

Grades

22. The provisions of the Farm Products Grades and Sales Act and the regulations thereunder respecting grades and grading of tomatoes shall apply to every contract for the purchase and sale of tomatoes.

23. (a) All tomatoes for processing shall be graded by the independent service provider in accordance with the grade option contracted by the processor.
- (b) All grading related activity shall be carried out in accordance with procedures developed by the Standing Tomato Grading Committee and set out in the Tomato Grading Manual.
- (c) The cost of grading shall be shared equally by the Ontario Processing Vegetable Growers and the processor.
- (d) In the event of a dispute between a processor and a grower as to the original grade determination, the matter shall be referred to a supervisor designated by the independent service provider. The supervisor shall deal with the matter in dispute following the procedures outlined in the Tomato Grading Manual.

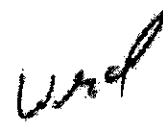
Reasons for Non-Performance

24. The grower or processor shall be excused for non-fulfilment of contract caused by the inability beyond the control of either party, by acts of God, fire, lack of transportation facilities, floods, strikes, wind, hail, boiler failure and explosion, order of civil or military authorities to the extent that fulfilment of the contract has been prevented in whole or in part, by such cause or causes.

Reports

25. Every processor shall file with the local board:

- (a) on or before the 15th day of May, a list of every producer with whom the processor has entered into a contract on or before the 1st day of May, including the name, mailing address, email address, telephone number and the tonnage contracted, the acreage to be grown and a single sample contract; or,
 - (b) within seven days of entering into a contract with a producer after May 1st, a true copy of said contract, including the name, mailing address, email address, telephone number and the tonnage contracted and the acreage to be grown.
 - (c) on or before May 15th, a tomato transplant report detailing:
 - (i) the plant growers he has contracts with and the amount contracted with each according to size category (i.e. 200, 288, 512, etc.);
 - (ii) the number of plants required to plant the intended field acreage once;
 - (d) on or before November 1st, a final report on their productivity calculations to include harvest net tons, measured acres, yield per measured acre and price per ton paid in accordance with the productivity price schedules detailed in this Agreement.
 - (e) on or before November 1st, a reconciliation form detailing the percentage of raw product in each end-use category based on the procedures detailed in Appendix A.
 - (f) on or before November 15th, a final report for each grower indicating net tons harvested by option and gross payment before any deductions by option and licence fees deducted.
 - (g) on or before November 1st, the total quantity of transplants paid for by the tomato grower.
 - (h) on or before November 15th, a final report detailing the names, tonnages and gross payment for all tomatoes purchased under Form 1.
26. By May 15, 2017 each processor shall forward to the independent service provider a statement showing:
- (a) the total number of tons contracted
 - (b) the growers with whom they have entered into contract
 - (c) the applicable grade option for each contract
 - (d) the recommended acreage that each grower is to plant
 - (e) a completed Form 3.
27. Accurate records shall be kept by the processor of all deliveries, opening and closing dates and these shall be made available on request to the local board.

Denotes changes for 2017

Representation

28. A duly appointed representative of the Ontario Processing Vegetable Growers shall have the authority to represent the grower in all matters concerning this Agreement.

29. Where a disagreement arises between a grower and a processor concerning the application of any provision of this agreement, either party may request in writing a meeting between the grower, the processor, the OPVG and the OP&VPA in an effort to resolve the dispute. The meeting shall occur within 10 days of the request. Failing a satisfactory resolution, the matter shall be referred to an arbitrator, which shall take place within 21 days. The arbitrator shall be appointed by the PPMC and shall have total discretion in resolving the dispute. The decision shall be final and binding on all parties. All other remedies, including legal action, are hereby waived by the parties.

THE MEMBERS OF THE NEGOTIATING COMMITTEE APPROVE THIS AGREEMENT


DATED AT _____, ONTARIO THIS _____ DAY OF _____, 2017.

GROWER MEMBER



PROCESSOR MEMBER





Denotes changes for 2017.

Canadian Food Inspection Agency
Agence canadienne d'inspection des aliments

CERTIFICATE OF REGISTRATION

This is to certify that the establishment identified below has been inspected and registered under the authority of the

Canada Agricultural Products Act

and the

Processed Products Regulations

as a(n)

Processed Fruit and Vegetable Establishment

CERTIFICAT D'AGREMENT

Le présent certificat atteste que l'établissement mentionné ci-dessous a été inspecté et agréé conformément à la

Loi sur les produits agricoles au Canada

et au

Règlement sur les produits transformés

comme

Établissement de transformation de fruits et légumes

THOMAS CANNING (MAIDSTONE) LIMITED

326 SOUTH TALBOT ROAD

R.R. # 1

MAIDSTONE ON N0R 1K0

REGISTRATION NO.
N° D'AGREMENT

0691

EXPIRES
EXPIRE LE

21/10/2017

RENEWALITY - RENEUVELER

Carolyn J. Smith

Director, Centre of Administration
Directrice, Centre d'administration

This certificate is not transferable or assignable.

This registration ☒ license ☐ permit ☐ or authorization ☐ is also a licence that is issued under the *Safe Food for Canadians Act* upon its commencement day.

Ce certificat est ni cessible ni transférabilité.

Cet agrément ☒ cette licence ☐ ce permis ☐ ou cette autorisation ☐ est également une licence délivrée en vertu de la Loi sur la sécurité des aliments au Canada dès son date d'activation.

Canada



Certificate :CA-158570-Z-37348-2016

ORGANIC PRODUCT CERTIFICATE

This document is emitted to :

Thomas Canning Ltd.**326 South Talbot Road****MAIDSTONE, Ontario, N0R 1K0****Type of operation: PROCESSOR**

According to its certification program, Ecocert Canada declares that the methods used by the business for the production, preparation, marketing of the following products are compliant to the following organic standards:

Issued in Levis: April 29, 2016**Marlene Fortier, ECOCERT Canada**

Page 1 of 2



Certificate :CA-158570-Z-37348-2016

ORGANIC PRODUCT CERTIFICATE

- Certified to the terms of the US-Canada Organic Equivalence Arrangement
 - COR: Canada Organic Regime including the Organic Product Regulation (2009), the standards CAN/CSGB 32.310(2015)- General Principles and Management Standards and the CAN/CSGB 32.311(2015)- Permitted Substances Lists.
 - Europe-Canada Equivalency



Organic Products

Trademark(s)

Crushed plum tomatoes
 Crushed tomatoes no salt
 Crushed tomatoes with basil
 Crushed tomatoes with roasted onion & garlic
 Crushed tomatoes

Diced plum tomatoes
 Diced tomatoes no salt

Diced tomatoes with basil
 Diced tomatoes with garlic & onion
 Diced tomatoes with green chilies
 Diced tomatoes with roasted onion & garlic
 Diced tomatoes

Pasta sauce
 Pizza-pasta sauce
 Spaghetti sauce no salt
 Spaghetti sauce
 Tomato juice
 Tomato paste

Tomato sauce
 Whole plum tomatoes
 Whole tomatoes no salt
 Whole tomatoes with basil
 Whole tomatoes

Aunt Gloria
 Eden, VitaBio
 Utopia, Eden
 Eden
 Community Naturals, Harvest Sun, Kerr Farms, Longo's, Ontario Natural Food Co-op, Utopia, VitaBio, Brad's
 Aunt Gloria
 VitaBio, Eden, Harvest Sun, Ontario Natural Food Co-op, Utopia, Community Naturals
 Eden
 Eden
 Eden
 Emma, VitaBio, Community Naturals, Brad's, Compliments, Kerr Farms, Longo's, Ontario Natural Food Co-op, PC Organics, Simply Nature, Utopia
 Utopia
 Eden
 Eden
 Eden
 Utopia, VitaBio, Community Naturals
 Emma, Longo's, Ontario Natural Food Co-op, Utopia, VitaBio, Community Naturals
 Community Naturals
 Emma
 VitaBio
 Eden, Brad's
 Brad's, Community Naturals, Compliments, Eden, Harvest Sun, Kerr Farms, Ontario Natural Food Co-op, PC Organics, Utopia, Full Circle

Date at which the business must request another annual inspection : January 30, 2017

Initial certification date: April 28, 2016

Inspection date: March 30, 2016

This certification remains valid unless suspended or cancelled by ECOCERT CANADA. This certificate must be returned on the day of cancellation of the certification contract. This document is Ecocert Canada's property, only the original copy is considered valid. This document authorise the use of the following reference on the labels of the certified products: 'Certified by Ecocert Canada'.

Issued in Levis: April 29, 2016

Marlene Fortier, ECOCERT Canada

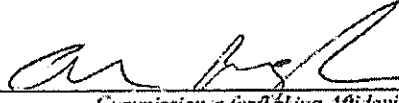
Page 2 of 2



ECOCERT Canada, Certification body accredited ISO/IEC 17065:2012 by the CAFQ
 510 rue Saint-Onésime, Levis, Quebec, Canada, G6V 5Z4
 Phone : 418-838-6941 Fax : 418-838-9823 e-Mail : office.canada@ecocert.com

C

This is Exhibit "C" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:22 PM
To: Alexandra Teodorescu
Subject: FW: Forecasts and Farmers

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: David T. Ullmann
Sent: May-12-17 2:09 PM
To: 'Ken Rosenstein'; Sam P. Rappos; 'Lonergan, Clark'
Cc: Sam Babe; Alexandra Teodorescu
Subject: RE: Forecasts and Farmers

Ok. Can you send it to us so we can support that? We were addressing directly what they asked, which was our plans for the '17 farmers, which will be secured on terms the farmers find satisfactory (and obviously subject to your approval).

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
Sent: May-12-17 2:07 PM
To: David T. Ullmann; Sam P. Rappos; 'Lonergan, Clark'
Cc: Sam Babe; Alexandra Teodorescu; Ken Rosenstein
Subject: Re: Forecasts and Farmers

We have drafted our submission which requests an immediate response from them on the license issue which should make your request for a delayed hearing moot.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: David T. Ullmann
Sent: Friday, May 12, 2017 2:03 PM
To: Ken Rosenstein; Sam P. Rappos; 'Lonergan, Clark'
Cc: Sam Babe; Alexandra Teodorescu
Subject: RE: Forecasts and Farmers

Thank you Ken. I have advised the client on the outcome of our discussion. They will plant 6500 tons/150 acres. They recognize that Bridging will not grant security without the licence. I assume that means they cannot plant until the board rules on our mini motion, which I guess will be the end of next week at this point. We have advised you that there may not be any growers to contract with at that time, but I am just repeating myself.

We do not agree with the balance of your email.

The company and the principals will continue to do what they can with tools they have to get the best possible result.

We are drafting very short submissions to the commission. We will send them to this group before they go out. I assume you will do the same.

Regards,

David

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
Sent: May-12-17 1:57 PM
To: David T. Ullmann; Sam P. Rappos; 'Lonergan, Clark'
Cc: Sam Babe; Alexandra Teodorescu; Ken Rosenstein
Subject: Re: Forecasts and Farmers

David given our discussion, that your clients view is not based on facts or full and complete financial info/numbers, the various non disclosures you and your client have failed to make and richters assessment, we assume that the co will negotiate a contract with growers for a total of 6500 tons/approx 150 acres which is what bridging is prepared to fund with reasonable security for them to be provided, on terms and conditions acceptable to bridging including reasonable security to be provided to them conditional on the commission confirming that a license will be available to take delivery without having to deal with or settle 2016 claims or provide a bus plan to them but please confirm.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: Ken Rosenstein
Sent: Friday, May 12, 2017 1:48 PM
To: David T. Ullmann; Sam P. Rappos; 'Lonergan, Clark'
Cc: Sam Babe; Alexandra Teodorescu
Subject: Re: Forecasts and Farmers

On and waiting for u david!

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: David T. Ullmann
Sent: Friday, May 12, 2017 1:45 PM

To: Ken Rosenstein; Sam P. Rappos; 'Lonergan, Clark'
 Cc: Sam Babe; Alexandra Teodorescu
 Subject: RE: Forecasts and Farmers

Ok will open the bridge in 5 mins.

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
 Sent: May-12-17 1:45 PM
 To: Sam P. Rappos; 'Lonergan, Clark'; David T. Ullmann
 Cc: Sam Babe; Alexandra Teodorescu
 Subject: Re: Forecasts and Farmers

Same

Sent from my BlackBerry 10 smartphone on the Rogers network.
 From: Sam P. Rappos
 Sent: Friday, May 12, 2017 1:43 PM
 To: 'Lonergan, Clark'; David T. Ullmann
 Cc: Ken Rosenstein; Sam Babe; Alexandra Teodorescu
 Subject: RE: Forecasts and Farmers

Same

Sam P. Rappos

Lawyer

Chaitons LLP

T: 416.218.1137

From: Lonergan, Clark [mailto:CLonergan@Richter.ca]
 Sent: Friday, May 12, 2017 1:42 PM
 To: David T. Ullmann
 Cc: Ken Rosenstein; Sam P. Rappos; Sam Babe; Alexandra Teodorescu
 Subject: Re: Forecasts and Farmers

I am ready now

Sent from my iPhone

On May 12, 2017, at 1:37 PM, David T. Ullmann
 <Dullmann@blaney.com<mailto:Dullmann@blaney.com>> wrote:
 It occurs to me I should circulate a call in number. Let's use

416-933-3851
3224065.

Ready when you are. Just let me know when to open the bridge.

David

David T. Ullmann
Partner
dullmann@blaney.com<mailto:dullmann@blaney.com>
<image002.png> 416-596-4289 | <image003.png> 416-594-2437

[cid:image001.jpg@01D2CB25.C3EDB650]

Clark Lonergan, CPA, CA, CIRP

D. 416.485.5502
T. 416.488.2345 - 2301
C. 416.844.0843

CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>

Richter Advisory Group Inc.
181 Bay Street, Suite 3320
Bay Wellington Tower
Toronto ON M5J 2T3

richter.ca<http://richter.ca>

From: David T. Ullmann
Sent: May-12-17 1:28 PM
To: Ken Rosenstein; 'Sam P. Rappos'
Cc: Sam Babe; Lonergan, Clark; Alexandra Teodorescu
Subject: Forecasts and Farmers

Gentlemen,

Here is the information for our call which was to be at 1:30. I suggest we delay our call until 2 so you can process the attached. I am available 1:30 and 2.

Attached you will find two forecasts prepared by the Company with the assistance of Richter. One is more conservative than the other. Under the less conservative projection, the company will plant 400 acres of land and the company will have a net profit of \$312,000. Under the more conservative approach, the company will plant 400 acres and the company will have a net loss of \$739,000.

We reiterate the various caveats provided by Richter related to the production of these models. Richters has said:

The information contained in the attached model is based upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with Company's management (collectively, the "Information"). Richter has not reviewed the Information for reasonableness or internal consistency, nor is it in a position to verify the accuracy or completeness of the Information. All future-oriented financial information contained in the model is based on management's assumptions regarding future events, and does not take into account, among other things, the Company's debt servicing costs, timing of cash flows, operational/execution risks, and any other unknown risks. Actual results achieved may vary from forecast and such variations may be material.

We agree. However, we are also of the view that the information is all we have to work with and decisions need to be made.

The company favours the less conservative model, but we are presenting both in the interest of having as open a conversation as possible. We have discussed this with Richters.

We do not think, in the time available, it is useful to go through a line by line analysis. However, a few broad points. The company favours the less conservative model because it more accurately reflects historic sales of the company and is more conservative with respect to costs. The sales projection is closer to the actual results from 2015. The company believes that is appropriate as it reflects a movement into higher margin products and that it is right sized to make this target. It is only \$600,000 or 10% more than the conservative target. For what it is worth, the company confidentially reviewed the model with BDO, its former accountant, and BDO has advised that it believes that the more conservative statement overstates some expenses against the historic performance which BDO is familiar with. BDO said,

"based on a quick review of the 2017 projections it appears as though they [Richter] are overstating some of your overhead costs. In determining the production costs (cost of sales), the pricing used previously included overhead costs (all-in pricing). If they are using the higher production costs, then the overhead costs should be reduced. If they are showing the Overhead costs separately, then the production costs should be decreased to reflect a higher gross margin."

The less conservative model was prepared in consultation with Richters. It was the result of many days of review between the company and Richter. You will see the pages and pages of excel back up attached. You will note that between the two analyses, the costs of sales are \$400,000 apart. The standard expenses on both analysis are essentially the same.

For the purpose of securing the highest possible realization in the sale process, the Company would, if this was solely its sale process, place only the more optimistic projection in the dataroom. That is the company's vision of its future. Those are the company's numbers. That is the basis upon which the company would seek financing.

The immediate question is how much to plant. Richter has presented three scenarios. 400, 300 and 125 acres. The company does not support planting only 125 acres. In the company's view, planting 400 acres is the minimum of what is required to maintain the enterprise value of the business. At less than 400 acres the company will have difficulty maintaining its customers, the loyalty of its contracted growers, and it may jeopardize its license. The current license granted by the commission is to plant 400 acres. The company also says that its organic licence might be jeopardized if the production drops below a certain level of production. I comment that we have no proof of that at this time, but want to mention it as a consideration my clients wished me to advance.

The customers of the company are already calling the company to look for future sales for the delivery of product in calendar 2017. Major customers like Loblaw's and Frenches are looking to take major volume from this company. This is positive and adds to the enterprise value. However, the company will have to turn those customers away if it is only planting 125 acres of tomatoes. They will not be able to service the volume of those customers. Once those customers are gone, they are gone.

There are certain fixed costs in this business and it requires a certain volume to make sense. That is why, even in the more conservative model, it is projected that the loss would be less for the company with 400 acres planted than with 125. Also, as noted above, in the less conservative model, the company will make a profit at the 400 acre level.

We also believe that the company will garner a higher sale price under either the RISP sale, or even a future receivership sale should that be how this plays out for Bridging, from a 400 acre position. It is much easier for a strategic partner to go forward from 400 acres, than from 125. The company believes maintaining the 400 acre operation will be a net realization gain for Bridging. It is what the company would do if it had the ability to do so on its own.

The company does not believe that Bridging will have a net loss on the credit to be advanced to the growers to plant 400 acres, and further believes that the overall gain to the sale process will be materially beneficial. We also want to point out that the P&L does not show only the expenses going forward. The P&L properly includes annualized expenses. However, it should be noted that expenses like the seeding, greenhouses, some of the leasing costs, labour, etc, have already been supplied and paid for in 2017 and are not go forward expenses. The other costs of sales under the heading "Purchases" are all go forward expenses.

We look forward to our call.

Regards,

David

<image005.png>

David T. Ullmann

Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

<image002.png> 416-596-4289 | <image003.png> 416-594-2437 <image007.png>

Blaney.com<http://www.blaney.com> <image009.png><http://www.blaney.com/our-lawyers>

<image011.png><https://twitter.com/blaneymcmurtry>

<image013.png><https://www.facebook.com/blaneymcmurtry>

<image014.png><http://www.linkedin.com/company/blaney-mcmurtry-llp>

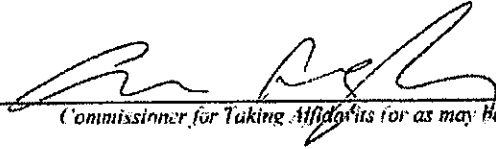
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[Think Green!]

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D

This is Exhibit "D" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:22 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning (Maidstone) Limited

Follow Up Flag: Follow up
Flag Status: Flagged

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: David T. Ullmann
 Sent: May-16-17 11:12 AM
 To: 'Ken Rosenstein'; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

I feel compelled to respond to say that just because you write an email with your version of the facts does not make it so. Can we just leave it for now that we continue to disagree?

Let's focus on today's issues.

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
 Sent: May-16-17 10:28 AM
 To: David T. Ullmann; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
 Subject: Re: Thomas Canning (Maidstone) Limited

Not accurate, we told you we needed visibility on the issue even before the hearing and note that this could have all been resolved sooner had you disclosed this to us at the time and had you not chosen to delay the commission by requiring a hearing including a hearing in June. Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann
 Sent: Tuesday, May 16, 2017 10:15 AM
 To: Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

I am sure we will engage in an extended finger pointing exercise as to who is at fault if nothing can be planted but I point out that the letter you sent to the commission on Friday made it clear you were not prepared to fund until the Commission made a ruling. You did that knowing they were not scheduled to meet until this Wednesday. We wrote to the Monitor on Sunday to ask them to urge you to reconsider. We did not hear anything back from the Monitor yesterday, even to my email at 4pm yesterday other than a cya email which did not help move things along. I also called the Monitor and sent them a without prejudice email. The Monitor has been intimately aware for several days if not weeks that this precipice was approaching. In any event, the company is out in the market doing the best it can and will report back to the Monitor and you as soon as possible.

Here is the standard form of contract, which supplements the standard pricing and payment terms in the Licence. I am just seeing this document now and obviously it needs to be fixed to refer to the amounts for the 2017 season (it currently refers in places to the 2015 season) but otherwise it is the form of agreement. There will have to be something added to this to explain the escrow arrangement.

Regards,

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
 Sent: May-16-17 9:35 AM
 To: David T. Ullmann; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
 Subject: Re: Thomas Canning (Maidstone) Limited

David that is really unfortunate and disappointing to hear given that we made it abundantly clear on several occasions including in oral and written submissions to the commission and in writing to you what Bridging was prepared to do and fund. Please make arrangements asap for 150 acres of which 50 acres may be organic on the basis that bridging will fund cash into escrow to be released upon receipt of delivery and addressing the licensing issue as noted in the growers letter to all of us and as noted below..

Sent from my BlackBerry 10 smartphone on the Rogers network.
 From: David T. Ullmann
 Sent: Tuesday, May 16, 2017 8:00 AM
 To: Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
 Subject: Re: Thomas Canning (Maidstone) Limited

Ken,

The cash idea is a good one, but it may be too late. It is unclear if there is anyone left for the company to contract with. Most agreements were reached last week and especially yesterday.

I have spoken to my client just now and he will once again go into the market immediately this morning to see what is left.

For clarity, our understanding is that TC will propose to its growers to try to contract for up to 150 acres of which 50 can be organic. It will advise the growers that Bridging will place in escrow, today, the full value of the contract price for each grower (the contract pricing and payment terms are standard and are set out in the commission licence) to be drawn on in the event TC fails to pay any amount due under that contract when due under that contract, regardless of the reason for TC's failure to pay (other than non performance by the growers of course) including obviously the bankruptcy or insolvency of TC. TC will confirm with the Monitor the contract terms with the Monitor before anything is signed. I think the Growers will expect Bridging to guarantee that amount if there is no LC as I am not sure how this would otherwise survive bankruptcy but that is plumbing. Similarly you could replace the escrow with an LC to address this I think.

The contract will be conditional upon the growers advising the commission that the security is satisfactory and upon TC doing the same.

The company continues to assert that it is a mistake to plant only 150 acres.

Please confirm our understanding above is correct.

David

David T. Ullmann

Partner, Commercial Litigation

On Tue, May 16, 2017 at 7:28 AM -0400, "Ken Rosenstein"
<krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>> wrote:

David to follow up on the below, we believe that LC's will take too long and be too cumbersome and so we propose to fund cash into escrow pending receipt of delivery. Please confirm that this is acceptable to the growers.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ken Rosenstein

Sent: Tuesday, May 16, 2017 5:22 AM

To: David T. Ullmann; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein

Subject: Re: Thomas Canning (Maidstone) Limited

David we already advised you several times that bridging is prepared to fund 150 acres and we refer you once again to our submissions to the commission which sets out our terms and conditions including that it is prepared to provide security assuming the license issue is dealt with which you are advising it is. Please send us the contracts.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann

Sent: Monday, May 15, 2017 7:09 PM

To: Ken Rosenstein; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

My email below is as clear as I can make it. I have said for days that the commission's real driving force and urgency are about making sure that no one who contracts with TC will be left unfunded. That is my understanding. I agree that it would seem on the surface that the commission is independent of the actions of the OPVG, but I would also note that neither you nor I are experts in the workings of this particular commission. I choose to believe my client and the trustee of the OPVG as to their insights that if the OPVG is satisfied, the licence for 2017 will be preserved.

I do believe that if your client provides confirmation tonight that, provided the grower will agree to advise the commission that it is satisfied with the security offered, and that if similar arrangements can be made for the other 100 acres thereafter, that the commission will confirm the 2017 licence. I believe that is also what the letter from the OPVG proposed.

David

David T. Ullmann

Partner

dullmann@blaney.com

T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]

Sent: May-15-17 7:01 PM

To: David T. Ullmann; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein

Subject: Re: Thomas Canning (Maidstone) Limited

David are you now advising us that the issues with the license is in OPVG's and growers hands and not the Commission's and that they can pull back their complaint which would negate any conditions precedent having to be met for a license and that therefore the security/LC for the growers doesn't need to be conditional?

Please advise asap and provide us with the proposed form of agreements with the growers.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: David T. Ullmann

Sent: Monday, May 15, 2017 6:33 PM

To: Sam P. Rappos

Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: RE: Thomas Canning (Maidstone) Limited

Thanks Sam. I am much more interested at this precise moment in a response to my email below.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com

[cid:image001.png@01D2CDA9.CDABEF50] 416-596-4289 | [cid:image002.png@01D2CDA9.CDABEF50]
416-594-2437

From: Sam P. Rappos [mailto:samr@chaitons.com]

Sent: May-15-17 6:26 PM

To: David T. Ullmann

Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: Re: Thomas Canning (Maidstone) Limited

David, your email was received this morning given that it was sent after midnight. We continue to work with our client to address the numerous issues you raised in your missive. As you can appreciate, the Monitor is dealing with a number of issues today, including responding to potentially interested parties. We hope to be in a position to send you a response by tomorrow morning.

On May 15, 2017, at 6:21 PM, David T. Ullmann > wrote:
Sam,

I want to supplement this letter which was received today by all of us with some commentary provided to Bill Thomas by Elmer Buchanan, the trustee of the OPVG this afternoon. Elmer has said that if Thomas Canning can reach a settlement with the Grower, and the Grower and TC can confirm that to the commission, that the entire process of challenging the 2017 licence can end. We believe him.

Although several growers have today told TC that they are no longer available to contract with the company, at least one significant one remains, as of 30 minutes ago, willing to contract to grow those crucial organic acres. However, they need that letter of credit from Bridging or cash. Ken recently wrote to me (in an email which deserves and will receive its own response) confirming that they will fund 150 acres. Although his email does not say so, I believe that the funding remains conditional upon resolving the licence issue. If that is not correct, more the better. I leave it to him to wade in if that needs clarification.

I think the solution is for Bridging to agree to allow TC to advise the growers that Bridging will authorize the letter of credit which the company needs for this or any other grower conditional upon that one grower advising the commission, as per the attached letter, that the security is satisfactory (as opposed to it being conditional upon the commission making its ruling). The commission will then presumably confirm the licence. If we have to wait the other way around, i.e. wait for the commission to confirm that it will confirm the licence if a satisfactory arrangement can be reached with the grower, and if that decision takes another several days to issue, the opportunity will be lost.

I leave it to the Monitor to advise what it recommends. As you know, we asked you last night to seek this confirmation from Bridging. I would say that the letter of credit need not be finalized or delivered tomorrow (as presumably there should be some form of agreement along with it) but a binding promise from Bridging to provide it will suffice. Bill can provide, and I believe has as recently as 30 minutes ago provided to Clarke, the specific amounts in question. If we can make this deal with one grower, we should be able to make it with the rest.

If this can be agreed to, it can be communicated tonight to the grower or growers. I am not sure many growers will remain available after today. The weather has no patience for our issues.

Separately, we continue to await your response to our email of last night.

Regards,

David

David T. Ullmann
Partner
dullmann@blaney.com
416-596-4289 | 416-594-2437

Sam P. Rappos

Lawyer

Chaitons LLP

T: 416.218.1137

From: Sue Segato [mailto:ssegato@wilsonspurrlaw.ca]
Sent: May-15-17 10:40 AM
To: mike.relf@ontario.ca
Cc: David T. Ullmann; sbabe@airdberlis.com; samr@chaitons.com; dvd5@bell.net; jeff@hewittlaw.ca; greg.sayer@agricopr.com; ebuchanan@opvg.org; Rob Wilson; Geoff Spurr
Subject: Thomas Canning (Maidstone) Limited

Dear Sirs,

Please see attached correspondence of today's date from Mr. Spurr. We apologize for the delay in providing same.

Best regards,

Sue Segato
Legal Assistant for Geoffrey P. Spurr

16B - 261 Martindale Road
St. Catharines, ON L2W 1A2
Tel.: (905) 682-2775 Ext. 4
Fax: (905) 682-2357
Email: ssegato@wilsonspurrlaw.ca

NOTICE: This e-mail message including all attachments and any printed, copied, saved or other rendition of it or of any part of its contents is confidential and is intended only for the person (s) specifically named in it. Its contents may also be protected by privilege, and all rights to privilege are hereby expressly claimed and not waived. If you have received this e-mail in error, please contact SUE immediately at (905) 682-2775 and erase and delete this entire e-mail and delete and destroy any printed, copied, saved or other rendition of it immediately. If this e-mail is not intended for you, any review, copying, printing, saving, preservation, disclosure or distribution in any form of any of its contents is strictly prohibited

E

This is Exhibit "E" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning (Maidstone) Limited

Follow Up Flag: Follow up
Flag Status: Completed

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
Sent: May-17-17 9:17 AM
To: David T. Ullmann
Cc: Sam Babe; Clark Lonergan; William Thomas
Subject: Re: Thomas Canning (Maidstone) Limited

I expect u to advise us

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann
Sent: Wednesday, May 17, 2017 9:16 AM
To: Ken Rosenstein
Cc: Sam Babe; Clark Lonergan; William Thomas
Subject: RE: Thomas Canning (Maidstone) Limited

Clark is your best source on that. I believe his guys are talking to my guys.

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
Sent: May-17-17 9:14 AM
To: David T. Ullmann
Cc: Sam Babe; Clark Lonergan
Subject: Re: Thomas Canning (Maidstone) Limited

We also Need to know amount so bridging can send us wire and we can tell growers we're in escrow funds

Sent from my BlackBerry 10 smartphone on the Rogers network.
 From: David T. Ullmann
 Sent: Wednesday, May 17, 2017 9:06 AM
 To: Ken Rosenstein
 Subject: FW: Thomas Canning (Maidstone) Limited

Ken,

My client has been making progress with the growers along the lines outlined in my email with Clark yesterday, but the agreements are not yet set. As you can see, he requires a form of escrow agreement to show them. Is this something you can quickly put together along the lines from our emails yesterday. I don't want to do it and have it not be acceptable to you.

David

David T. Ullmann
 Partner
 dullmann@blaney.com<mailto:dullmann@blaney.com>
 [cid:image001.png@01D2CEEC.94BE7840] 416-596-4289 | [cid:image002.png@01D2CEEC.94BE7840]
 416-594-2437

From: William Thomas [mailto:williamt@thomascanning.net]
 Sent: May-17-17 9:00 AM
 To: David T. Ullmann
 Subject: Fwd: Thomas Canning (Maidstone) Limited

David, as mentioned I need something more formal than an email to present to the growers that lays out how the escrow will work. Once I get that to the growers we can respond to Ken.

[<http://www.thomasutopiabrand.com/esig/bill-esig.jpg>] <<http://www.thomasutopiabrand.com>>

----- Forwarded message -----

From: Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>
 Date: Wed, May 17, 2017 at 8:42 AM
 Subject: Re: Thomas Canning (Maidstone) Limited
 To: "David T. Ullmann" <Dullmann@blaney.com<mailto:Dullmann@blaney.com>>, "Loneragan, Clark" <CLoneragan@richter.ca<mailto:CLoneragan@richter.ca>>, "Sam P. Rappos" <samr@chaitons.com<mailto:samr@chaitons.com>>
 Cc: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>, William Thomas <williamt@thomascanning.net<mailto:williamt@thomascanning.net>>, Alexandra Teodorescu <ATeodorescu@blaney.com<mailto:ATeodorescu@blaney.com>>

David where are we at, have the growers accepted our escrow conditions?

Sent from my BlackBerry 10 smartphone on the Rogers network.
 Original Message
 From: David T. Ullmann
 Sent: Tuesday, May 16, 2017 11:35 AM
 To: Ken Rosenstein; Loneragan, Clark; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

Are you suggesting the funds will stay in escrow with your firm? I don't hate that idea. As long as they are not in the hands of the company I suppose any escrow agent should be able to survive the bankruptcy, you are right. I take your point about the practicality of moving the funds today. Can we say the funds will be placed within 48 hours? The rest of what you have written seems fine to me. We will see what the growers say. Thanks.

David

David T. Ullmann
Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein
[mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]
Sent: May-16-17 11:18 AM
To: David T. Ullmann; Lonergan, Clark; Sam P. Rappos
Cc: Sam Babe; William Thomas; Alexandra Teodorescu
Subject: RE: Thomas Canning (Maidstone) Limited

David as you can appreciate it may be impractical to actually place the funds in escrow today but we can give them assurances from Bridging that it is prepared to do so and will begin the process once we know the specific arrangements and amounts. We assume that it is acceptable to the growers that the funds be held by our firm in escrow pending receipt of delivery and confirmation re the license issue but please confirm. We don't believe that there is any need for any form of guarantee since the funds will be there subject to the terms of a customary form of escrow agreement and that this should survive a bankruptcy but let us know if you disagree. No harm in allowing for the flexibility to replace with an LC. thx

-----Original Message-----

From: David T. Ullmann [mailto:Dullmann@blaney.com<mailto:Dullmann@blaney.com>]
Sent: May-16-17 11:09 AM
To: Lonergan, Clark <CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>>; Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>; Sam P. Rappos <samr@chaitons.com<mailto:samr@chaitons.com>>
Cc: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>; William Thomas <williamt@thomascanning.net<mailto:williamt@thomascanning.net>>; Alexandra Teodorescu <ATEodorescu@blaney.com<mailto:ATEodorescu@blaney.com>>
Subject: RE: Thomas Canning (Maidstone) Limited

Clark,

I have confirmed with my client that the below is accurate, but I point out it is not yet a done deal in any of the three cases you mention. The closest to done is the De Nijs deal. The De Nijs farm offer remains conditional on seeing the language in the contract which will advise as to the security to be provided from Bridging. I repeat my email from earlier this morning which outlines what I expect to draft into the form of contract I circulated earlier today:

"It will advise the growers that Bridging will place in escrow, today, the full value of the contract price for each grower (the contract pricing and payment terms are standard and are set out in the commission licence) to be drawn on in the event TC fails to pay any amount due under that contract when due under that contract, regardless of the reason for TC's failure to pay (other than non performance by the growers of course) including obviously the bankruptcy or insolvency of TC. ... I think the Growers will expect Bridging to guarantee that amount if there is no LC as I am not sure how this would otherwise survive bankruptcy but that is plumbing. ... The contract will be conditional upon the growers advising the commission that the security is satisfactory and upon TC doing the same."

Ken, please advise if Bridging would prefer to co-sign the agreement or what it would otherwise provide to give the guarantee described above. If there is some other way you would suggest to make it "bankruptcy proof" please let me know. Also, please advise if Bridging would like the agreement to contemplate the ability for Bridging to convert the escrow into an LC.

David

David T. Ullmann
Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Loneragan, Clark [mailto:CLoneragan@Richter.ca<mailto:CLoneragan@Richter.ca>]
Sent: May-16-17 10:27 AM
To: David T. Ullmann; Ken Rosenstein; Sam P. Rappos
Cc: Sam Babe; William Thomas; Alexandra Teodorescu
Subject: RE: Thomas Canning (Maidstone) Limited

Mr. Ullmann;

I will leave it for my counsel to respond to your allegations re: the Monitor's knowledge and conduct.

Our understanding of the current growers situation is as follows:

- 50 acres (organic) with De Nijs Farms is confirmed and escrow payment is satisfactory
- 50 acres (conventional) with Brian Furlan is 90% there, Mr. Furlan wants to reach out to the OPVG to confirm Licensing and funding arrangement before he agrees; and
- remaining 50 acres (conventional) is out with two farmers and awaiting their response(s).

David you can confirm this with your client.

Kind regards
Clark

Clark Loneragan, CPA, CA, CIRP
D. 416.485.5502<tel:416.485.5502>
T. 416.488.2345<tel:416.488.2345> - 2301 C. 416.844.0843<tel:416.844.0843>
CLoneragan@Richter.ca<mailto:CLoneragan@Richter.ca>

Richter Advisory Group Inc.
 181 Bay Street, Suite 3320
 Bay Wellington Tower
 Toronto ON M5J 2T3
 richter.ca<http://richter.ca>

-----Original Message-----

From: David T. Ullmann [mailto:Dullmann@blaney.com<mailto:Dullmann@blaney.com>]
 Sent: Tuesday, May 16, 2017 10:15 AM
 To: Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Lonergan, Clark
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

I am sure we will engage in an extended finger pointing exercise as to who is at fault if nothing can be planted but I point out that the letter you sent to the commission on Friday made it clear you were not prepared to fund until the Commission made a ruling. You did that knowing they were not scheduled to meet until this Wednesday. We wrote to the Monitor on Sunday to ask them to urge you to reconsider. We did not hear anything back from the Monitor yesterday, even to my email at 4pm yesterday other than a cya email which did not help move things along. I also called the Monitor and sent them a without prejudice email. The Monitor has been intimately aware for several days if not weeks that this precipice was approaching. In any event, the company is out in the market doing the best it can and will report back to the Monitor and you as soon as possible.

Here is the standard form of contract, which supplements the standard pricing and payment terms in the Licence. I am just seeing this document now and obviously it needs to be fixed to refer to the amounts for the 2017 season (it currently refers in places to the 2015 season) but otherwise it is the form of agreement. There will have to be something added to this to explain the escrow arrangement.

Regards,

David

David T. Ullmann
 Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
 T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein
 [mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]
 Sent: May-16-17 9:35 AM
 To: David T. Ullmann; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
 Subject: Re: Thomas Canning (Maidstone) Limited

David that is really unfortunate and disappointing to hear given that we made it abundantly clear on several occasions including in oral and written submissions to the commission and in writing to you what Bridging was prepared to do and fund. Please make arrangements asap for 150 acres of which 50 acres may be organic on the basis that bridging will fund cash into escrow to be released upon receipt of delivery and

addressing the licensing issue as noted in the growers letter to all of us and as noted below..

Sent from my BlackBerry 10 smartphone on the Rogers network.
 From: David T. Ullmann
 Sent: Tuesday, May 16, 2017 8:00 AM
 To: Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
 Subject: Re: Thomas Canning (Maidstone) Limited

Ken,

The cash idea is a good one, but it may be too late. It is unclear if there is anyone left for the company to contract with. Most agreements were reached last week and especially yesterday.

I have spoken to my client just now and he will once again go into the market immediately this morning to see what is left.

For clarity, our understanding is that TC will propose to its growers to try to contract for up to 150 acres of which 50 can be organic. It will advise the growers that Bridging will place in escrow, today, the full value of the contract price for each grower (the contract pricing and payment terms are standard and are set out in the commission licence) to be drawn on in the event TC fails to pay any amount due under that contract when due under that contract, regardless of the reason for TC's failure to pay (other than non performance by the growers of course) including obviously the bankruptcy or insolvency of TC. TC will confirm with the Monitor the contract terms with the Monitor before anything is signed. I think the Growers will expect Bridging to guarantee that amount if there is no LC as I am not sure how this would otherwise survive bankruptcy but that is plumbing. Similarly you could replace the escrow with an LC to address this I think.

The contract will be conditional upon the growers advising the commission that the security is satisfactory and upon TC doing the same.

The company continues to assert that it is a mistake to plant only 150 acres.

Please confirm our understanding above is correct.

David

David T. Ullmann

Partner, Commercial Litigation

On Tue, May 16, 2017 at 7:28 AM -0400, "Ken Rosenstein"
 <krosenstein@airdberlis.com><mailto:krosenstein@airdberlis.com><mailto:krosenstein@airdberlis.com><mailto:krosenstein@airdberlis.com>>> wrote:

David to follow up on the below, we believe that LC's will take too long and be too cumbersome and so we propose to fund cash into escrow pending receipt of delivery. Please confirm that this is acceptable to the growers.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ken Rosenstein

Sent: Tuesday, May 16, 2017 5:22 AM

To: David T. Ullmann; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein

Subject: Re: Thomas Canning (Maidstone) Limited

David we already advised you several times that bridging is prepared to fund 150 acres and we refer you once again to our submissions to the commission which sets out our terms and conditions including that it is prepared to provide security assuming the license issue is dealt with which you are advising it is. Please send us the contracts.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann

Sent: Monday, May 15, 2017 7:09 PM

To: Ken Rosenstein; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

My email below is as clear as I can make it. I have said for days that the commission's real driving force and urgency are about making sure that no one who contracts with TC will be left unfunded. That is my understanding. I agree that it would seem on the surface that the commission is independent of the actions of the OPVG, but I would also note that neither you nor I are experts in the workings of this particular commission. I choose to believe my client and the trustee of the OPVG as to their insights that if the OPVG is satisfied, the licence for 2017 will be preserved.

I do believe that if your client provides confirmation tonight that, provided the grower will agree to advise the commission that it is satisfied with the security offered, and that if similar arrangements can be made for the other 100 acres thereafter, that the commission will confirm the 2017 licence. I believe that is also what the letter from the OPVG proposed.

David

David T. Ullmann
Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein

[mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]

Sent: May-15-17 7:01 PM

To: David T. Ullmann; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein

Subject: Re: Thomas Canning (Maidstone) Limited

David are you now advising us that the issues with the license is in OPVG's and growers hands and not the Commission's and that they can pull back their complaint which would negate any conditions precedent having to be met for a license and that therefore the security/LC for the growers doesn't need to be conditional?

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Sent: Monday, May 15, 2017 6:33 PM

To: Sam P. Rappos

Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: RE: Thomas Canning (Maidstone) Limited

Thanks Sam. I am much more interested at this precise moment in a response to my email below.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

[cid:image001.png@01D2CDA9.CDABEF50] 416-596-4289<tel:416-596-4289> |

[cid:image002.png@01D2CDA9.CDABEF50] 416-594-2437

From: Sam P. Rappos [mailto:samr@chaitons.com<mailto:samr@chaitons.com>]

Sent: May-15-17 6:26 PM

To: David T. Ullmann

Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: Re: Thomas Canning (Maidstone) Limited

David, your email was received this morning given that it was sent after midnight. We continue to work with our client to address the numerous issues you raised in your missive. As you can appreciate, the Monitor is dealing with a number of issues today, including responding to potentially interested parties. We hope to be in a position to send you a response by tomorrow morning.

On May 15, 2017, at 6:21 PM, David T. Ullmann > wrote:
Sam,

I want to supplement this letter which was received today by all of us with some commentary provided to Bill Thomas by Elmer Buchanan, the trustee of the OPVG this afternoon. Elmer has said that if Thomas Canning can reach a settlement with the Grower, and the Grower and TC can confirm that to the commission, that the entire process of challenging the 2017 licence can end. We believe him.

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I think the solution is for Bridging to agree to allow TC to advise the growers that Bridging will authorize the letter of credit which the company needs for this or any other grower conditional upon that one grower advising the commission, as per the attached letter, that the security is satisfactory (as opposed to it being conditional upon the commission making its ruling). The commission will then presumably confirm the licence. If we have to wait the other way around, i.e. wait for the commission to confirm that it will confirm the licence if a satisfactory arrangement can be reached with the grower, and if that decision takes another several days to issue, the opportunity will be lost.

I leave it to the Monitor to advise what it recommends. As you know, we asked you last night to seek this confirmation from Bridging. I would say that the letter of credit need not be finalized or delivered tomorrow (as presumably there should be some form of agreement along with it) but a binding promise from Bridging to provide it will suffice. Bill can provide, and I believe has as recently as 30 minutes ago provided to Clarke, the specific amounts in question. If we can make this deal with one grower, we should be able to make it with the rest.

If this can be agreed to, it can be communicated tonight to the grower or growers. I am not sure many growers will remain available after today. The weather has no patience for our issues.

Separately, we continue to await your response to our email of last night.

Regards,

David

David T. Ullmann
Partner
dullmann@blaney.com<mailto:dullmann@blaney.com>
416-596-4289 | 416-594-2437

Sam P. Rappos

Lawyer

Chaitons LLP

T: 416.218.1137

From: Sue Segato [mailto:ssegato@wilsonspurrlaw.ca<mailto:ssegato@wilsonspurrlaw.ca>]
Sent: May-15-17 10:40 AM
To: mike.relf@ontario.ca<mailto:mike.relf@ontario.ca>

Cc: David T. Ullmann; sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>;
 samr@chaitons.com<mailto:samr@chaitons.com>; dvd5@bell.net<mailto:dvd5@bell.net>;
 jeff@hewittlaw.ca<mailto:jeff@hewittlaw.ca>;
 greg.sayer@agricopr.com<mailto:greg.sayer@agricopr.com>;
 ebuchanan@opvg.org<mailto:ebuchanan@opvg.org>; Rob Wilson; Geoff Spurr
 Subject: Thomas Canning (Maidstone) Limited

Dear Sirs,

Please see attached correspondence of today's date from Mr. Spurr. We apologize for the delay in providing same.

Best regards,

Sue Segato
 Legal Assistant for Geoffrey P. Spurr

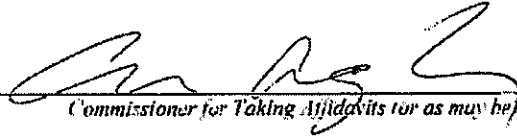
16B - 261 Martindale Road
 St. Catharines, ON L2W 1A2
 Tel.: (905) 682-2775 Ext. 4
 Fax: (905) 682-2357
 Email: ssegato@wilsonspurrlaw.ca<mailto:ssegato@wilsonspurrlaw.ca>

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F

This is Exhibit "F" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning (Maidstone) Limited

Follow Up Flag: Follow up
Flag Status: Flagged

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
 Sent: May-17-17 9:21 AM
 To: David T. Ullmann; William Thomas
 Cc: Sam Babe; Clark Lonergan
 Subject: Re: Thomas Canning (Maidstone) Limited

Thx. Please also follow up with the commission today.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
 From: David T. Ullmann
 Sent: Wednesday, May 17, 2017 9:18 AM
 To: Ken Rosenstein; William Thomas
 Cc: Sam Babe; Clark Lonergan
 Subject: RE: Thomas Canning (Maidstone) Limited

Ok. Bill, please let this group know the amounts in question for De Nijs or the other growers with whom you are close to reaching a resolution. If the Monitor has any issue with the amount, he will let us know.

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
 Sent: May-17-17 9:17 AM
 To: David T. Ullmann
 Cc: Sam Babe; Clark Lonergan; William Thomas

Subject: Re: Thomas Canning (Maidstone) Limited

I expect u to advise us

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann

Sent: Wednesday, May 17, 2017 9:16 AM

To: Ken Rosenstein

Cc: Sam Babe; Clark Lonergan; William Thomas

Subject: RE: Thomas Canning (Maidstone) Limited

Clark is your best source on that. I believe his guys are talking to my guys.

David

David T. Ullmann

Partner

dullmann@blaney.com

T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]

Sent: May-17-17 9:14 AM

To: David T. Ullmann

Cc: Sam Babe; Clark Lonergan

Subject: Re: Thomas Canning (Maidstone) Limited

We also Need to know amount so bridging can send us wire and we can tell growers we're in escrow funds

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: David T. Ullmann

Sent: Wednesday, May 17, 2017 9:06 AM

To: Ken Rosenstein

Subject: FW: Thomas Canning (Maidstone) Limited

Ken,

My client has been making progress with the growers along the lines outlined in my email with Clark yesterday, but the agreements are not yet set. As you can see, he requires a form of escrow agreement to show them. Is this something you can quickly put together along the lines from our emails yesterday. I don't want to do it and have it not be acceptable to you.

David

David T. Ullmann

Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

[cid:image001.png@01D2CEEC.94BE7840] 416-596-4289 | [cid:image002.png@01D2CEEC.94BE7840]

416-594-2437

From: William Thomas [mailto:williamt@thomascanning.net]
 Sent: May-17-17 9:00 AM
 To: David T. Ullmann
 Subject: Fwd: Thomas Canning (Maidstone) Limited

David, as mentioned I need something more formal than an email to present to the growers that lays out how the escrow will work. Once I get that to the growers we can respond to Ken.

[<http://www.thomasutopiabrand.com/esig/bill-esig.jpg>] <<http://www.thomasutopiabrand.com>>

----- Forwarded message -----

From: Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>
 Date: Wed, May 17, 2017 at 8:42 AM
 Subject: Re: Thomas Canning (Maidstone) Limited
 To: "David T. Ullmann" <Dullmann@blaney.com<mailto:Dullmann@blaney.com>>, "Lonerger, Clark" <CLonerger@richter.ca<mailto:CLonerger@richter.ca>>, "Sam P. Rappos" <samr@chaitons.com<mailto:samr@chaitons.com>>
 Cc: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>, William Thomas <williamt@thomascanning.net<mailto:williamt@thomascanning.net>>, Alexandra Teodorescu <ATEodorescu@blaney.com<mailto:ATEodorescu@blaney.com>>

David where are we at, have the growers accepted our escrow conditions?

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann
 Sent: Tuesday, May 16, 2017 11:35 AM
 To: Ken Rosenstein; Lonerger, Clark; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

Are you suggesting the funds will stay in escrow with your firm? I don't hate that idea. As long as they are not in the hands of the company I suppose any escrow agent should be able to survive the bankruptcy, you are right. I take your point about the practicality of moving the funds today. Can we say the funds will be placed within 48 hours? The rest of what you have written seems fine to me. We will see what the growers say. Thanks.

David

David T. Ullmann
 Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
 T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein
 [mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]
 Sent: May-16-17 11:18 AM
 To: David T. Ullmann; Lonerger, Clark; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu
 Subject: RE: Thomas Canning (Maidstone) Limited

David as you can appreciate it may be impractical to actually place the funds in escrow today but we can give them assurances from Bridging that it is prepared to do so and will begin the process once we know the specific arrangements and amounts. We assume that it is acceptable to the growers that the funds be held by our firm in escrow pending receipt of delivery and confirmation re the license issue but please confirm. We don't believe that there is any need for any form of guarantee since the funds will be there subject to the terms of a customary form of escrow agreement and that his should survive a bankruptcy but let us know if you disagree. No harm in allowing for the flexibility to replace with an LC. thx

-----Original Message-----

From: David T. Ullmann [mailto:DUllmann@blaney.com<mailto:DUllmann@blaney.com>]
 Sent: May-16-17 11:09 AM
 To: Lonergan, Clark <CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>>; Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>; Sam P. Rappos <samr@chaitons.com<mailto:samr@chaitons.com>>
 Cc: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>; William Thomas <williamt@thomascanning.net<mailto:williamt@thomascanning.net>>; Alexandra Teodorescu <ATEodorescu@blaney.com<mailto:ATEodorescu@blaney.com>>
 Subject: RE: Thomas Canning (Maidstone) Limited

Clark,

I have confirmed with my client that the below is accurate, but I point out it is not yet a done deal in any of the three cases you mention. The closest to done is the De Nijs deal. The De Nijs farm offer remains conditional on seeing the language in the contract which will advise as to the security to be provided from Bridging. I repeat my email from earlier this morning which outlines what I expect to draft into the form of contract I circulated earlier today:

"It will advise the growers that Bridging will place in escrow, today, the full value of the contract price for each grower (the contract pricing and payment terms are standard and are set out in the commission licence) to be drawn on in the event TC fails to pay any amount due under that contract when due under that contract, regardless of the reason for TC's failure to pay (other than non performance by the growers of course) including obviously the bankruptcy or insolvency of TC. ... I think the Growers will expect Bridging to guarantee that amount if there is no LC as I am not sure how this would otherwise survive bankruptcy but that is plumbing. ... The contract will be conditional upon the growers advising the commission that the security is satisfactory and upon TC doing the same."

Ken, please advise if Bridging would prefer to co-sign the agreement or what it would otherwise provide to give the guarantee described above. If there is some other way you would suggest to make it "bankruptcy proof" please let me know. Also, please advise if Bridging would like the agreement to contemplate the ability for Bridging to convert the escrow into an LC.

David

David T. Ullmann
 Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
 T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Lonergan, Clark [mailto:CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>]
 Sent: May-16-17 10:27 AM
 To: David T. Ullmann; Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu
 Subject: RE: Thomas Canning (Maidstone) Limited

Mr. Ullmann;

I will leave it for my counsel to respond to your allegations re: the Monitor's knowledge and conduct.

Our understanding of the current growers situation is as follows:

- 50 acres (organic) with De Nijs Farms is confirmed and escrow payment is satisfactory
- 50 acres (conventional) with Brian Furlan is 90% there, Mr. Furlan wants to reach out to the OPVG to confirm Licensing and funding arrangement before he agrees; and
- remaining 50 acres (conventional) is out with two farmers and awaiting their response(s).

David you can confirm this with your client.

Kind regards
 Clark

Clark Lonergan, CPA, CA, CIRP
 D. 416.485.5502<tel:416.485.5502>
 T. 416.488.2345<tel:416.488.2345> - 2301 C. 416.844.0843<tel:416.844.0843>
 CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>

Richter Advisory Group Inc.
 181 Bay Street, Suite 3320
 Bay Wellington Tower
 Toronto ON M5J 2T3
 richter.ca<http://richter.ca>

-----Original Message-----

From: David T. Ullmann [mailto:DUllmann@blaney.com<mailto:DUllmann@blaney.com>]
 Sent: Tuesday, May 16, 2017 10:15 AM
 To: Ken Rosenstein; Sam P. Rappos
 Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Lonergan, Clark
 Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

I am sure we will engage in an extended finger pointing exercise as to who is at fault if nothing can be planted but I point out that the letter you sent to the commission on Friday made it clear you were not prepared to fund until the Commission made a ruling. You did that knowing they were not scheduled to meet until this Wednesday. We wrote to the Monitor on Sunday to ask them to urge you to reconsider. We did not hear anything back from the Monitor yesterday, even to my email at 4pm yesterday other than a cya email which did not help move things along. I also called the Monitor and sent them a without prejudice email. The Monitor has been intimately aware for several days if not weeks that this precipice was approaching. In any event, the company is out in the market doing the best it can and will report back to the Monitor and you as soon as possible.

Here is the standard form of contract, which supplements the standard pricing and payment terms in the Licence. I am just seeing this document now and obviously it needs to be fixed to refer to the amounts for the 2017 season (it currently refers in places to the 2015 season) but otherwise it is the form of agreement. There will have to be something added to this to explain the escrow arrangement.

Regards,

David

David T. Ullmann
Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein
[mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]
Sent: May-16-17 9:35 AM
To: David T. Ullmann; Sam P. Rappos
Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
Subject: Re: Thomas Canning (Maidstone) Limited

David that is really unfortunate and disappointing to hear given that we made it abundantly clear on several occasions including in oral and written submissions to the commission and in writing to you what Bridging was prepared to do and fund. Please make arrangements asap for 150 acres of which 50 acres may be organic on the basis that bridging will fund cash into escrow to be released upon receipt of delivery and addressing the licensing issue as noted in the growers letter to all of us and as noted below..

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: David T. Ullmann
Sent: Tuesday, May 16, 2017 8:00 AM
To: Ken Rosenstein; Sam P. Rappos
Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
Subject: Re: Thomas Canning (Maidstone) Limited

Ken,

The cash idea is a good one, but it may be too late. It is unclear if there is anyone left for the company to contract with. Most agreements were reached last week and especially yesterday.

I have spoken to my client just now and he will once again go into the market immediately this morning to see what is left.

For clarity, our understanding is that TC will propose to its growers to try to contract for up to 150 acres of which 50 can be organic. It will advise the growers that Bridging will place in escrow, today, the full value of the contract price for each grower (the contract pricing and payment terms are standard and are set out in the commission licence) to be drawn on in the event TC fails to pay any amount due under that contract when due under that contract, regardless of the reason for TC's failure to pay (other than non performance by the growers of course) including obviously the bankruptcy or insolvency of TC. TC will confirm with the Monitor the contract terms with the Monitor

before anything is signed. I think the Growers will expect Bridging to guarantee that amount if there is no LC as I am not sure how this would otherwise survive bankruptcy but that is plumbing. Similarly you could replace the escrow with an LC to address this I think.

The contract will be conditional upon the growers advising the commission that the security is satisfactory and upon TC doing the same.

The company continues to assert that it is a mistake to plant only 150 acres.

Please confirm our understanding above is correct.

David

David T. Ullmann

Partner, Commercial Litigation

On Tue, May 16, 2017 at 7:28 AM -0400, "Ken Rosenstein"
<krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com><mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>> wrote:

David to follow up on the below, we believe that LC's will take too long and be too cumbersome and so we propose to fund cash into escrow pending receipt of delivery. Please confirm that this is acceptable to the growers.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ken Rosenstein

Sent: Tuesday, May 16, 2017 5:22 AM

To: David T. Ullmann; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein

Subject: Re: Thomas Canning (Maidstone) Limited

David we already advised you several times that bridging is prepared to fund 150 acres and we refer you once again to our submissions to the commission which sets out our terms and conditions including that it is prepared to provide security assuming the license issue is dealt with which you are advising it is. Please send us the contracts.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: David T. Ullmann

Sent: Monday, May 15, 2017 7:09 PM

To: Ken Rosenstein; Sam P. Rappos

Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan

Subject: RE: Thomas Canning (Maidstone) Limited

Ken,

My email below is as clear as I can make it. I have said for days that the commission's real driving force and urgency are about making sure that no one who contracts with TC will be left unfunded. That is my understanding. I agree that it would seem on the surface that the commission is independent of the actions of the OPVG, but I would also note that neither you nor I are experts in the workings of this particular commission. I choose to believe my client and the trustee of the OPVG as to their insights that if the OPVG is satisfied, the licence for 2017 will be preserved.

I do believe that if your client provides confirmation tonight that, provided the grower will agree to advise the commission that it is satisfied with the security offered, and that if similar arrangements can be made for the other 100 acres thereafter, that the commission will confirm the 2017 licence. I believe that is also what the letter from the OPVG proposed.

David

David T. Ullmann
Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>
T: 416-596-4289<tel:416-596-4289> | F: 416-594-2437<tel:416-594-2437>

-----Original Message-----

From: Ken Rosenstein
[mailto:krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>]
Sent: May-15-17 7:01 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan; Ken Rosenstein
Subject: Re: Thomas Canning (Maidstone) Limited

David are you now advising us that the issues with the license is in OPVG's and growers hands and not the Commission's and that they can pull back their complaint which would negate any conditions precedent having to be met for a license and that therefore the security/LC for the growers doesn't need to be conditional?

Please advise asap and provide us with the proposed form of agreements with the growers.

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: David T. Ullmann
Sent: Monday, May 15, 2017 6:33 PM
To: Sam P. Rappos
Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan
Subject: RE: Thomas Canning (Maidstone) Limited

Thanks Sam. I am much more interested at this precise moment in a response to my email below.

Regards,

David

David T. Ullmann
Partner
dullmann@blaney.com<mailto:dullmann@blaney.com>
[cid:image001.png@01D2CDA9.CDABEF50] 416-596-4289<tel:416-596-4289> |
[cid:image002.png@01D2CDA9.CDABEF50] 416-594-2437

From: Sam P. Rappos [mailto:samr@chaitons.com<mailto:samr@chaitons.com>]
 Sent: May-15-17 6:26 PM
 To: David T. Ullmann
 Cc: Ken Rosenstein; Sam Babe; William Thomas; Alexandra Teodorescu; Clark Lonergan
 Subject: Re: Thomas Canning (Maidstone) Limited

David, your email was received this morning given that it was sent after midnight. We continue to work with our client to address the numerous issues you raised in your missive. As you can appreciate, the Monitor is dealing with a number of issues today, including responding to potentially interested parties. We hope to be in a position to send you a response by tomorrow morning.

On May 15, 2017, at 6:21 PM, David T. Ullmann > wrote:
 Sam,

I want to supplement this letter which was received today by all of us with some commentary provided to Bill Thomas by Elmer Buchanan, the trustee of the OPVG this afternoon. Elmer has said that if Thomas Canning can reach a settlement with the Grower, and the Grower and TC can confirm that to the commission, that the entire process of challenging the 2017 licence can end. We believe him.

Although several growers have today told TC that they are no longer available to contract with the company, at least one significant one remains, as of 30 minutes ago, willing to contract to grow those crucial organic acres. However, they need that letter of credit from Bridging or cash. Ken recently wrote to me (in an email which deserves and will receive its own response) confirming that they will fund 150 acres. Although his email does not say so, I believe that the funding remains conditional upon resolving the licence issue. If that is not correct, more the better. I leave it to him to wade in if that needs clarification.

I think the solution is for Bridging to agree to allow TC to advise the growers that Bridging will authorize the letter of credit which the company needs for this or any other grower conditional upon that one grower advising the commission, as per the attached letter, that the security is satisfactory (as opposed to it being conditional upon the commission making its ruling). The commission will then presumably confirm the licence. If we have to wait the other way around, i.e. wait for the commission to confirm that it will confirm the licence if a satisfactory arrangement can be reached with the grower, and if that decision takes another several days to issue, the opportunity will be lost.

I leave it to the Monitor to advise what it recommends. As you know, we asked you last night to seek this confirmation from Bridging. I would say that the letter of credit need not be finalized or delivered tomorrow (as presumably there should be some form of agreement along with it) but a binding promise from Bridging to provide it will suffice. Bill can provide, and I believe has as recently as 30 minutes ago provided to Clarke, the specific amounts in question. If we can make this deal with one grower, we should be able to make it with the rest.

If this can be agreed to, it can be communicated tonight to the grower or growers. I am not sure many growers will remain available after today. The weather has no patience for our issues.

Separately, we continue to await your response to our email of last night.

Regards,

David

David T. Ullmann
 Partner
 dullmann@blaney.com<mailto:dullmann@blaney.com>
 416-596-4289 | 416-594-2437

Sam P. Rappos

Lawyer

Chaitons LLP

T: 416.218.1137

From: Sue Segato [mailto:ssegato@wilsonspurrlaw.ca<mailto:ssegato@wilsonspurrlaw.ca>]
 Sent: May-15-17 10:40 AM
 To: mike.relf@ontario.ca<mailto:mike.relf@ontario.ca>
 Cc: David T. Ullmann; sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>;
 samr@chaitons.com<mailto:samr@chaitons.com>; dvd5@bell.net<mailto:dvd5@bell.net>;
 jeff@hewittlaw.ca<mailto:jeff@hewittlaw.ca>;
 greg.sayer@agricopr.com<mailto:greg.sayer@agricopr.com>;
 ebuchanan@opvg.org<mailto:ebuchanan@opvg.org>; Rob Wilson; Geoff Spurr
 Subject: Thomas Canning (Maidstone) Limited

Dear Sirs,

Please see attached correspondence of today's date from Mr. Spurr. We apologize for the delay in providing same.

Best regards,

Sue Segato
 Legal Assistant for Geoffrey P. Spurr

16B - 261 Martindale Road
 St. Catharines, ON L2W 1A2
 Tel.: (905) 682-2775 Ext. 4
 Fax: (905) 682-2357
 Email: ssegato@wilsonspurrlaw.ca<mailto:ssegato@wilsonspurrlaw.ca>

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G

This is Exhibit "G" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

1



Please consider the environment before printing this email.

From: Ken Rosenstein
Sent: May-17-17 11:49 AM
To: 'Sam P. Rappos' <samr@chaitons.com>; 'David T. Ullmann' <DUllmann@blaney.com>
Cc: clonergan@richter.ca; Alexandra Teodorescu <ATEodorescu@blaney.com>; Sam Babe <sbabe@airdberlis.com>; William Thomas <williamt@thomascanning.net>; bobthomas67@hotmail.ca
Subject: RE: Motion to Compel Monitor to Extend Sale Process and Provide Dataroom Disclosure

David, you continue to frustrate the process, cost everyone money and distract everyone from the crucial matters at hand

From: Sam P. Rappos [<mailto:samr@chaitons.com>]
Sent: May-17-17 11:34 AM
To: 'David T. Ullmann' <DUllmann@blaney.com>
Cc: clonergan@richter.ca; Alexandra Teodorescu <ATEodorescu@blaney.com>; Ken Rosenstein <kr Rosenstein@airdberlis.com>; Sam Babe <sbabe@airdberlis.com>; William Thomas <williamt@thomascanning.net>; bobthomas67@hotmail.ca
Subject: RE: Motion to Compel Monitor to Extend Sale Process and Provide Dataroom Disclosure

David, we are finalizing our response. Your 4 page email was sent on Monday morning, not Sunday. We have had to spend time to prepare a 4 page response, which you will be receiving within the next 90 minutes.

You have contacted the court and appear to have scheduled time without consulting us or any other party. This can only be described as sharp practice.

Sam P. Rappos
 Lawyer Chaitons LLP T: 416.218.1137

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: Wednesday, May 17, 2017 11:32 AM
To: Sam P. Rappos
Cc: clonergan@richter.ca; Alexandra Teodorescu; Ken Rosenstein; Sam Babe; William Thomas; bobthomas67@hotmail.ca
Subject: Motion to Compel Monitor to Extend Sale Process and Provide Dataroom Disclosure
Importance: High

Sam,

We can no longer wait for your reply to our email from Sunday. Attached is the signed but as yet unsworn affidavit of William Thomas, without exhibits for our motion seeking an order that your client extend the sale process by one week and that you allow for the company's concerns to form part of the dataroom, as per our letter to you on Sunday.

I have another matter before Justice Newbould tomorrow and the court has advised that he has time to see us tomorrow following our matter. I expect it will proceed in chambers.

The Company considers this crucial to the operation of the RISP, as you know. We will not be serving our materials on anyone other than Bridging and are guarding against the release of any confidential information referred to herein.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com

☎416-596-4289 | ☎416-594-2437

From: David T. Ullmann

Sent: May-16-17 10:15 PM

To: Sam P. Rappos

Cc: clonergan@richter.ca; Alexandra Teodorescu

Subject: Re: Requesting the Reconsideration of the Monitors Decision to only Recommend the Planting of 150 Acres

Thanks Sam. The most pressing issue is the deadline and the ability for the company to communicate it's concerns to purchasers via the dataroom. We really must have your clients position on those points immediately. My clients are very concerned and I assured them we would have your position today.

David

David T. Ullmann

Partner, Commercial Litigation

On Tue, May 16, 2017 at 8:22 PM -0400, "Sam P. Rappos" <samr@chaitons.com> wrote:

David, we have not forgotten about your email. As I expect you know, the Monitor has been working tirelessly with the company regarding acreage issues yesterday and today, which has understandably taken priority.

We will have a detailed response to you tomorrow morning.

Best regards,

Sam

On May 15, 2017, at 12:29 AM, David T. Ullmann <DUllmann@blaney.com> wrote:

Mr Rappos,

In the Company's view, the Monitor's decision on Friday to reject the Company's recommendation that 400 acres be planted and to recommend instead that only 150 acres be planted was a wrong decision. We are writing this email to the Monitor on behalf of the Company to ask the Monitor to reconsider before that decision becomes irreversible. If the Monitor will not reconsider, the Company is asking the Monitor to:

- 1) extend the time frame for the submissions of bids in the RISP by one week, and
- 2) place a letter from the Company in the dataroom advising potential purchasers of the impact of this decision on the Company, along with both sets of projections attached to our email of Friday May 12, 2017

In addition the Company is recommending that the Monitor to require Bridging to advance such funds or credit as is necessary to fund the 2017 growers immediately.

Monitor's Recommendation Drives the Process

As you are aware, the Company is operating under an Accommodation Agreement with Bridging. The central feature of that Agreement is that the only way that the Company can access any operating funds is for the Company to make requests of the Monitor. If the Monitor is convinced that the request is in keeping with the purpose of the Accommodation Agreement, the Monitor is to request funds from Bridging and Bridging must provide them. The Company does not have to satisfy Bridging, it just has to satisfy the Monitor. The Monitor reviewed and commented on this agreement before its execution.

I reproduce the relevant section of the Accommodation Agreement below.

5.1 Loan Availability Subject to a Forbearance Termination Event, **the Lender shall continue to provide advances under the Credit Agreement (but without further reference to any borrowing base calculation which would, but for this Accommodation Agreement, impact such advances) during the Forbearance Period in order to fund the "critical payments" requested by the Obligors and recommended and approved by the Monitor.** For greater certainty, the Lender shall not be obligated to fund full normal course operations during the Forbearance Period, but rather only amounts which are necessary to allow the Borrower to continue to operate the Business for the duration of the Forbearance Period...

The Company has, for several months been operating on its business plan to operate 400 acres of crops. It is worth noting that last year the Company operated on the basis of 1200 planted acres. The Company's overhead costs return the best margin with higher volume. However, because of the trouble with growers at the harvest last year, the Company undertook an analysis to come up with a revised growth plan. This plan was communicated to Bridging at different times, including in a discussion earlier this year among Graham Marr and Bill Thomas in which, among other things, the 400 acre target was discussed. Further, in March, after a law suit was commenced by some of the growers against the Company, there was a meeting held between the growers and the Company to discuss the 2017 crop and to discuss a settlement of the 2016 issues. Bridging's representative, Julio Cacoilo, attended that meeting. At that meeting the Company advised that it was going to grow 400 acres of crop for 2017. At the meeting Bridging's representative advised, in front of a room full of the growers and the head of the OPVG, that Bridging would stand behind the Company growing 400 acres. There are no shortage of witnesses to this commitment by Bridging.

It is the Company's position that 400 acres is the minimum required. The licence from the commission contemplates 400 acres. The license commitment to grow 400 acres was agreed to with the Commission after that meeting in March with the growers and in reliance on the fact that Bridging had indicated its support.

At several points last week, and specifically on Friday, the Company recommended to the Monitor that it required funding for 400 acres to be planted and asked the Monitor that

Bridging be asked to fund it as a "critical payment". This funding request is in line with the decision already made to plant 400 acres worth of seedlings in the greenhouse, the payment of which was recommended by the Monitor. The Monitor disagreed with the Company's request. The Monitor took the position that only 150 acres should be grown. The Company had already drastically planned to scale down its operations to 1/3 of its former size. The Monitor has now reduced it to 1/8th of its former size. In the Company's view, that is irrationally low.

The Company believes that the Monitor's reasoning reaching this conclusion was flawed. The Company believes that the Monitor approached this problem backwards. We believe that the Monitor approached this problem from the question of "what will Bridging agree to now". The Monitor repeatedly said they would not make the recommendation to Bridging because there was too much execution risk to Bridging. Respectfully, that is incorrect. Under the Accommodation Agreement, the Monitor is asked to exercise its discretion to determine what is a necessary expense for the Company to incur in order to operate its business and, we would say, with a view to maximize value in the RISP. The question of what Bridging would or would not fund, or what Bridging's risk is at this point is not determinative. The history of the Company making requests and Bridging refusing same was a central problem which the Accommodation Agreement was to remove. It was to be replaced by the Monitor making those decisions. Bridging must fund what the Monitor recommends.

As such, the question the Monitor should have asked should have been: what is the necessary to allow the Company to operate and maximize value.

The Company has made it clear, and on their behalf I do so again, that growing 150 acres of tomatoes will likely ruin the business of the Company. As such, the funding of the planting of 400 acres of tomato is clearly a "critical payment". At 150 acres it is the Company's position that the Company will lose its key customers and may lose its licence or licences. The realizable value of the business will, in the eyes of the Company, drop several million dollars as a result of this decision by the Monitor and make the possibility to find a financial or strategic partner much less likely. As noted above, the Monitor had seemed to recognize this previously when it recommended the planting of the seedlings in support of the decision to plant 400 acres. 400 acres worth of seedlings (about 4,000,000 seedlings) have been planted and are waiting in the greenhouse for planting. It seems now that the Monitor is recommending that more than half of those seedlings should now be thrown away.

We remind the Monitor that in addition to its obligations under the Accommodation Agreement, it is also a Court officer and, as such, it must consider its decisions in light of its impact on all stakeholders, not just Bridging. It is not clear to the Company how selecting a path, as the Monitor seems to have done, that makes the restructuring less likely to be successful is in the best interest of those stakeholders, including the principals of the company who have a significant creditor position in the company, and the multiple employees and contractors whose livelihoods are connected to the Company.

We hope, in light of the foregoing, the Monitor will reconsider its decision and support the Company's submission that 400 acres should be planted.

Finally, we are advised that the Company has worked with the Monitor this past weekend to make a proposal as to what to do with the limited 150 acres. The Company had wanted to

plant all 150 acres as organic, since the organic produce produces higher margins and is more in line with the direction the Company would like to go generally. It is our understanding that after working with the Monitor yesterday, the Monitor ultimately recommended 75 acres of organic and 75 acres of ordinary non organic. The Company agreed with this recommendation. It is our understanding that the Monitor then went to Bridging and advised them of the Monitor's recommendation of 75 acres. I am advised by my client that the Monitor has reported to the Company that Bridging will only fund 50 acres of organic. This is again, in our view, not the correct process. The Company requires that the Monitor have its own, independent view of the appropriateness of the expenses it is considering. As counsel for Bridging said repeatedly during our recommendation, "Do you really think that my client is not going to accept the recommendations of the court officer? If Richter's recommends it, we will fund it." If the Monitor is recommending 75 acres, that is what Bridging should fund. It should not be open to Bridging to say no at that point.

Immediate Funding Required

Whether or not the Monitor will reconsider the request to fund 400 acres, the Company hereby asks that the Monitor require Bridging to immediately advance the security, in the amount of 100% of the requirement needed (as we previously discussed and your client recommended) for the 150 acres. The Monitor was quite clear in our discussions that it wants to ensure that there should be no exposure to the growers who contract with the Company during the Forbearance Period. The Company completely agrees with this approach.

It appears to us that Bridging has taken the position that while it agrees to funding or security with respect to 150 acres, it will only fund once the Commission makes its ruling related to the submissions we provide on Friday. Leaving aside that that is not our interpretation of how the Accommodation Agreement is to work, it is, in this case, not practical. It is our understanding that the commission is not meeting until Wednesday and that the decision will come out at some point after that. The Company has advised the Monitor repeatedly, and on their behalf we do so again, that there is no time to continue to wait for these funds. The Company has a limited number of growers with whom it can contract. Those growers have advised the Company that if they are not assured of funding by close of business tomorrow, they will no longer contract with the Company. The key contractors have specifically advised the Company and we have advised you that they will elect to plant Corn instead of Tomatoes given the current uncertainty. There is no time to wait to see what the commission rules. It is the Company's position that this is a critical payment. We believe the Monitor has agreed. It will also be very damaging to the RISP process for potential investors not to know whether or not any tomatoes will be planted this year. The Monitor should request Bridging advance these funds, or credit, tomorrow without delay. It is clearly in the best interest of the Company and its stakeholders that it do so.

RISP Deadline

The Company believes that all potential bidders interested in the Company will now require more time to assess whether or not to invest in this new scaled down version of the Company. The Company would like more time to try to discuss this with interested bidders to see if this issue can be overcome. The Company also believes that all bidders will wait to see if any crops are actually planted by the Company before taking any serious steps with respect to the Company. We suggest an extension of one week would be prudent in this situation. The Monitor has the ability to extend the deadlines under the Accommodation Agreement if it

deems it necessary. We have always believed this sales process is very ambitious and we believe it is in the best interest of all parties that it be extended to try to solicit the best possible outcome.

Dataroom Warning

The Company intends to write a separate letter to the Monitor summarizing the Company's concerns with the limited growth capacity being imposed on it by this decision to grow only 150 acres. The Company is also of the view that both sets of projections attached to our email of Friday May 12, 2017 need to be made available to purchasers so that they can at least see what the Company believes would be possible if 400 acres were funded instead of just 150 acres. The Company is cognizant of the fact that it does not want to mislead any potential purchasers as to the condition of the business at this time. The management of the Company continues to hope that a going concern sale or refinance is possible and that they may have a role with such a purchaser, but wants to ensure that anyone who seeks to buy the Company does so fully aware of this issue and is not misled. Please confirm the Monitor will allow the company to place this letter in the dataroom.

We look forward to your response and to immediate action from the Monitor. We wish to make clear, as we did with our email on Friday, that the Company will continue to work in good faith and they will oversee the planting of the 150 acres, and will do what it can to try to retain key customers and still try to get the highest value possible with the tools at its disposal. There is no threat here, express or implied, that the Company will walk away from the process it is under. In asking for the Monitor to reconsider its recommendation, it is not saying it will not comply with that or other recommendations.

Regards,

David Ullmann

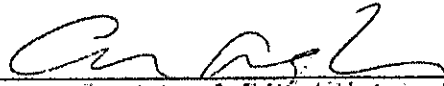


David T. Ullmann
Partner

dullmann@blaney.com
 ☎ 416-596-4289 | ☎ 416-594-2437
 ☎ Blaney.com

H

This is Exhibit "H" referred to in the Affidavit of William Thomas
sworn the 17th of November. 2017.



Commissioner for Taking Affidavits for as may be

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:22 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning

David T. Ullmann
 Partner
 dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: David T. Ullmann
Sent: May-17-17 3:22 PM
To: Ken Rosenstein; 'Sam P. Rappos'; 'Sam Babe'
Cc: Alexandra Teodorescu
Subject: FW: Thomas Canning

Followed up as requested. Were not able to reach them by phone. Will let you know if we hear anything back.

Regards,

David

David T. Ullmann
 Partner
 dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Alexandra Teodorescu
Sent: May-17-17 3:15 PM
To: 'Relf, Mike (OMAFRA)'
Cc: David T. Ullmann
Subject: Thomas Canning

Hi Mike,

I wanted to follow up on our teleconference from last week.

Has the Commission had an opportunity to meet and consider the submissions of the parties, including the written submissions that were filed on Friday? We would appreciate hearing back from the Commission as soon as possible.

Thank you,

Alex

I

This is Exhibit "T" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: TCL

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: May-18-17 2:19 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Clark Lonergan; Katherine Forbes; Wajahat Mahmood; Sam Babe
Subject: RE: TCL

Please follow up with the commission in writing given that they were supposed to meet yesterday I believe.

-----Original Message-----

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: May-18-17 1:50 PM
To: Ken Rosenstein <krosenstein@airdberlis.com>; Sam P. Rappos <samr@chaitons.com>
Cc: Clark Lonergan <clonergan@richter.ca>; Katherine Forbes <KForbes@richter.ca>; Wajahat Mahmood <WMahmood@richter.ca>; Sam Babe <sbabe@airdberlis.com>
Subject: RE: TCL

Ken,

I have heard nothing from the commission today. I have heard from the client this morning that the grower of the 100 non-organic acres is still considering the transaction and has not as yet walked away. I have encouraged my clients to make sure Clark's team is in the loop.

David

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: May-18-17 12:15 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Clark Lonergan; Katherine Forbes; Wajahat Mahmood; Sam Babe

Subject: RE: TCL

David, have you heard anything from the growers re the escrow agreement or the commission re the license?

-----Original Message-----

From: David T. Ullmann [<mailto:Dullmann@blaney.com>]

Sent: May-18-17 10:39 AM

To: Sam P. Rappos <samr@chaitons.com>

Cc: Clark Lonerger <clonerger@richter.ca>; Katherine Forbes <KForbes@richter.ca>; Wajahat Mahmood <WMahmood@richter.ca>; Ken Rosenstein <krosenstein@airdberlis.com>; Sam Babe <sbabe@airdberlis.com>

Subject: RE: TCL

Understood.

David T. Ullmann
Partner

dullmann@blaney.com

T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam P. Rappos [<mailto:samr@chaitons.com>]

Sent: May-18-17 10:37 AM

To: David T. Ullmann

Cc: Clark Lonerger; Katherine Forbes; Wajahat Mahmood; Ken Rosenstein; Sam Babe

Subject: TCL

David, further to our recent attendance before Justice Newbould, the Monitor will now proceed to upload the forecast model into the data room.

Regards,
Sam

Sam P. Rappos
Lawyer
Direct Tel: 416.218.1137
Direct Fax: 416.218.1837
<mailto:samr@chaitons.com>

Chaitons LLP
5000 Yonge Street, 10th Floor, Toronto, Canada, M2N 7E9 <http://www.chaitons.com>

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J

This is Exhibit "J" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: Status of RISP

Follow Up Flag: Follow up
Flag Status: Flagged

David T. Ullmann
 Partner
duUllmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: May-29-17 10:45 AM
To: David T. Ullmann; Sam P. Rappos
Cc: CLonergan@Richter.ca; Alexandra Teodorescu; 'Mahmood, Wajahat'; Forbes, Katherine; Sam Babe
Subject: RE: Status of RISP

Please provide details regarding discussions with growers for conventional which I believe you had previously advised in writing was not possible?!

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: May-29-17 10:39 AM
To: Sam P. Rappos <samr@chaitons.com>
Cc: CLonergan@Richter.ca; Alexandra Teodorescu <ATEodorescu@blaney.com>; 'Mahmood, Wajahat' <WMahmood@richter.ca>; Forbes, Katherine <KForbes@richter.ca>; Sam Babe <sbabe@airdberlis.com>; Ken Rosenstein <krosenstein@airdberlis.com>
Subject: Status of RISP

Sam,

As you will have seen, Bob Thomas has made an offer to purchase the business. He has independent counsel for that purpose and we are not advising on that offer and have not seen it, other than we know it is a going concern offer. Please do not contact me with any questions or concerns you may have with respect to that offer.

We are advised that multiple offers have been received, which is excellent news. We also understand that parties are to resubmit their LOIs tomorrow should they wish to change/improve their bids. Are any of the other timelines to be further extended? You indicated below they would not be, but having now seen the bids, we are seeking confirmation. The Company would like to see the best possible outcome here and if there are useful bids to negotiate, more time might be beneficial. Please advise.

Given that there are multiple offers, we want to reiterate that it is the Company's position that the Monitor should give preference to a bid which maintains the business as a going concern and causes the least disruption for the stakeholders. We trust the Monitor will consider that in its deliberations after the revised offers are received tomorrow. We are available to provide further input about the benefits and drawbacks of the competing bids if you feel you are in a position to share the bids with us (upon you being satisfied with our undertaking to hold that information confidential from all parties, including Bob Thomas and his counsel, of course.)

To the extent that a going concern offer is not to going to be the one to proceed, the company needs to know that as soon as possible as it is daily entering into discussions, including with the pursuit of growers of that remaining 100 acres, which it should curtail if it appears that the business is to be liquidated or is otherwise intending to cease ordinary operations. Please advise us as soon as you are able to do so. In the meanwhile the company is continuing to operate, under your Client's supervision in accordance with the AA, pending the outcome of the RISP.

Regards,

David

David T. Ullmann

Partner

dullmann@bianey.com

☎416-596-4289 | ☎416-594-2437

From: Sam P. Rappos [<mailto:samr@chaitons.com>]

Sent: May-26-17 3:15 PM

To: David T. Ullmann

Cc: CLonergan@Richter.ca; Alexandra Teodorescu; 'Mahmood, Wajahat'; Forbes, Katherine; Sam Babe; Ken Rosenstein

Subject: RE: Decision Regarding Extension?

David,

I can confirm that, in the event that multiple offers are received today, the Monitor will go back to the parties and indicate that it has received multiple offers and the bidders should put their best non-binding LOIs forward by 5:00 pm on Tuesday May 30, and binding LOIs are still to be completed by June 2.

Regards,

Sam

Sam P. Rappos

Lawyer Chaitons LLP T: 416.218.1137

From: Sam P. Rappos

Sent: Thursday, May 25, 2017 5:05 PM

To: 'David T. Ullmann'

Cc: CLonergan@Richter.ca; Alexandra Teodorescu; 'Mahmood, Wajahat'; Forbes, Katherine; Sam Babe; Ken Rosenstein

Subject: RE: Decision Regarding Extension?

Importance: High

David,

With respect to the RISP, we note that the timelines are set out in the Accommodation Agreement, which was agreed to by Bridging and your clients. The Monitor has discretion under the agreement to extend the RISP deadlines with the consent of Bridging. As you know, given your clients' reservation of right to submit a bid, you have requested and the Monitor has agreed not to provide information to your clients with respect to the status of interested parties under the RISP. However, we can disclose that a number of parties have executed NDAs and have had access to the dataroom. During the RISP, the Monitor has received no request from any interested party for an extension of the bid deadline, and no party has expressed concern that the timeline for submission of a non-binding LOI is too aggressive, notwithstanding that the Monitor reached out to each party who had access to the dataroom to confirm that the bid deadline is tomorrow. Your clients have not provided anything to support why an extension is necessary, and the Monitor has no information

that would suggest that extending the deadline by 10 days would increase the possibility that any new party would make an offer. That being said, in the event that multiple offers are received by the deadline, the Monitor will consider going back to the parties and indicating that the Monitor has received multiple offers and that the bidders should put their best non-binding LOIs forward by 5:00 pm on Tuesday May 30, as binding LOIs are to be completed by June 2 under the RISP.

The Company has continued to request that additional organic acreage be planted in excess of the 50 acres that has been agreed to. To date, the Company has been unable to produce to the Monitor any firm customer orders, pricing of respective orders, or an analysis that the Monitor can review to determine whether an increase in organic acreage is desirable or reasonable. As previously communicated to you in my attached emails dated May 23, 2017, the Monitor cannot make any recommendation for an increase without this information, especially given the previous analysis completed by the Company with the assistance of the Monitor showed that there was insufficient sales backlog (excluding Neil Jones) to service the 50 acres already planted.

With respect to your request regarding posting information in the dataroom with respect to the 50 acres, it is unclear on what basis any interested party would possibly be misled if this information is not posted. The Monitor has received no inquiries regarding the Company's current production cycle. The Monitor has been available to respond to any questions posed by interested parties, and there is nothing in the dataroom that suggests that the Company is planting a specific acreage for this production season. As previously indicated, the Monitor remains of the view that the current production cycle is not likely to be of much importance to interested parties, as parties will be focused on the assets and production capabilities of the business.

We wanted to bring to your attention that the Company is making repeated requests to the Monitor for funding and providing incomplete information and/or invoices/payments not yet due in connection with such funding requests, with examples set out below:

- **Georgia Pacific:** The Company informed the Monitor that an order needed to be placed with Georgia Pacific for corrugated trays and did not provide any order details and only provided an email on May 16, 2017 confirming the cost for the order. The Monitor performed a count of existing trays to assess appropriateness of the order and identified that the order provided was not appropriate considering the inventory on hand. This was communicated to the Company on May 17, 2017. The Company disagreed with the Monitor and continued discussing payment of the order with the Monitor without performing the count or gathering sufficient information until May 25, 2017, when the Company performed a count and revised the order amount based on inventory on hand.
- **Seedlings Payment:** The Company requested that the Monitor include amounts not due on the funding request. The Company requested the inclusion of payments to the greenhouse, Rol-land Farms, notwithstanding that payment of the invoice is not due until May 31, 2017.
- **JK Curtis:** The Company received a payment request from its label supplier, JK Curtis, for payment of prior invoices before new orders would be released. JK Curtis provided a listing of the invoices outstanding, which indicated a total payable balance of \$6,497.91. Meanwhile, the Company's AP indicates a balance owing to JK Curtis of \$12,951.18 and the Company has requested the inclusion of \$7,801 in the funding request as owing to JK Curtis. Further, JK Curtis' balance of \$6,497.91 includes two invoices (#9832 & 9836) which are not included in the Company's AP. The lack of updated records makes it difficult and time consuming for the Monitor to identify and assess the validity of payables.

The Monitor continues to work with the Company to gain access to funding as needs arise. The Monitor asks that your clients continue to work toward providing timely and accurate information to the Monitor along with their funding requests so that the Monitor can properly assess the requests and the related payables.

Lastly, the Monitor has received collection correspondence, and it understands that your clients have been providing the Monitor's contact information to parties to inquire about collection. As you know, it is not the Monitor's mandate or role pursuant to the Court order appointing it or the Accommodation Agreement to be handling such matters. The business continues to be under the control and possession of the Company. We ask that the Company refrain from providing the

Monitor's contact information to any party seeking to collect on outstanding debts. It is for the Company to deal with such parties.

Regards,
Sam

Sam P. Rappos
Lawyer Chaitons LLP T: 416.218.1137

From: David T. Ullmann [<mailto:DULLmann@blaney.com>]
Sent: Thursday, May 25, 2017 12:46 PM
To: Sam P. Rappos
Cc: CLonergan@Richter.ca; Alexandra Teodorescu; 'Mahmood, Wajahat'; Forbes, Katherine; Sam Babe; Ken Rosenstein; William Thomas
Subject: Decision Regarding Extension?

Sam,

Further to your letter referred to below and our appearance before Justice Newbould last week, please advise if the Monitor has reconsidered extending the period for bids past tomorrow at 5 pm. The company remains of the view that a further extension of 10 days would be the interest of all parties in securing the highest possible bid. You advised in your letter and in court that the Monitor would reconsider the deadline this week once it had a sense of the activity in the RISP. Given that the bids are due tomorrow we would hope that the Monitor would have a good sense of who is likely to bid tomorrow at this point. As you know, the Company has always been concerned that the RISP process was very aggressive in its timelines.

Also, we confirm that as of today the company has only contracted to plant 50 acres of organic tomatoes for the 2017 season and no other acreage, despite its best efforts. The company has asked that this information be made available to prospective purchasers in the dataroom, along with any information the Monitor can provide as to the impact of that fact on the company. As you are aware, the company wants to make sure that potential purchasers are not misled into believing that more acres are planted than is actually the case as it goes directly to the future plans of any purchaser or refinance entity.

Please advise.

Regards,

David

David T. Ullmann
Partner

dullmann@blaney.com
☎416-596-4289 | ☎416-594-2437

From: Sam P. Rappos [<mailto:samr@chaitons.com>]
Sent: May-17-17 2:02 PM
To: David T. Ullmann
Cc: CLonergan@Richter.ca; Alexandra Teodorescu; 'Mahmood, Wajahat'; Forbes, Katherine; Sam Babe; Ken Rosenstein
Subject: RE: Requesting the Reconsideration of the Monitors Decision to only Recommend the Planting of 150 Acres

Please see the attached letter dated May 17, 2017, a copy of which will be sent to Justice Newbould.

Regards,
Sam Rappos

Sam P. Rappos

Lawyer Chaitons LLP T: 416.218.1137

From: David T. Ullmann [mailto:DUllmann@blaney.com]

Sent: Monday, May 15, 2017 12:29 AM

To: Sam P. Rappos

Cc: CLonergan@Richter.ca; Alexandra Teodorescu; William Thomas; bobthomas67@hotmail.ca

Subject: Requesting the Reconsideration of the Monitors Decision to only Recommend the Planting of 150 Acres

Mr Rappos,

In the Company's view, the Monitor's decision on Friday to reject the Company's recommendation that 400 acres be planted and to recommend instead that only 150 acres be planted was a wrong decision. We are writing this email to the Monitor on behalf of the Company to ask the Monitor to reconsider before that decision becomes irreversible. If the Monitor will not reconsider, the Company is asking the Monitor to:

- 1) extend the time frame for the submissions of bids in the RISP by one week, and
- 2) place a letter from the Company in the dataroom advising potential purchasers of the impact of this decision on the Company, along with both sets of projections attached to our email of Friday May 12, 2017

In addition the Company is recommending that the Monitor to require Bridging to advance such funds or credit as is necessary to fund the 2017 growers immediately.

Monitor's Recommendation Drives the Process

As you are aware, the Company is operating under an Accommodation Agreement with Bridging. The central feature of that Agreement is that the only way that the Company can access any operating funds is for the Company to make requests of the Monitor. If the Monitor is convinced that the request is in keeping with the purpose of the Accommodation Agreement, the Monitor is to request funds from Bridging and Bridging must provide them. The Company does not have to satisfy Bridging, it just has to satisfy the Monitor. The Monitor reviewed and commented on this agreement before its execution.

I reproduce the relevant section of the Accommodation Agreement below.

5.1 Loan Availability Subject to a Forbearance Termination Event, the Lender shall continue to provide advances under the Credit Agreement (but without further reference to any borrowing base calculation which would, but for this Accommodation Agreement, impact such advances) during the Forbearance Period in order to fund the "critical payments" requested by the Obligor and recommended and approved by the Monitor. For greater certainty, the Lender shall not be obligated to fund full normal course operations during the Forbearance Period, but rather only amounts which

are necessary to allow the Borrower to continue to operate the Business for the duration of the Forbearance Period...

The Company has, for several months been operating on its business plan to operate 400 acres of crops. It is worth noting that last year the Company operated on the basis of 1200 planted acres. The Company's overhead costs return the best margin with higher volume. However, because of the trouble with growers at the harvest last year, the Company undertook an analysis to come up with a revised growth plan. This plan was communicated to Bridging at different times, including in a discussion earlier this year among Graham Marr and Bill Thomas in which, among other things, the 400 acre target was discussed. Further, in March, after a law suit was commenced by some of the growers against the Company, there was a meeting held between the growers and the Company to discuss the 2017 crop and to discuss a settlement of the 2016 issues. Bridging's representative, Julio Cacoilo, attended that meeting. At that meeting the Company advised that it was going to grow 400 acres of crop for 2017. At the meeting Bridging's representative advised, in front of a room full of the growers and the head of the OPVG, that Bridging would stand behind the Company growing 400 acres. There are no shortage of witnesses to this commitment by Bridging.

It is the Company's position that 400 acres is the minimum required. The licence from the commission contemplates 400 acres. The license commitment to grow 400 acres was agreed to with the Commission after that meeting in March with the growers and in reliance on the fact that Bridging had indicated its support.

At several points last week, and specifically on Friday, the Company recommended to the Monitor that it required funding for 400 acres to be planted and asked the Monitor that Bridging be asked to fund it as a "critical payment". This funding request is in line with the decision already made to plant 400 acres worth of seedlings in the greenhouse, the payment of which was recommended by the Monitor. The Monitor disagreed with the Company's request. The Monitor took the position that only 150 acres should be grown. The Company had already drastically planned to scale down its operations to 1/3 of its former size. The Monitor has now reduced it to 1/8th of its former size. In the Company's view, that is irrationally low.

The Company believes that the Monitor's reasoning reaching this conclusion was flawed. The Company believes that the Monitor approached this problem backwards. We believe that the Monitor approached this problem from the question of "what will Bridging agree to now". The Monitor repeatedly said they would not make the recommendation to Bridging because there was too much execution risk to Bridging. Respectfully, that is incorrect. Under the Accommodation Agreement, the Monitor is asked to exercise its discretion to determine what is a necessary expense for the Company to incur in order to operate its business and, we would say, with a view to maximize value in the RISP. The question of what Bridging would or would not fund, or what Bridging's risk is at this point is not determinative. The history of the Company making requests and Bridging refusing same was a central problem which the Accommodation Agreement was to remove. It was to be replaced by the Monitor making those decisions. Bridging must fund what the Monitor recommends.

As such, the question the Monitor should have asked should have been: what is the necessary to allow the Company to operate and maximize value.

The Company has made it clear, and on their behalf I do so again, that growing 150 acres of tomatoes will likely ruin the business of the Company. As such, the funding of the planting of 400 acres of tomato is clearly a "critical payment". At 150 acres it is the Company's position that the Company will lose its key customers and may lose its licence or licences. The realizable value of the business will, in the eyes of the Company, drop several million dollars as a result of this decision by the Monitor and make the possibility to find a financial or strategic partner much less likely. As noted above, the Monitor had seemed to recognize this previously when

it recommended the planting of the seedlings in support of the decision to plant 400 acres. 400 acres worth of seedlings (about 4,000,000 seedlings) have been planted and are waiting in the greenhouse for planting. It seems now that the Monitor is recommending that more than half of those seedlings should now be thrown away.

We remind the Monitor that in addition to its obligations under the Accommodation Agreement, it is also a Court officer and, as such, it must consider its decisions in light of its impact on all stakeholders, not just Bridging. It is not clear to the Company how selecting a path, as the Monitor seems to have done, that makes the restructuring less likely to be successful is in the best interest of those stakeholders, including the principals of the company who have a significant creditor position in the company, and the multiple employees and contractors whose livelihoods are connected to the Company.

We hope, in light of the foregoing, the Monitor will reconsider its decision and support the Company's submission that 400 acres should be planted.

Finally, we are advised that the Company has worked with the Monitor this past weekend to make a proposal as to what to do with the limited 150 acres. The Company had wanted to plant all 150 acres as organic, since the organic produce produces higher margins and is more in line with the direction the Company would like to go generally. It is our understanding that after working with the Monitor yesterday, the Monitor ultimately recommended 75 acres of organic and 75 acres of ordinary non organic. The Company agreed with this recommendation. It is our understanding that the Monitor then went to Bridging and advised them of the Monitor's recommendation of 75 acres. I am advised by my client that the Monitor has reported to the Company that Bridging will only fund 50 acres of organic. This is again, in our view, not the correct process. The Company requires that the Monitor have its own, independent view of the appropriateness of the expenses it is considering. As counsel for Bridging said repeatedly during our recommendation, "Do you really think that my client is not going to accept the recommendations of the court officer? If Richter's recommends it, we will fund it." If the Monitor is recommending 75 acres, that is what Bridging should fund. It should not be open to Bridging to say no at that point.

Immediate Funding Required

Whether or not the Monitor will reconsider the request to fund 400 acres, the Company hereby asks that the Monitor require Bridging to immediately advance the security, in the amount of 100% of the requirement needed (as we previously discussed and your client recommended) for the 150 acres. The Monitor was quite clear in our discussions that it wants to ensure that there should be no exposure to the growers who contract with the Company during the Forbearance Period. The Company completely agrees with this approach.

It appears to us that Bridging has taken the position that while it agrees to funding or security with respect to 150 acres, it will only fund once the Commission makes its ruling related to the submissions we provide on Friday. Leaving aside that that is not our interpretation of how the Accommodation Agreement is to work, it is, in this case, not practical. It is our understanding that the commission is not meeting until Wednesday and that the decision will come out at some point after that. The Company has advised the Monitor repeatedly, and on their behalf we do so again, that there is no time to continue to wait for these funds. The Company has a limited number of growers with whom it can contract. Those growers have advised the Company that if they are not assured of funding by close of business tomorrow, they will no longer contract with the Company. The key contractors have specifically advised the Company and we have advised you that they will elect to plant Corn instead of Tomatoes given the current uncertainty. There is no time to wait to see what the commission rules. It is the Company's position that this is a critical payment. We believe the Monitor has agreed. It will also be very damaging to the RISP process for potential investors not to know whether or not any tomatoes

will be planted this year. The Monitor should request Bridging advance these funds, or credit, tomorrow without delay. It is clearly in the best interest of the Company and its stakeholders that it do so.

RISP Deadline

The Company believes that all potential bidders interested in the Company will now require more time to assess whether or not to invest in this new scaled down version of the Company. The Company would like more time to try to discuss this with interested bidders to see if this issue can be overcome. The Company also believes that all bidders will wait to see if any crops are actually planted by the Company before taking any serious steps with respect to the Company. We suggest an extension of one week would be prudent in this situation. The Monitor has the ability to extend the deadlines under the Accommodation Agreement if it deems it necessary. We have always believed this sales process is very ambitious and we believe it is in the best interest of all parties that it be extended to try to solicit the best possible outcome.

Dataroom Warning

The Company intends to write a separate letter to the Monitor summarizing the Company's concerns with the limited growth capacity being imposed on it by this decision to grow only 150 acres. The Company is also of the view that both sets of projections attached to our email of Friday May 12, 2017 need to be made available to purchasers so that they can at least see what the Company believes would be possible if 400 acres were funded instead of just 150 acres. The Company is cognizant of the fact that it does not want to mislead any potential purchasers as to the condition of the business at this time. The management of the Company continues to hope that a going concern sale or refinance is possible and that they may have a role with such a purchaser, but wants to ensure that anyone who seeks to buy the Company does so fully aware of this issue and is not misled. Please confirm the Monitor will allow the company to place this letter in the dataroom.

We look forward to your response and to immediate action from the Monitor. We wish to make clear, as we did with our email on Friday, that the Company will continue to work in good faith and they will oversee the planting of the 150 acres, and will do what it can to try to retain key customers and still try to get the highest value possible with the tools at its disposal. There is no threat here, express or implied, that the Company will walk away from the process it is under. In asking for the Monitor to reconsider its recommendation, it is not saying it will not comply with that or other recommendations.

Regards,

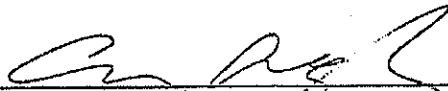
David Ullmann



David T. Ullmann
Partner

K

This is Exhibit "K" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits or as may be

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: 100 Conventional Acres -pending contract

David T. Ullmann
 Partner
duillmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: June-01-17 5:04 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Sam Babe; 'Loneragan, Clark'
Subject: RE: 100 Conventional Acres -pending contract

David, this is clearly not a critical payment given that the business is able to continue to operate without it, we are advised that one of the two bidders does not want or need it and you and your client, after repeated requests, still haven't provided any backup for the need for this additional product given the current unsold inventory on hand, sales and gross margin on sales.

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: June-01-17 4:48 PM
To: Sam P. Rappos <samr@chaitons.com>
Cc: Sam Babe <sbabe@airdberlis.com>; Ken Rosenstein <krosenstein@airdberlis.com>; 'Loneragan, Clark' <CLoneragan@Richter.ca>; William Thomas <williamt@thomascanning.net>
Subject: RE: 100 Conventional Acres -pending contract

Sam,

Your response is disappointing and we do not believe it is correct. It was not by accident that we wrote our inquiry to you and not to Bridging. However, we are instructed to wait until tomorrow to further engage on this issue, given that I am advised that it is hoped by all parties that the RISP will have a winner by then which may impact Bridging's position. If it does not, we will re-engage on this matter. In the interim, please know that the Company does not agree with the position taken by Bridging and will expect the Monitor to support the Monitor's existing recommendation that 150 acres should be planted and funded as a critical payment. We also reserve our clients rights in the event the 100 acre grower is no longer available by the time this matter is resolved.

Regards,

David

David T. Ullmann
 Partner
duillmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Sam P. Rappos [<mailto:samr@chaitons.com>]
Sent: June-01-17 4:31 PM
To: David T. Ullmann
Cc: Sam Babe; Ken Rosenstein; 'Loneragan, Clark'
Subject: RE: 100 Conventional Acres -pending contract

David,

I understand that Ken has sent you a response on behalf of his client, which I believe was the appropriate party to respond to your inquiry.

Regards,
 Sam

Sam P. Rappos
 Lawyer Chaitons LLP T: 416.218.1137

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: Thursday, June 01, 2017 10:29 AM
To: Sam P. Rappos
Cc: Sam Babe; Ken Rosenstein; William Thomas
Subject: 100 Conventional Acres -pending contract

Good Morning Sam,

I understand from the company that they have, subject to your client's confirmation, reached an arrangement with a grower named Brian Broad to grow the missing 100 acres of conventional farming. The Monitor has been advised that these discussions were underway. I think we have all agreed for some time that Bridging would provide the necessary escrow funding for these 100 acres (along with the 50 organic acres already funded). I understand from my client that Mr. Broad's lawyer has reviewed the escrow agreement and has found it acceptable and is ready to go. My client says he has discussed this with Clark and Wuji more than once over the past few days, but I think with everyone focused on the sale process this is not getting to the finish line so I have been asked to send this email. The company still has a business to run while the RISP process unfolds. It is also potentially possible that no deal will be reached in the RISP and the company will need this farming to maintain at least some level of going concern operations while the parties decide what to do thereafter.

Can you please confirm that this will be dealt with today? To the extent there are negotiations underway with a going concern purchaser I am sure you and Bridging will look for a way to have the purchaser pick up the escrow obligation, but in the interim, it is not in the company's interest to wait for the RISP to finalize before proceeding with this contract. As you know, the contracts are time sensitive as there is pressure from the growers and the calendar to make decisions. It has been difficult to secure this grower and the company is very keen to proceed.

Regards,

David

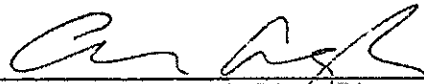
Blaney
 McMurtry

200 University Ave. | Suite 1500
 Toronto, Ontario M5G 1S5

David T. Ullmann
 Partner

L

This is Exhibit "L" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:23 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning
Attachments: image002.png; image003.png; image006.png; image007.png; image008.gif

Follow Up Flag: Follow up
Flag Status: Flagged

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [mailto:krosenstein@airdberlis.com]
Sent: June-05-17 11:05 AM
To: samr@chaitons.com; David T. Ullmann
Cc: KForbes@richter.ca; Sam Babe
Subject: RE: Thomas Canning

David, I don't see how you can say by any stretch of the imagination that the monitor is in control of operations, it has only ever complied with the court order and AA agreed to by you and your client, which is more than I can say for you and your client who diverted funds including potentially in the face of a court order regardless of the amount as acknowledged in your email.

Sent from my Android phone using Symantec TouchDown (www.symantec.com)

-----Original Message-----

From: David T. Ullmann [DULLmann@blaney.com]
Received: Monday, 05 Jun 2017, 10:54AM
To: Sam P. Rappos [samr@chaitons.com]
CC: 'Lonergan, Clark' [CLonergan@Richter.ca]; Forbes, Katherine [KForbes@richter.ca]; Mahmood, Wajahat [WMahmood@richter.ca]; Ken Rosenstein [krosenstein@airdberlis.com]; Sam Babe [sbabe@airdberlis.com]; William Thomas [williamt@thomascanning.net]
Subject: RE: Thomas Canning

Sam,

I have no idea how you think the Monitor can control the operations of a company in a court process and then attempt to say that the decisions are all being made by the company and the Monitor has no responsibility. I refer you to your email in the same chain to which you responded just now.

“The Agreement also confirms that the Monitor’s powers include taking steps to secure the Property and having oversight of sales, supply, expenditures and other business

decisions. The Company is required to obtain prior approval of the Monitor in respect of any business decisions including expenditures. "

You cannot have it both ways. You cannot say you are both in control and not in control.

One way or another the corporate entity which is the company will likely cease to exist after the sale process is complete. To the extent there are entities who have outstanding accounts and are looking for recourse for amounts which they incurred in good faith reliance on your client having approved those expenses, you can be sure they will look to your client. We are alerting you to this in time for you to mitigate this issue, which frankly I would have expected you to be doing anyway. If you choose not to do so, the consequences will be yours to deal with later. The position taken in your email however, including the suggestion that people providing post filing services need not be paid, is not in keeping with the duties of a court officer with control over an operating business, I am quite certain.

I understand at least one of the greenhouse growers is attending the company this afternoon looking for payment which you acknowledged in your email of May 25th came due on May 31st. Please advise Bill Thomas if he will be able to pay them.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

[cid:image002.png@01D2DDE8.F9091980] 416-596-4289 | [cid:image003.png@01D2DDE8.F9091980]
416-594-2437

From: Sam P. Rappos [mailto:samr@chaitons.com]

Sent: June-05-17 10:13 AM

To: David T. Ullmann

Cc: 'Lonergan, Clark'; Forbes, Katherine; Mahmood, Wajahat; 'Ken Rosenstein'; Sam Babe

Subject; RE: Thomas Canning

David, I will discuss your email with my client and revert back to you. That being said, to be clear from the outset, the first few sentences in your first paragraph fail to contain a shred of reasonable thought. Additionally, in no way, shape or form does the Monitor agree that it is personally liable for any amounts with respect to your client's business, including without limitation the invoices presented by each of Rol-land Farms and Speedling Inc.

Sam P. Rappos

Lawyer

Chaitons LLP

T: 416.218.1137

From: David T. Ullmann [mailto:DUllmann@blaney.com]
Sent: Monday, June 05, 2017 10:04 AM
To: Sam P. Rappos
Cc: 'Lonergan, Clark'; Forbes, Katherine; Mahmood, Wajahat; 'Ken Rosenstein'; Sam Babe; William Thomas
Subject: Re: Thomas Canning

Sam,

Thank you for your email. Please be advised as follows.

We note that all of the cheques to which you refer in your email materially predate your client's report to court which indicated that only minimal funds had been diverted, as itemized therein. Given that your client's principal mandate at that time was to track down the allegedly missing fund, the company relied on the that report as evidence on this issue and thereafter spent little to no time considering this issue as it appeared resolved. We also note that your client has consistently complained about the conditions of the books and records of the company and yet it seems it is now seeking to strictly rely on those same books and records to jump to conclusions that funds are missing. Given the receiver's own findings and the state of the records, despite your email is it not equally likely that there may not be an issue here at all or that it is a very small one? In any event, the allegation you are raising merit review and we are reviewing this with our client. We are advised and wish it noted for the record that despite the statement in your emails, the company and the obligors have at all times cooperated and answered the questions put them. The company will continue to cooperate in respect of this matter, including contacting the customers who claim that these cheques have been provided and reviewing its records in respect of same. As you are aware though, the company is somewhat distracted by the RISP process, which I understand remains very active, so the response may not be immediate. I have previously provided my clients with the court order and have again highlighted the paragraph you note in your email. With respect to the issue with the migrant workers, I am advised that the truth of the matter is as follows. When Richter was appointed, the company met with Richter and explained to them the nature of how the migrant worker system functions. This led to the Monitor approving the engagement of a finite number of migrant workers which the company did with the Monitor's approval and oversight. Last week, 3 of those workers asked to be excused from work so that they could return to Jamaica. The company, with the Monitor's oversight, went through the usual regulatory/immigration process to allow these workers to return to Jamaica. As a result, the company will be short 3 migrant workers. It has made arrangements to replace these workers, as they are required for operations. It has not, however, purchased any plane tickets or otherwise made any final or irreversible commitments and would not do so without the Monitor's approval and oversight. Incidentally, it is worth noting that the total cost to the company of purchasing tickets for these workers to come to Canada is in the aggregate around \$500 per ticket or \$1500 in total. I am assured that no one will be getting on any planes without your client's approval. The company has no money with which to purchase tickets without it. With respect to the alleged mislabeling of product, we are advised by our client that while this has apparently happened, that it was likely an unintentional clerical error,

that it is a minor issue (approximately \$10-15,000 worth of product) and was unintentional. Errors of this type are not uncommon from time to time in a process the size and scope of the Company's. We understand that many customers require different wording on the cans of products the company ships (best before, vs use by, vs just the date, etc.) and as such the product is labelled with the wording at the time of shipping and not at the time of storage. The most likely explanation is that a run of 2015 products was recently processed (which would have included a 2018 best before date) and the printer was not properly reset for the run of 2014 product which followed and the error was not immediately noticed. The company also notes that this error most likely occurred as a result of funding restrictions imposed by the Monitor and Bridging which limited the staffing the company would otherwise ordinarily have had monitoring this issue. However, I am advised that the problem can be solved. The product can simply be re-labeled and re-shipped. It is still salable.

Finally, please we are advised that apparently the Monitor and or Bridging have refused to approve the invoices presented by each of Rol-land Farms and Speedling Inc. for the millions of seedlings which were grown during this process. As we have advised our client, these are clearly post-filing obligations and I am sure you will agree that the Monitor will be personally liable to these companies if these amounts are not paid for services rendered. Further, we remind you that the seedling growers can also make application and or complaint to the Farm Products Marketing Board, which will jeopardize the company's licence. Please ensure that these two greenhouses are paid immediately on Monday. The Monitor has been provided with the specific invoices (which you referred to in your email of May 25) by the company.

Regards,

David

[http://www.blaney.com/webfiles/email/BLM-logo_eSignature_03jc.png]

David T. Ullmann

Partner

dullmann@blaney.com<mailto:dullmann@blaney.com>

[cid:image002.png@01D2DDE8.F9091980] 416-596-4289 | [cid:image003.png@01D2DDE8.F9091980] 416-594-2437 [cid:image007.png@01D2DDE8.F9091980] Blaney.com<<http://www.blaney.com>>

This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

From: Sam P. Rappos <samr@chaitons.com<mailto:samr@chaitons.com>>

Sent: June 3, 2017 12:42 PM

To: David T. Ullmann

Cc: 'Lonergan, Clark'; Forbes, Katherine; Mahmood, Wajahat; 'Ken Rosenstein'; Sam Babe

Subject: Thomas Canning

David,

As you know, Richter Advisory Group was appointed as Monitor of the Company pursuant to the Order of the Court dated May 1, 2017, a copy of which is attached hereto. The role of the Monitor is also detailed in the Accommodation Agreement dated April 29, 2017, a copy of which is attached hereto.

Pursuant to paragraph 9 of the Order, the Monitor has been empowered and authorized to act with respect to the property, assets and undertakings of the Company (the "Property"). Under the Agreement, the Company is required to promptly provide all information requested by the Monitor, provide full access to the books and records of the Company and the Property, and fully cooperate with the Monitor in implementing the Agreement. The Agreement also confirms that the Monitor's powers include taking steps to secure the Property and having oversight of sales, supply, expenditures and other business decisions. The Company is required to obtain prior approval of the Monitor in respect of any business decisions including expenditures.

As detailed in the email dated May 31, 2017, a copy of which is attached, the Monitor recently discovered copies of three cheques from customers in the aggregate amount of CDN\$32,930.67, and a copy of a cheque from a customer in the amount of US\$54,757.77. The Monitor has confirmed that these cheques were not deposited into the Company's blocked account. The Monitor has been repeatedly informed by the Company that it has no other bank accounts. The Monitor asked Mr. Bob Thomas for additional information with respect to these cheques, and his response was that he followed your instructions as the Company's lawyer. Mr. Thomas did not provide any information as to the whereabouts of the cheques or funds to the extent they were deposited.

In accordance with its powers pursuant to the Order and the Agreement, we hereby demand, on behalf of the Monitor, that the Company return the cheques forthwith to the Monitor, in the event they have not been cashed, or return forthwith to the Monitor the amounts of CDN\$32,930.67 and US\$54,757.77 in the event the cheques were cashed.

Also, further to my email to you dated May 25, 2017, a copy of which is attached, the Monitor continues to request information from the Company regarding a listing of all customer payments made via custom house/western union so that receipts and deposits can be traced to the BMO blocked account and the accounts receivable balance can be updated accordingly.

Lastly, the Monitor was approached by an employee of the Company yesterday, June 2, 2017 and the Monitor was informed about the following two troubling items:

o The Company has made arrangements for three migrant workers from Jamaica to arrive on Thursday June 8, 2017. The Company did not consult or seek the approval of the Monitor with respect to this, in violation of the terms of the Agreement. On behalf of the Monitor, we hereby demand that the Company immediately takes steps to cancel these arrangements and provide written confirmation of this cancellation to the Monitor.

o The Company has been intentionally mislabelling certain of its 2014 products so that some of its "aging" inventory can be monetized. The Monitor understands that rules and regulations require that canned products are to have a 3 year after canning best before date, not the 4 year best before date that was placed on identified product (certain canned items were listed as having best before dates of 2018 notwithstanding that the tomatoes were canned in 2014 per Julian Date). The Monitor, with the assistance of the respective employee, has segregated this inventory and pictures were taken. The Monitor is currently compiling a listing of the shipping documents with respect the mislabelled product that has already been shipped to customers . The Monitor understands that the Company is currently subject to a number of outstanding charges by the Canadian Food and Inspection Agency and other regulatory bodies with respect to previous mislabelling issues.

We trust that you will ensure that the foregoing matters are brought to your client's attention and be given the attention and consideration these serious issues deserve and require.

Regards,

Sam

Sam P. Rappos

Lawyer

Direct Tel: 416.218.1137

Direct Fax: 416.218.1837

samr@chaitons.com<mailto:samr@chaitons.com>

5000 Yonge Street, 10th Floor, Toronto, Canada, M2N 7E9

M

This is Exhibit "M" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:24 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning

David T. Ullmann
 Partner

dullmann@blaney.com
 T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam Babe [mailto:sbabe@airdberlis.com]
 Sent: June-08-17 6:56 PM
 To: David T. Ullmann; Sam P. Rappos
 Cc: Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca
 Subject: Re: Thomas Canning

We are quite happy with the AA in it entirety. Among other things it is explicit that any failure of Bridging to exercise rights in the face of a breach does not constitute waiver of any such breach.

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message

From: David T. Ullmann
 Sent: Thursday, June 8, 2017 6:39 PM
 To: Sam Babe; Sam P. Rappos
 Cc: Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca
 Subject: RE: Thomas Canning

Sam,

We deny that any of these constitute termination events, as you know or that the AA is terminated. Certainly the Company, the Monitor, the Obligors and Bridging have at all times been acting in accordance with the AA and relying on it and we do not think you can simply say otherwise at this point because you are unhappy with parts of it. Please don't force me to reproduce the almost daily emails which we have all sent to each other asking for people to comply with their obligations under the AA. You will see that the email from Sam R even today in this email chain said as much, as did I in response.

I don't see what the objection is to the Monitor bringing the motion is in any event, but I am happy to discuss it. I simply cannot consent at this time to a receivership as I previously discussed in my earlier emails.

Let's see if Tim responds before the AM.

David

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam Babe [mailto:sbabe@airdberlis.com]
Sent: June-08-17 6:15 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca
Subject: Re: Thomas Canning

There have been numerous forbearance termination events including the original failures to notify us of the enforcement actions by regulators and the newly discovered diversion of receipts from the blocked accounts - some of which occurred on your watch and all of which your client asserts were blessed by you - and the last of which were in direct breach of the IR Order. The recently discovered mislabelling also qualifies. Given all that, your client is governed by its consent to receivership and covenant not to opposed the same in the AA.

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message

From: David T. Ullmann
Sent: Thursday, June 8, 2017 6:08 PM
To: Sam P. Rappos
Cc: Sam Babe; Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca
Subject: RE: Thomas Canning

That's news to me. I believe Bridging is still subject to the AA at this point in time which runs until June 30th and so they can't bring a receivership application on June 21. Also the AA says that the Monitor will bring the Motion for the sale (section 3.2 d (vii)). As such it is the Monitor's motion, as I said.

For now, in terms of scheduling, let's just make sure everyone who needs to be there is there.

Regards,

David

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam P. Rappos [mailto:samr@chaitons.com]
Sent: June-08-17 5:55 PM
To: David T. Ullmann
Cc: Sam Babe; Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca

Subject: Re: Thomas Canning

It is not the Monitor's motion. My understanding is that Bridging is bringing back its receivership application and asking the Receiver when appointed to complete the sale.

> On Jun 8, 2017, at 5:49 PM, David T. Ullmann <Dullmann@blaney.com> wrote:
 >
 > Sam,
 >
 > I think this is the Monitor's motion, so the scheduling issue rests with them and not you as to who should be on the request form. Sam R asked for Tim's input, which is proper. It is without prejudice for him or you to argue that Bob or Bobco has no standing (which I think he does as a guarantor and a creditor of the company if nothing else in any event). That is quite a different thing from scheduling a motion at a time he can't attend because you think he has no standing.
 >
 > In any event, the commercial list office is closed for the day at this point. You only sent out your request 2 hours ago. No one is being non-responsive. Let's see where we get to overnight with Tim's response. We may be fighting over nothing.
 >
 > I also remind you that my acceptance, once Tim is on board, is conditional on my availability from my other matter and I may seek an adjournment if necessary.
 >
 > Regards,
 >
 > David
 >
 >
 > David T. Ullmann
 > Partner
 >
 > dullmann@blaney.com
 > T: 416-596-4289 | F: 416-594-2437
 >
 Sam P. Rappos
 Lawyer | Chaitons LLP | T: 416.218.1137

-----Original Message-----

> From: Sam Babe [mailto:sbabe@airdberlis.com]
 > Sent: June-08-17 5:33 PM
 > To: David T. Ullmann; 'Sam P. Rappos'; Timothy Dunn
 > Cc: Ken Rosenstein; CLonergan@Richter.ca
 > Subject: Re: Thomas Canning
 >
 > No - but Bob has no standing in the matter in the capacity represented by Tim so if Tim isn't going to be responsive we will not wait. The court's very restricted schedule does not allow us that luxury.
 >
 > Sent from my BlackBerry 10 smartphone on the Bell network.
 > From: David T. Ullmann
 > Sent: Thursday, June 8, 2017 5:27 PM
 > To: Sam Babe; 'Sam P. Rappos'; Timothy Dunn
 > Cc: Ken Rosenstein; CLonergan@Richter.ca
 > Subject: RE: Thomas Canning
 >
 >
 > Sam,

>
> Sorry for the delayed response. My client does not agree to the scheduling of the hearing unless we hear from Tim Dunn that his firm is available to attend. Has he confirmed?

>
> Regards,
>
> David
>
> David T. Ullmann
> Partner
> dullmann@blaney.com<mailto:dullmann@blaney.com>
> [cid:image002.png@01D2E077.10DD3BF0] 416-596-4289 |
> [cid:image006.png@01D2E077.10DD3BF0] 416-594-2437
>
>
> From: Sam Babe [mailto:sbabe@airdberlis.com]
> Sent: June-08-17 3:28 PM
> To: 'Sam P. Rappos'; Timothy Dunn
> Cc: David T. Ullmann; Ken Rosenstein; CLonergan@Richter.ca.
> Subject: RE: Thomas Canning
>
> Thanks. David?
>
> From: Sam P. Rappos [mailto:samr@chaitons.com]
> Sent: June-08-17 2:46 PM
> To: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>; Timothy Dunn <TDunn@mindengross.com<mailto:TDunn@mindengross.com>>
> Cc: David T. Ullmann <Dullmann@blaney.com<mailto:Dullmann@blaney.com>>; Ken Rosenstein <krostein@airdberlis.com<mailto:krostein@airdberlis.com>>; CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>
> Subject: RE: Thomas Canning
>
> Confirmed. Thanks
>
>
> Sam P. Rappos
>
>
> Lawyer
>
>
>
> Chaitons LLP
>
>
> T: 416.218.1137
>
>
>
> From: Sam Babe [mailto:sbabe@airdberlis.com]
> Sent: Thursday, June 08, 2017 2:39 PM
> To: Sam P. Rappos; Timothy Dunn
> Cc: David T. Ullmann; Ken Rosenstein; CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>
> Subject: RE: Thomas Canning
>
> Sam, David,

>
> Attached is our request form for 45 minutes (all that is available) on June 21. Please confirm whether I may sign it on your behalf.
>
> Thanks,
>
> Sam
>
>
>
> Sam Babe, J.D., M.B.A.
>
> T 416.865.7718
> F 416.863.1515
> E sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>
>
> Brookfield Place . 181 Bay Street
> Suite 1800 . Box 754
> Toronto ON . M5J 2T9 . Canada
> www.airdberlis.com<http://www.airdberlis.com/>
>
>
> [http://www.airdberlis.com/emailbanners/EmailSig/New-A&B-(black).jpg]
>
>
>
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> [http://www.airdberlis.com/emailbanners/EmailSig/tree_2.jpg] Please consider the environment before printing this email.
>
>
>
>
> From: Sam P. Rappos [mailto:samr@chaitons.com]
> Sent: June-08-17 12:22 PM
> To: Timothy Dunn <TDunn@mindengross.com<mailto:TDunn@mindengross.com>>
> Cc: David T. Ullmann <DULLmann@blaney.com<mailto:DULLmann@blaney.com>>; Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>; Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>; Clonergan@Richter.ca<mailto:Clonergan@Richter.ca>
> Subject: Re: Thomas Canning
>
> Tim,
>

> I note that confirming timing with you does not waive anyone's potential argument re standing of Mr Thomas as a bitter bidder.

>

> On Jun 8, 2017, at 11:50 AM, Sam P. Rappos
<samr@chaitons.com<mailto:samr@chaitons.com>> wrote:

> Tim,

>

> We need to schedule the approval hearing. The Court has no time whatsoever available during the week of June 26. David is not available on June 22 or 23.

>

> There is Court time on June 21. We need to proceed to book this time before it gets taken. Please confirm ASAP that you or someone from your firm will be available on June 21 on behalf of your client.

>

> Thanks,

> Sam

>

>

>

> Sam P. Rappos

>

>

> Lawyer

>

>

>

>

> Chaitons LLP

>

>

> T: 416.218.1137

>

>

>

>

> Sam P. Rappos

>

>

> Lawyer

>

>

>

>

> Chaitons LLP

>

>

> T: 416.218.1137

>

>

>

> From: David T. Ullmann [mailto:DUllmann@blaney.com]

> Sent: Thursday, June 08, 2017 11:48 AM

> To: Sam P. Rappos

> Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'

> Subject: RE: Thomas Canning

>

> Sam,
 >
 > Please check with Tim first. I am not speaking for him on this.
 >
 > David
 >
 > David T. Ullmann
 > Partner
 > dullmann@blaney.com<mailto:dullmann@blaney.com>
 > <image001.png> 416-596-4289 | <image002.png> 416-594-2437
 >
 > From: Sam P. Rappos [mailto:samr@chaitons.com]
 > Sent: June-08-17 11:45 AM
 > To: David T. Ullmann
 > Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
 KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 >
 > Thank you.
 >
 > Sam Babe, can you please book the Court time for the 21st?
 >
 >
 > Sam P. Rappos
 >
 >
 > Lawyer
 >
 >
 >
 >
 > Chaitons LLP
 >
 >
 > T: 416.218.1137
 >
 >
 >
 > From: David T. Ullmann [mailto:Dullmann@blaney.com]
 > Sent: Thursday, June 08, 2017 11:40 AM
 > To: Sam P. Rappos
 > Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
 KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 >
 > Sam, I have another multi party matter already scheduled on June 21 which I can't
 adjourn, so I can only agree to this conditionally.
 >
 > David
 >
 >
 > David T. Ullmann
 > Partner
 > dullmann@blaney.com<mailto:dullmann@blaney.com>
 > <image001.png> 416-596-4289 | <image002.png> 416-594-2437
 >

> From: Sam P. Rappos [mailto:samr@chaitons.com]
 > Sent: June-08-17 11:29 AM
 > To: David T. Ullmann
 > Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
 KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 > Importance: High
 >
 > David,
 >
 > I spoke to the CL motion scheduler. She said there are only 2 judges sitting during the week of June 26, one of which is Myers who has a trial that week. The other is Pattillo, who is completely overbooked and she has had to turn down judges when they call and ask for Court time that week since they don't have any judge available to hear matters. She said that could change if the trial settles, but they probably wouldn't find out until the 11th hour.
 >
 > Sam Babe has indicated that June 21 is available. Given that you are not available on June 22 or 23, I think we have no choice but to proceed to schedule the hearing for June 21. I ask that you inform Tim Dunn of this please.
 >
 > Regards,
 > Sam
 >
 >
 >
 >
 > Sam P. Rappos
 >
 >
 > Lawyer
 >
 >
 >
 > Chaitons LLP
 >
 >
 > T: 416.218.1137
 >
 >
 >
 > From: David T. Ullmann [mailto:DUllmann@blaney.com]
 > Sent: Thursday, June 08, 2017 10:47 AM
 > To: Sam P. Rappos
 > Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
 KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'; William Thomas
 > Subject: RE: Thomas Canning
 >
 > Thank you Sam for your email. I appreciate its productive tone.
 >
 > The possible conflict was in my mind when I wrote my email to which you refer. However, having reviewed your email and thought about it further, it occurs to me that if a bidder has been definitively chosen and the bidding process is closed and since you will have to disclose the purchase price and key deal terms in the likely contested hearing which will follow, what other elements of the bid are confidential which would prevent us from

fulfilling our role in completing the transaction at this point in time? We will learn the identity of the bidder tomorrow, if not sooner. I expect you will agree that you do not want to have the Monitor giving reps or warranties on the part of the company, preparing schedules of AP and AR, or agreeing to adjustment or net working capital mechanism etc which I assume must be part of this deal. Also, I don't know how you can sign back the offer in the current proceeding without us. The Monitor order contains the power to market but does not include the power to sell. Finally, as you know, the other bidder has independent counsel, notwithstanding that Bob Thomas is one of the principals of that bidder. To the extent necessary, we can have Bob Thomas recuse himself further and ensure that no details are shared with him. Let's discuss.

>
 > With respect to a possible receivership to be appointed at the sale approval hearing, I do not agree that the sole purpose of appointing a monitor was to avoid damage to the value in the RISP. I also note that to the extent the other bidder is successful at the sale approval hearing or if the court rejects the sale process or if there is a refinancing in the interim, it may be necessary for the current court officer arrangement to continue beyond the next hearing in any event. There are also the various outstanding licences which may be damaged by a receivership and must form part of your sale and should be discussed with the purchaser. In the circumstance, I don't think the company will consent to a receivership, but I will seek further instructions.

>
 > I note your comment about the "higher" offer and I would ask you to communicate that to purchaser counsel so that they can seek any clarification they require. I will leave that to them.

>
 > The company will continue to abide by their obligations under the AA, without prejudice to the issues which they may raise in connection with the chosen bidder or the sale process, as it is entitled to do.

>
 > Unfortunately, I am currently not available on June 22 as I expect to be away from the 22nd to the 26th. I am available the balance of the week of June 26th. We do at this time intend to attend that hearing and will make submissions which would likely be limited to the company's view of the impact of the proposed sale on the company's business and its stakeholders, which is something the court will want to hear from us. The process issues and propriety of selecting one bid over the other will presumably be handled by the other bidder's counsel and so I would ask you to check dates with them.

>
 > Regards,
 >
 > David
 >
 > David T. Ullmann
 > Partner
 > dullmann@blaney.com<mailto:dullmann@blaney.com>
 > <image001.png> 416-596-4289 | <image002.png> 416-594-2437

>
 > From: Sam P. Rappos [mailto:samr@chaitons.com]
 > Sent: June-08-17 9:18 AM
 > To: David T. Ullmann
 > Cc: CLonergan@Richter.ca<mailto:CLonergan@Richter.ca>;
 > KForbes@richter.ca<mailto:KForbes@richter.ca>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'

> Subject: Thomas Canning
 > Importance: High

>
 > David,
 >
 > We write in response to your two emails attached hereto.

>

> With respect to closing mechanics, given that one of the principals of the Company is the unsuccessful bidder, we are of the view that it would be difficult, and likely an irreconcilable conflict of interest, for the Company to have any active role in connection with closing the sale transaction with the successful bidder. The Monitor may require the Company's cooperation over the next few weeks as the parties move toward closing the sale. We would appreciate it if your client carries out its agreed to obligations under the Accommodation Agreement.

>

> As a result, it will be necessary to proceed with an alternative course of action to close the sale. There are a number of issues that will need to be dealt with in connection with and following the closing of a sale transaction, including ensuring that employees receive super-priority entitlements for unpaid wages, and obtaining court approval for the distribution of the net sale proceeds, among other things. As a result, and given that the Monitor was appointed to avoid the necessity of informing the Company's creditors and any potential reduction in value if the RISP was carried out in an insolvency proceeding, issues that are no longer relevant, we understand that Bridging will be requesting that Richter to be appointed as Receiver by the Court to complete the sale transaction with the successful bidder.

>

> As you know, we are in the process of negotiating definitive documents with the successful bidder, which are to be completed by June 15. We will let you know as soon as possible regarding your questions re the license and tote leases.

>

> In terms of Court time, we appreciate that there may be opposition from the unsuccessful bidder when approval is sought of the sale transaction with the successful bidder. As noted above, we are still negotiating definitive documentation at this time, as we would not be in a position to seek Court approval of the transaction until the asset purchase agreement is executed or finalized. In our view, it is premature, and not an efficient use of any party's time and resources, to bifurcate the hearing and attempt to bring it before the Court prior to the sale agreement being completed.

>

> We understand that the Court has time available on June 22. We will also be inquiring to see if there is any way we can get before the Court during the week of June 26. Please confirm whether you are available (or any additional counsel that the Company or the unsuccessful bidder may wish to have attend and make submissions).

>

> We also wanted to respond to your comments regarding the offers. Although you had previously informed us to not discuss the offers with you, you mentioned the quantum of the offers in your email. We can confirm that the successful bidder submitted a higher offer than that of the unsuccessful bidder, following numerous discussions being had with counsel to the unsuccessful bidder and counsel being informed of this on Friday afternoon. We also note that the successful bidder has attended at the premises previously, and anticipates attending at the premises tomorrow. The Monitor asks that the Company have employees available to have discussions with the successful bidder and to assist the Monitor in any way requested in connection with the visit.

>

> Regards,

> Sam

>

>

>

>

> Sam P. Rappos

>

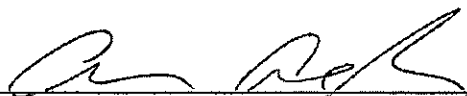
> Lawyer

>

> Direct Tel: 416.218.1137

N

This is Exhibit "N" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: David T. Ullmann
Sent: November-15-17 2:22 PM
To: Alexandra Teodorescu
Subject: FW: Thomas Canning

Follow Up Flag: Follow up
Flag Status: Completed

David T. Ullmann
 Partner
 dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Sam Babe [mailto:sbabe@airdberlis.com]
Sent: June-09-17 4:16 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Ken Rosenstein
Subject: RE: Thomas Canning

Ok. I will submit the request form. I hope the 21st is still available.

I will point out once again that Minden Gross' client does not have standing in the capacity it is represented by Minden Gross and is already represented by you in any capacity in which it does have standing. I will also point out that Mr. Dunn's excuse for not being available (i.e. that he is going to be on vacation the week *prior* to the week of the hearing) was very weak and he has not been prompt in confirming whether he can find someone else to cover for him. We have also made it clear to both you and Mr. Dunn that the 21st is the only date before Outside Date that will work because of the Court's extremely tight scheduling.

This does not constitute the full cooperation required of your clients under 3.2(l) of the Accommodation Agreement.

Sam Babe, J.D., M.B.A.

T 416.865.7718
 F 416.863.1515
 E sbabe@airdberlis.com

Brookfield Place • 181 Bay Street
 Suite 1800 • Box 754
 Toronto ON • M5J 2T9 • Canada
www.airdberlis.com

AIRD & BERLIS LLP
 Barristers and Solicitors

On 06/17/2016 4:05 PM, David T. Ullmann [mailto:DULLmann@blaney.com] wrote:
 I am available on Monday, Tuesday or Wednesday to do so. I have other matters before the court Thursday and Friday next week which make me unavailable those days.



Please consider the environment before printing this email.

From: David T. Ullmann [mailto:DULLmann@blaney.com]
Sent: June-09-17 4:05 PM
To: Sam Babe <sbabe@airdberlis.com>; Sam P. Rappos <samr@chaitons.com>
Cc: Ken Rosenstein <krosenstein@airdberlis.com>
Subject: RE: Thomas Canning

Sam,

We are no longer opposing the description of the matter as being the return of the receivership as you have stylized it in your notice to the court. We are not consenting to the date, however, until it is clear that Minden Gross will be able to attend, for reasons previously discussed. As such, we are instructed not to authorize you to sign the request form on our behalf at this time. To the extent this creates an impasse and necessitates that we attend at a 9:30 to resolve this scheduling issue we will do so. I am available on Monday, Tuesday or Wednesday to do so. I have other matters before the court Thursday and Friday next week which make me unavailable those days.

Regards,

David

David T. Ullmann
 Partner
 dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Sam Babe [mailto:sbabe@airdberlis.com]
Sent: June-09-17 3:49 PM
To: David T. Ullmann; Sam P. Rappos
Cc: Ken Rosenstein
Subject: RE: Thomas Canning

David – do you have instructions on the 21st?

From: David T. Ullmann [mailto:DULLmann@blaney.com]
Sent: June-09-17 10:16 AM
To: Sam P. Rappos <samr@chaitons.com>; Sam Babe <sbabe@airdberlis.com>
Cc: Ken Rosenstein <krosenstein@airdberlis.com>
Subject: RE: Thomas Canning

Great. Send a call in. I am out now until then.

David

David T. Ullmann
 Partner
dullmann@blaney.com
 ☎416-596-4289 | ☎416-594-2437

From: Sam P. Rappos [<mailto:samr@chaitons.com>]
Sent: June-09-17 10:09 AM
To: Sam Babe
Cc: David T. Ullmann; Ken Rosenstein
Subject: Re: Thomas Canning

Sure

On Jun 9, 2017, at 10:07 AM, Sam Babe <sbabe@airdberlis.com> wrote:

Works for me

From: David T. Ullmann [<mailto:DULLmann@blaney.com>]
Sent: June-09-17 10:07 AM
To: Sam Babe <sbabe@airdberlis.com>; 'Sam P. Rappos' <samr@chaitons.com>
Cc: Ken Rosenstein <krosenstein@airdberlis.com>
Subject: RE: Thomas Canning

I am now stuck in meetings between now and Noon. Can we try for Noon?

David

David T. Ullmann
 Partner
dullmann@blaney.com
 416-596-4289 | 416-594-2437

Sam P. Rappos
 Lawyer Chaitons LLP T: 416.218.1137

From: Sam Babe [<mailto:sbabe@airdberlis.com>]
Sent: June-09-17 9:47 AM
To: 'Sam P. Rappos'; David T. Ullmann
Cc: Ken Rosenstein; Lonergan, Clark
Subject: RE: Thomas Canning

Should the 3 of us have a call this am? I am open.

From: Sam P. Rappos [<mailto:samr@chaitons.com>]
Sent: June-09-17 7:21 AM
To: David T. Ullmann <DULLmann@blaney.com>
Cc: Sam Babe <sbabe@airdberlis.com>; Ken Rosenstein <krosenstein@airdberlis.com>; Lonergan, Clark <CLonergan@Richter.ca>
Subject: Re: Thomas Canning

I do not think a June 19 hearing date is practical and the short service would be a disservice to all. In my view, in these circumstances we must proceed with June 21. All parties are represented by firms and there is time for all to make arrangements at their respective firms to ensure their clients are represented at the hearing.

On Jun 9, 2017, at 7:17 AM, David T. Ullmann <DUllmann@blaney.com> wrote:

Sam B,

This is helpful in terms of understanding where you are coming from but I am not sure it is a full answer given what I see as the problems with appointing a receiver as outlined in one of my earlier emails yesterday. I suggest I try to call you this am to see if we are discussing plumbing or anything of substance, if that works for you.

I expect to be in the office around 8:30. Let me know when works for you.

David

Sent via the [BlackBerry Hub for Android](#)

From: sbabe@airdberlis.com
Sent: June 8, 2017 10:33 PM
To: DUllmann@blaney.com; samr@chaitons.com
Cc: krosenstein@airdberlis.com; CLonergan@Richter.ca
Subject: RE: Thomas Canning

David,

I've removed Tim from this because these are not his issues.

To look at it from another perspective (i.e. the one I think we were all viewing from before you took exception to Bridging being the one to bring the motion), there are a number of very good reasons to appoint a receiver including among others:

- the Monitor does not have the power to seek a vesting order - the normal grant of such power was carved out of the order and, in fact, reserved for Bridging or the Debtors;
- the Monitor does not have the power to sell assets and Sam R has already expressed the practical reasons for preferring a sale by receiver;
- the Monitor is explicitly not a 243 receiver in control of current assets and so the employees will not, without a receivership, benefit from their BIA super priority charge for compensation, nor will they have any assistance in filing claims under WEPPA; and
- Monitor does not have the power to seek its own appointment as receiver.

As for timing, the Court offered only the 22nd and the 21st. The 20th was not available and the whole week of the 26th was, in CL office's words, beyond booked with even judges not able to secure time. The RISP puts the 15th as the deadline for the APA but Sam R. tells me he is, with significant effort, aiming for several days earlier to allow for fulsome service of the motion. It is possible the 19th might be available (I have not checked) but that would really cut down the length of notice.

Sam P. Rappos
 Lawyer Chaitons LLP T: 416.218.1137

-----Original Message-----

From: Sam Babe

Sent: Thursday, June 8, 2017 6:56 PM

To: David T. Ullmann <DULLmann@blaney.com>; Sam P. Rappos <samr@chaitons.com>

Cc: Timothy Dunn <TDunn@mindengross.com>; Ken Rosenstein <krosenstein@airdberlis.com>; CLonergan@Richter.ca

Subject: Re: Thomas Canning

We are quite happy with the AA in its entirety. Among other things it is explicit that any failure of Bridging to exercise rights in the face of a breach does not constitute waiver of any such breach.

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message

From: David T. Ullmann

Sent: Thursday, June 8, 2017 6:39 PM

To: Sam Babe; Sam P. Rappos

Cc: Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca

Subject: RE: Thomas Canning

Sam,

We deny that any of these constitute termination events, as you know or that the AA is terminated. Certainly the Company, the Monitor, the Obligors and Bridging have at all times been acting in accordance with the AA and relying on it and we do not think you can simply say otherwise at this point because you are unhappy with parts of it. Please don't force me to reproduce the almost daily emails which we have all sent to each other asking for people to comply with their obligations under the AA. You will see that the email from Sam R even today in this email chain said as much, as did I in response.

I don't see what the objection is to the Monitor bringing the motion in any event, but I am happy to discuss it. I simply cannot consent at this time to a receivership as I previously discussed in my earlier emails.

Let's see if Tim responds before the AM.

David

David T. Ullmann

Partner

dullmann@blaney.com

T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam Babe [<mailto:sbabe@airdberlis.com>]

Sent: June-08-17 6:15 PM

To: David T. Ullmann; Sam P. Rappos

Cc: Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca

Subject: Re: Thomas Canning

There have been numerous forbearance termination events including the original failures to notify us of the enforcement actions by regulators and the newly discovered diversion of receipts from the blocked accounts - some of which occurred on your watch and all of which your client asserts were blessed by you - and the last of which were in direct breach of the IR Order. The recently discovered mislabelling also qualifies. Given all that, your client is governed by its consent to receivership and covenant not to opposed the same in the AA.

Sent from my BlackBerry 10 smartphone on the Bell network.

Original Message

From: David T. Ullmann

Sent: Thursday, June 8, 2017 6:08 PM

To: Sam P. Rappos

Cc: Sam Babe; Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca

Subject: RE: Thomas Canning

That's news to me. I believe Bridging is still subject to the AA at this point in time which runs until June 30th and so they can't bring a receivership application on June 21. Also the AA says that the Monitor will bring the Motion for the sale (section 3.2 d (vii)). As such it is the Monitor's motion, as I said.

For now, in terms of scheduling, let's just make sure everyone who needs to be there is there.

Regards,

David

David T. Ullmann

Partner

dullmann@blaney.com

T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Sam P. Rappos [<mailto:samr@chaitons.com>]

Sent: June-08-17 5:55 PM

To: David T. Ullmann

Cc: Sam Babe; Timothy Dunn; Ken Rosenstein; CLonergan@Richter.ca

Subject: Re: Thomas Canning

It is not the Monitor's motion. My understanding is that Bridging is bringing back its receivership application and asking the Receiver when appointed to complete the sale.

> On Jun 8, 2017, at 5:49 PM, David T. Ullmann <DULLmann@blaney.com> wrote:

>

> Sam,

>

> I think this is the Monitor's motion, so the scheduling issue rests with them and not you as to who should be on the request form. Sam R asked for Tim's input, which is proper. It is without prejudice for him or you to argue that Bob or Bobco has no standing (which I think he does as a guarantor and a creditor of the company if nothing else in any event). That is quite a different thing from scheduling a motion at a time he can't attend because you think he has no standing.

>

> In any event, the commercial list office is closed for the day at this point. You only sent out your request 2 hours ago. No one is being non-responsive. Let's see where we get to overnight with Tim's response. We may be fighting over nothing.

>

> I also remind you that my acceptance, once Tim is on board, is conditional on my availability from my other matter and I may seek an adjournment if necessary.

>

> Regards,

>

> David

>

>

> David T. Ullmann

> Partner

>

> dullmann@blaney.com

> T: 416-596-4289 | F: 416-594-2437

>

Sam P. Rappos

Lawyer | Chaitons LLP | T: 416.218.1137

-----Original Message-----

> From: Sam Babe [<mailto:sbabe@airdberlis.com>]

> Sent: June-08-17 5:33 PM

> To: David T. Ullmann; 'Sam P. Rappos'; Timothy Dunn

> Cc: Ken Rosenstein; CLonergan@Richter.ca

> Subject: Re: Thomas Canning

>

> No - but Bob has no standing in the matter in the capacity represented by Tim so if Tim isn't going to be responsive we will not wait. The court's very restricted schedule does not allow us that luxury.

>

> Sent from my BlackBerry 10 smartphone on the Bell network.

> From: David T. Ullmann

> Sent: Thursday, June 8, 2017 5:27 PM

> To: Sam Babe; 'Sam P. Rappos'; Timothy Dunn

> Cc: Ken Rosenstein; CLonergan@Richter.ca

> Subject: RE: Thomas Canning

>

>

> Sam,

>

> Sorry for the delayed response. My client does not agree to the scheduling of the hearing unless we hear from Tim Dunn that his firm is available to attend. Has he confirmed?

>

> Regards,

>

> David

>

> David T. Ullmann

> Partner

> dullmann@blaney.com <<mailto:dullmann@blaney.com>>

> [[cid:image002.png@01D2E077.10DD3BF0](#)] 416-596-4289 | [[cid:image006.png@01D2E077.10DD3BF0](#)] 416-594-2437

>

>

> From: Sam Babe [<mailto:sbabe@airdberlis.com>]

> Sent: June-08-17 3:28 PM

> To: 'Sam P. Rappos'; Timothy Dunn

> Cc: David T. Ullmann; Ken Rosenstein; CLonergan@Richter.ca

> Subject: RE: Thomas Canning

>

> Thanks. David?

>

> From: Sam P. Rappos [<mailto:samr@chaitons.com>]

> Sent: June-08-17 2:46 PM

> To: Sam Babe <sbabe@airdberlis.com> <<mailto:sbabe@airdberlis.com>>; Timothy Dunn <TDunn@mindengross.com> <<mailto:TDunn@mindengross.com>>>

> Cc: David T. Ullmann <DULLmann@blaney.com> <<mailto:DULLmann@blaney.com>>; Ken Rosenstein <krosenstein@airdberlis.com> <<mailto:krosenstein@airdberlis.com>>>;

> CLonergan@Richter.ca <<mailto:CLonergan@Richter.ca>>

> Subject: RE: Thomas Canning

>

> Confirmed. Thanks

>

>
 > Sam P. Rappos
 >
 >
 > Lawyer
 >
 >
 >
 >
 > Chaitons LLP
 >
 >
 > T: 416.218.1137
 >
 >
 >
 > From: Sam Babe [<mailto:sbabe@airdberlis.com>]
 > Sent: Thursday, June 08, 2017 2:39 PM
 > To: Sam P. Rappos; Timothy Dunn
 > Cc: David T. Ullmann; Ken Rosenstein; CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>
 > Subject: RE: Thomas Canning
 >
 > Sam, David,
 >
 > Attached is our request form for 45 minutes (all that is available) on June 21. Please confirm whether I may sign it on your behalf.
 >
 > Thanks,
 >
 > Sam
 >
 >
 >
 > Sam Babe, J.D., M.B.A.
 >
 > T 416.865.7718
 > F 416.863.1515
 > E sbabe@airdberlis.com<<mailto:sbabe@airdberlis.com>>
 >
 > Brookfield Place . 181 Bay Street
 > Suite 1800 . Box 754
 > Toronto ON . M5J 2T9 . Canada
 > www.airdberlis.com<<http://www.airdberlis.com>>
 >
 >
 > [[http://www.airdberlis.com/emailbanners/EmailSig/New-A&B-\(black\).jpg](http://www.airdberlis.com/emailbanners/EmailSig/New-A&B-(black).jpg)]
 >
 >
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 > [http://www.airdberlis.com/emailbanners/EmailSig/tree_2.jpg]Please consider the environment before printing

this email.

>
>
>
>
>
> From: Sam P. Rappos [<mailto:samr@chaitons.com>]
> Sent: June-08-17 12:22 PM
> To: Timothy Dunn <TDunn@mindengross.com<<mailto:TDunn@mindengross.com>>>
> Cc: David T. Ullmann <DULLmann@blaney.com<<mailto:DULLmann@blaney.com>>>; Ken Rosenstein
> <krosenstein@airdberlis.com<<mailto:krosenstein@airdberlis.com>>>; Sam Babe
> <sbabe@airdberlis.com<<mailto:sbabe@airdberlis.com>>>; CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>
> Subject: Re: Thomas Canning
>
> Tim,
>
> I note that confirming timing with you does not waive anyone's potential argument re standing of Mr Thomas as a
bitter bidder.
>
> On Jun 8, 2017, at 11:50 AM, Sam P. Rappos <samr@chaitons.com<<mailto:samr@chaitons.com>>> wrote:
> Tim,
>
> We need to schedule the approval hearing. The Court has no time whatsoever available during the week of June
26. David is not available on June 22 or 23.
>
> There is Court time on June 21. We need to proceed to book this time before it gets taken. Please confirm ASAP
that you or someone from your firm will be available on June 21 on behalf of your client.
>
> Thanks,
> Sam
>
>
>
> Sam P. Rappos
>
>
> Lawyer
>
>
>
> Chaitons LLP
>
>
> T: 416.218.1137
>
>
>
>
> Sam P. Rappos
>
>
> Lawyer
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>
> Chaitons LLP
>
>
> T: 416.218.1137
>

>
 >
 > From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
 > Sent: Thursday, June 08, 2017 11:48 AM
 > To: Sam P. Rappos
 > Cc: CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca<<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 >
 > Sam,
 >
 > Please check with Tim first. I am not speaking for him on this.
 >
 > David
 >
 > David T. Ullmann
 > Partner
 > dullmann@blaney.com<<mailto:dullmann@blaney.com>>
 > 416-596-4289 | 416-594-2437
 >
 > From: Sam P. Rappos [<mailto:samr@chaitons.com>]
 > Sent: June-08-17 11:45 AM
 > To: David T. Ullmann
 > Cc: CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca<<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 >
 > Thank you.
 >
 > Sam Babe, can you please book the Court time for the 21st?
 >
 >
 > Sam P. Rappos
 >
 >
 > Lawyer
 >
 >
 >
 >
 > Chaitons LLP
 >
 >
 > T: 416.218.1137
 >
 >
 >
 > From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
 > Sent: Thursday, June 08, 2017 11:40 AM
 > To: Sam P. Rappos
 > Cc: CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca<<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 >
 > Sam, I have another multi party matter already scheduled on June 21 which I can't adjourn, so I can only agree to this conditionally.
 >
 > David
 >
 >
 > David T. Ullmann

> Partner
 > dullmann@blaney.com<<mailto:dullmann@blaney.com>>
 > 416-596-4289 | 416-594-2437
 >
 > From: Sam P. Rappos [<mailto:samr@chaitons.com>]
 > Sent: June-08-17 11:29 AM
 > To: David T. Ullmann
 > Cc: CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca<<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'
 > Subject: RE: Thomas Canning
 > Importance: High
 >
 > David,
 >
 > I spoke to the CL motion scheduler. She said there are only 2 judges sitting during the week of June 26, one of which is Myers who has a trial that week. The other is Pattillo, who is completely overbooked and she has had to turn down judges when they call and ask for Court time that week since they don't have any judge available to hear matters. She said that could change if the trial settles, but they probably wouldn't find out until the 11th hour.
 >
 > Sam Babe has indicated that June 21 is available. Given that you are not available on June 22 or 23, I think we have no choice but to proceed to schedule the hearing for June 21. I ask that you inform Tim Dunn of this please.
 >
 > Regards,
 > Sam
 >
 >
 >
 >
 > Sam P. Rappos
 >
 >
 > Lawyer
 >
 >
 >
 >
 > Chaitons LLP
 >
 >
 > T: 416.218.1137
 >
 >
 >
 > From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
 > Sent: Thursday, June 08, 2017 10:47 AM
 > To: Sam P. Rappos
 > Cc: CLonergan@Richter.ca<<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca<<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'; William Thomas
 > Subject: RE: Thomas Canning
 >
 > Thank you Sam for your email. I appreciate its productive tone.
 >
 > The possible conflict was in my mind when I wrote my email to which you refer. However, having reviewed your email and thought about it further, it occurs to me that if a bidder has been definitively chosen and the bidding process is closed and since you will have to disclose the purchase price and key deal terms in the likely contested hearing which will follow, what other elements of the bid are confidential which would prevent us from fulfilling our role in completing the transaction at this point in time? We will learn the identity of the bidder tomorrow, if not sooner. I expect you will agree that you do not want to have the Monitor giving reps or warranties on the part of the company, preparing schedules of AP and AR, or agreeing to adjustment or net working capital mechanism etc which I assume must be part of this deal. Also, I don't know how you can sign back the offer in the current proceeding without us. The Monitor order contains the power to market but does not include the power to sell.

Finally, as you know, the other bidder has independent counsel, notwithstanding that Bob Thomas is one of the principals of that bidder. To the extent necessary, we can have Bob Thomas recuse himself further and ensure that no details are shared with him. Let's discuss.

>

> With respect to a possible receivership to be appointed at the sale approval hearing, I do not agree that the sole purpose of appointing a monitor was to avoid damage to the value in the RISP. I also note that to the extent the other bidder is successful at the sale approval hearing or if the court rejects the sale process or if there is a refinancing in the interim, it may be necessary for the current court officer arrangement to continue beyond the next hearing in any event. There are also the various outstanding licences which may be damaged by a receivership and must form part of your sale and should be discussed with the purchaser. In the circumstance, I don't think the company will consent to a receivership, but I will seek further instructions.

>

> I note your comment about the "higher" offer and I would ask you to communicate that to purchaser counsel so that they can seek any clarification they require. I will leave that to them.

>

> The company will continue to abide by their obligations under the AA, without prejudice to the issues which they may raise in connection with the chosen bidder or the sale process, as it is entitled to do.

>

> Unfortunately, I am currently not available on June 22 as I expect to be away from the 22nd to the 26th. I am available the balance of the week of June 26th. We do at this time intend to attend that hearing and will make submissions which would likely be limited to the company's view of the impact of the proposed sale on the company's business and its stakeholders, which is something the court will want to hear from us. The process issues and propriety of selecting one bid over the other will presumably be handled by the other bidder's counsel and so I would ask you to check dates with them.

>

> Regards,

>

> David

>

> David T. Ullmann

> Partner

> dullmann@blaney.com <<mailto:dullmann@blaney.com>>

> 416-596-4289 | 416-594-2437

>

> From: Sam P. Rappos [<mailto:samr@chaitons.com>]

> Sent: June-08-17 9:18 AM

> To: David T. Ullmann

> Cc: CLonergan@Richter.ca <<mailto:CLonergan@Richter.ca>>; KForbes@richter.ca <<mailto:KForbes@richter.ca>>; Mahmood, Wajahat; Ken Rosenstein; 'Sam Babe'

> Subject: Thomas Canning

> Importance: High

>

> David,

>

> We write in response to your two emails attached hereto.

>

> With respect to closing mechanics, given that one of the principals of the Company is the unsuccessful bidder, we are of the view that it would be difficult, and likely an irreconcilable conflict of interest, for the Company to have any active role in connection with closing the sale transaction with the successful bidder. The Monitor may require the Company's cooperation over the next few weeks as the parties move toward closing the sale. We would appreciate it if your client carries out its agreed to obligations under the Accommodation Agreement.

>

> As a result, it will be necessary to proceed with an alternative course of action to close the sale. There are a number of issues that will need to be dealt with in connection with and following the closing of a sale transaction, including ensuring that employees receive super-priority entitlements for unpaid wages, and obtaining court approval for the distribution of the net sale proceeds, among other things. As a result, and given that the Monitor was appointed to avoid the necessity of informing the Company's creditors and any potential reduction in value if the RISP was carried out in an insolvency proceeding, issues that are no longer relevant, we understand that Bridging will be requesting that Richter to be appointed as Receiver by the Court to complete the sale transaction with the successful bidder.

>

> As you know, we are in the process of negotiating definitive documents with the successful bidder, which are to be completed by June 15. We will let you know as soon as possible regarding your questions re the license and tote leases.

>

> In terms of Court time, we appreciate that there may be opposition from the unsuccessful bidder when approval is sought of the sale transaction with the successful bidder. As noted above, we are still negotiating definitive documentation at this time, as we would not be in a position to seek Court approval of the transaction until the asset purchase agreement is executed or finalized. In our view, it is premature, and not an efficient use of any party's time and resources, to bifurcate the hearing and attempt to bring it before the Court prior to the sale agreement being completed.

>

> We understand that the Court has time available on June 22. We will also be inquiring to see if there is any way we can get before the Court during the week of June 26. Please confirm whether you are available (or any additional counsel that the Company or the unsuccessful bidder may wish to have attend and make submissions).

>

> We also wanted to respond to your comments regarding the offers. Although you had previously informed us to not discuss the offers with you, you mentioned the quantum of the offers in your email. We can confirm that the successful bidder submitted a higher offer than that of the unsuccessful bidder, following numerous discussions being had with counsel to the unsuccessful bidder and counsel being informed of this on Friday afternoon. We also note that the successful bidder has attended at the premises previously, and anticipates attending at the premises tomorrow. The Monitor asks that the Company have employees available to have discussions with the successful bidder and to assist the Monitor in any way requested in connection with the visit.

>

> Regards,

> Sam

>

>

>

>

>

> Sam P. Rappos

>

> Lawyer

>

> Direct Tel: 416.218.1137

>

> Direct Fax: 416.218.1837

>

> samr@chaitons.com<<mailto:samr@chaitons.com>>

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>

> 5000 Yonge Street, 10th Floor, Toronto, Canada, M2N 7E9

>

> www.chaitons.com<<http://www.chaitons.com>>

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>

>

>

O

This is Exhibit "O" referred to in the Affidavit of William Thomas
sworn the 17th of November, 2017.



Commissioner for Taking Affidavits (or as may be)

Ariyana Botejue

From: Ken Rosenstein <krosenstein@airdberlis.com>
Sent: June-14-17 2:24 PM
To: David T. Ullmann
Cc: williamt@thomascanning.net; TDunn@mindengross.com; Sam Babe
Subject: RE: Without Prejudice Settlement Offer

As stated there has clearly been several Forbearance Termination Events in respect of which you have been notified of on several occasions and furthermore all of your fees since the negotiation of the forbearance agreement are entirely in connection with your efforts to delay, hinder, frustrate, and oppose the entire process which is evidenced by all of your own emails and actions. I don't intend to respond any further on this since you once again are only running up unnecessary costs as you have done all along to the detriment of all stakeholders.

From: David T. Ullmann [mailto:DUllmann@blaney.com]
Sent: June-14-17 2:11 PM
To: Ken Rosenstein <krosenstein@airdberlis.com>
Cc: williamt@thomascanning.net; TDunn@mindengross.com
Subject: RE: Without Prejudice Settlement Offer

Ken,

Further to our short call just now, and not wanting to get off track, but I want to be crystal clear that under the AA the fees of Blaney in assisting the company during the forbearance period are not capped at \$20000. Section 5.1 of the AA (reproduced below) sets out that the fees connected with the preparation of the Accommodation Agreement are capped at \$20,000 and then goes on to say that your client will pay the go forward fees, provided they are reasonable and not incurred in opposition to a motion brought by you. We negotiated that paragraph carefully and there was no suggestion that our total fees in this matter were capped at \$20,000. We will hold your client to that bargain whether there is a settlement here or not. I have all the drafts of the agreement, are previous conversations and the final version of the agreement that track the insertion of this change and the agreements leading up to it. The wording inserted from the word "and" below serves no purpose if the \$20,000 cap were to apply to it. You can argue the reasonableness and rely on the carve out (which was added as a final change by your firm) if you wish, but not the cap. That was the agreement we struck. I also remind you we consented to not include this as a charge and to hold off until billing until the end of the matter to assist with cash flow in good faith reliance on promises made by you and your client.

David

5.1 Loan Availability

Subject to a Forbearance Termination Event, the Lender shall continue to provide advances under the Credit Agreement (but without further reference to any borrowing base calculation which would, but for this Accommodation Agreement, impact such advances) during the Forbearance Period in order to fund the "critical payments" requested by the Obligors and recommended and approved by the Monitor. For greater certainty, the Lender shall not be obligated to fund full normal course operations during the Forbearance Period, but rather only amounts which are necessary to allow the Borrower to continue to operate the Business for the duration of the Forbearance Period. The Lender will, in accordance with and upon the Monitor's

review and recommendation, fund the payment of the reasonable fees and disbursements of the Borrower's counsel, Blaney McMurtry LLP, incurred in connection with this Accommodation Agreement or the Monitor Order, up to a maximum amount of \$20,000, and the reasonable fees and disbursements incurred by said counsel during the Forbearance Period also in accordance with the Monitor's review and recommendation but excepting any fees and disbursements relating to work done in opposition to motions brought by the Monitor or the Agent in connection with the RISP or any transaction resulting from the RISP.

David

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: June-14-17 1:52 PM
To: David T. Ullmann
Cc: williamt@thomascanning.net; TDunn@mindengross.com
Subject: RE: Without Prejudice Settlement Offer

Then what are your instructions and what is your offer?!

Tim same question to you.

-----Original Message-----

From: David T. Ullmann [<mailto:DUllmann@blaney.com>]
Sent: June-14-17 1:49 PM
To: Ken Rosenstein <krosenstein@airdberlis.com>
Cc: williamt@thomascanning.net; TDunn@mindengross.com
Subject: RE: Without Prejudice Settlement Offer

Ken,

I am not instructed to propose paying Bridging out in full. If there would be such an offer, it would come from Tim and not from me. My instructions are in my emails to you. Sorry for distracting you with this. I can see now that was not a helpful point to raise in my email this morning.

Regards,

David

David T. Ullmann
Partner

dullmann@blaney.com
T: 416-596-4289 | F: 416-594-2437

-----Original Message-----

From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
Sent: June-14-17 1:46 PM
To: David T. Ullmann
Cc: williamt@thomascanning.net; TDunn@mindengross.com
Subject: RE: Without Prejudice Settlement Offer

David, are you or are you not proposing/offering to payout bridging in full, simple question, yes or no, if yes show us the money.

Sent from my Android phone using Symantec TouchDown (www.symantec.com)

-----Original Message-----

From: David T. Ullmann [Dullmann@blaney.com]
 Received: Wednesday, 14 Jun 2017, 12:07PM
 To: Ken Rosenstein [krosenstein@airdberlis.com]
 CC: Sam Babe [sbabe@airdberlis.com]; Timothy Dunn [TDunn@mindengross.com]; William Thomas [williamt@thomascanning.net]
 Subject: RE: Without Prejudice Settlement Offer

Ken,

There are two tracks to my email. Sorry if it is confusing.

It was my understanding (and I am not part of these negotiations directly so advance apologies if I am off base) that there had been an offer to discuss paying out Bridging in full or nearly in full and that that discussion had not gone anywhere. I was not referring to that in advising that there are expected to be funds on hand. I mentioned the funds because it was my understanding that there was some doubt that Bobco had the financial ability to close its offer and this impacted the selection of offers. Again, this is only relevant if there is to be a fight at the sale hearing. If we have an arrangement, this point is moot.

We do not accept our clients are in breach of the AA, as you know and will litigate that point as necessary if that is where this matter ends. That is not meant to be the focus of this exchange, however, other than, to the extent it is your position that it is in breach and we are looking to effectively reinstate that deal as part of the resolution, that you or your client may want to characterize that as a give from your side. We don't see it that way, but let's discuss.

The balance of my email explains why we want to discuss a settlement, which includes supporting the other offer and we are looking for your response to that. I am available, with a little notice, to discuss on the phone if you think that would be more efficient than emails back and forth.

Regards,

David

David T. Ullmann
 Partner
dullmann@blaney.com<<mailto:dullmann@blaney.com>>
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From: Ken Rosenstein [<mailto:krosenstein@airdberlis.com>]
 Sent: June-14-17 11:50 AM
 To: David T. Ullmann
 Cc: Sam Babe; Timothy Dunn; William Thomas
 Subject: RE: Without Prejudice Settlement Offer

David, I'm not sure I'm following. Are you threatening to pay out all the Bridging debt (which you know that as a result of all of your actions and non-responsiveness to the Monitors queries continues to mount)? Do you have all the money for a payout in full, and, if so, why not just propose to payout Bridging immediately? If not, what would be the purpose of advising the court that you have the money, if your preferred option is to

support the existing deal and work with the purchaser? We remind you that your client is in breach of the AA.

From: David T. Ullmann [mailto:DUllmann@blaney.com]
 Sent: June-14-17 10:24 AM
 To: Ken Rosenstein <krosenstein@airdberlis.com<mailto:krosenstein@airdberlis.com>>
 Cc: Sam Babe <sbabe@airdberlis.com<mailto:sbabe@airdberlis.com>>; Timothy Dunn
 <TDunn@mindengross.com<mailto:TDunn@mindengross.com>>; William Thomas
 <williamt@thomascanning.net<mailto:williamt@thomascanning.net>>
 Subject: Without Prejudice Settlement Offer
 Importance: High

Without Prejudice

Ken,

Tim and I tried to reach you and Sam this morning just now but since we did not, I am sending you this email instead.

We have instructions to proceed with a 9:30 on Friday, which Sam Babe already indicated you would be available for, to continue with the discussion of the issues related to our concerns about the return date for the motion and the propriety of appointing a receiver, etc.

Also, please be advised that I am advised by Bobco that they will have in excess of \$22Million in trust prior to the hearing and will present that fact, among others, at the sale hearing.

However, before we go too much further down that path, I wanted to discuss with you that there is some possible light at the end of the tunnel. Apparently our clients, having met the purchaser last week and spoken with him a bit this week, are interested in working with the purchaser, and the purchaser is interested in working with them. Also, I am advised that Bobco has come to recognize that when they win this fight, there may not be very much left of the company which they would really want to own. In this regard, the Company has authorized us to propose this settlement to you and Tim has similar instructions on the part of Bobco and has authorized this communication.

Our client and Bobco will withdraw any objection to the approval of the sale to Golden Mile and the appointment of the receiver on the 21st, and Bobco will withdraw their offer (and see their deposit returned) prior to the hearing. The company will draft an affidavit in support of the proposed transaction, if you require it, or just make supportive submissions at the hearing (which I may send an associate to do as I am unavailable). One caveat to this. The Company is obliged to make submission with respect to the company's concern that the transition to a receivership will not result in post filing goods and services which benefitted the company and kept the lights should going unpaid (including post filing amounts advanced by Bob Thomas personally at the Monitor's request, provided they can be proven to be genuine personal advances and not advances with the so called "diverted" fund). This is of great concern to the Thomas's.

Beyond that, our clients asks are as follows .

They want confirmation that, as per the AA that the releases in section 7 of the AA will be granted. They also want confirmation that as long as these supposed diverted funds of which the Monitor has asked (and any other found hereafter) can be shown to have not gone to anyone other than the company or for the company's benefit (which I am assured is the case as I told you when we negotiated the AA), there will be no further allegations or actions taken against the Obligor in respect of same (again in keeping with section 7 of the AA). There is no money to return as far as I know as it has all been spent on the business, but if there is any, it will be returned. Outstanding legal fees which were to be paid in respect of my firm will be paid, to the extent they are reasonable and fit within the restrictions in section 5.1 of the AA. The Thomas's want to have no further role after June 21 and our role would end then as well.

Up to this point, I hope you can see that all that is being asked for is for the AA to be performed along the lines previously negotiated. Beyond affirming the AA, our client requires the following in consideration of the settlement:

- 1) The purchaser will assume the Totes leases (which they likely are doing anyway but we have not seen the APA) and Bridging will agree to indemnify the Thomas's for those obligations if the purchaser defaults. As you know, the Thomas's have a personal guarantee there.
- 2) Bridging will pay \$15,000 to Bob Thomas to reimburse his personal costs in retaining MG and preparing his offer
- 3) There will be a one-time payment to Bob and Bill in the amount of \$35,000 each for their unpaid salary for 2017
Also the Thomas's will ask the Purchaser to:
- 4) Assume the debts owing to the Thomas's, which will rank behind any remaining debt to Bridging assumed by the purchaser and fully postponed, subject to section 5 below.
- 5) Reach an agreement with the Thomas's for providing transition services or any other services the Purchaser requires and they agree to on terms between them which will be paid, at least in part, as a repayment of the debt assumed in 4, which provides the Thomas's favourable tax treatment for the work to be done.

This is a very easy settlement to conclude and it has very low cost to Bridging and mostly involves affirming the existing arrangements already in place (albeit bruised by the process we have gone through). Given that the outcome of the sale process is massively beyond anyone's expectation, I think this is all very reasonable. If you are concerned, I will seek clarification from my client, but I don't believe the proposed settlement vis a vis Bridging is conditional upon items 4 and 5 above, as those are really between the purchaser and the Thomas's.

Tim is out of the office today but likely available with a little notice for a call to discuss.

This settlement offer is strictly without prejudice and may be revoked at any time.

Regards,

David

[cid:image009.png@01D2E506.B8E956B0]

David T. Ullmann

Partner

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Commercial List Court File No. CV-17-11773-00CL

**BRIDGING FINANCE INC., AS AGENT
FOR SPROTT BRIDGING INCOME FUND L.P.**
Applicant

**THOMAS CANNING (MAIDSTONE) LIMITED
and 692194 ONTARIO LIMITED**
Respondents

	<p style="text-align: center;">ONTARIO SUPERIOR COURT OF JUSTICE</p> <p style="text-align: center;">COMMERCIAL LIST</p> <p style="text-align: center;">Proceeding commenced at Toronto</p> <hr/> <p style="text-align: center;">REPLY MOTION RECORD OF THE MOVING PARTY, WILLIAM THOMAS</p> <p style="text-align: center;">(Returnable November 28, 2017)</p> <hr/> <p>BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto ON M5C 3G5</p> <p>David T. Ullmann (LSUC #42357I) Tel: (416) 596-4289 Fax: (416) 594-2437 Email: dullmann@blaney.com</p> <p>Alexandra Teodorescu (LSUC # 63889D) Tel: (416) 596-4279 Tel: (416) 596-4279 Email: ateodorescu@blaney.com</p> <p><i>Lawyers for the Moving Party, William Thomas</i></p>
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