



Court File No. CV-23-00710413-00CL

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

THE HONOURABLE) FRIDAY, THE 1st
)
JUSTICE STEELE) DAY OF NOVEMBER, 2024
)

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY 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

B E T W E E N

MBL ADMINISTRATIVE AGENT II LLC, as agent for POST ROAD
SPECIALTY LENDING FUND II LP (f/k/a MAN BRIDGE LANE
SPECIALTY LENDING FUND II (US) LP), and POST ROAD SPECIALTY
LENDING FUND (UMINN) LP (f/k/a MAN BRIDGE LANE SPECIALTY
LENDING FUND (UMINN) LP)

Applicant

v.

TRADE X GROUP OF COMPANIES INC., 12771888 CANADA INC., TVAS INC.,
TRADEXPRESS AUTO CANADA INC., TRADE X FUND GP INC., TRADE X LP FUND I,
TRADE X CONTINENTAL INC., TX CAPITAL CORP., TECHLANTIC LTD. AND TX OPS
CANADA CORPORATION

Respondents

INTERIM DISTRIBUTION ORDER

THIS MOTION made by FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”), without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc., 12771888 Canada Inc., TVAS Inc., Tradexpress Auto Canada Inc., Trade X Fund GP Inc., Trade X LP Fund I, Trade X Continental Inc., TX Capital Corp., Techlantic Ltd. and TX Ops Canada Corporation (collectively, the “**Debtors**”) for an order (this “**Order**”), *inter alia*, approving an interim distribution to the Agent (as defined below), was heard this day by videoconference via Zoom in Toronto, Ontario;

ON READING the Notice of Motion of the Receiver dated October 22, 2024, the Seventh Report of the Receiver dated October 22, 2024 (the “**Seventh Report**”), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present and wished to be heard, and on reading the affidavit of service, filed;

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that, unless otherwise stated herein, capitalized terms used herein but not otherwise defined herein, have the meaning given to such terms in the Seventh Report.

INTERIM DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is hereby authorized, for and on behalf of the Debtors, to make an interim distribution of \$1,500,000 from the Debtors’ funds being held by the Receiver on behalf of the Debtors (the “**Interim Distribution**”) to MBL Administrative Agent II LLC, as agent (in such capacity, the “**Agent**”) for Post Road Specialty Lending Fund II LP (f/k/a Man Bridge Lane Specialty Lending Fund II (US) LP) and Post Road Specialty Lending Fund (UMINN) LP(f/k/a Man Bridge Lane Specialty Lending Fund (UMINN) LP).
4. **THIS COURT ORDERS** that the Interim Distribution shall be a payment to the Agent in respect of the Debtors’ obligations under the Credit Agreements, for application by the Agent in accordance with the provisions of the Credit Agreement and applicable law.
5. **THIS COURT ORDERS** that the Receiver shall be entitled to deduct and withhold from the Interim Distribution such amounts as may be required to be deducted or withheld under any applicable law, and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to

such person as the remainder of the Interim Distribution in respect of which such withholding or deduction was made.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to take all reasonably necessary steps and actions to effect the Interim Distribution in accordance with the provisions of this Order and shall not incur any liability as a result of making the Interim Distribution.

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

- (a) the pendency of these proceedings or the termination of these proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) or other applicable legislation in respect of the Debtors and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtors; and
- (d) any provisions of any federal or provincial legislation,

the Interim Distribution shall be made free and clear of any and all security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and the Interim Distribution shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Debtors and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS** that the Interim Distribution shall not constitute a “distribution” by the Receiver (or any director, officer, employee, agent or other representative of the Receiver), and the Receiver shall not constitute a “legal representative”, “representative” or a “responsible representative” of the Debtors or “other person” for purposes of Section 159 of the *Income Tax*

Act (Canada), Section 117 of the *Taxation Act*, 2007 (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial, state or territorial tax legislation (collectively, the “**Statutes**”), and the Receiver in causing or assisting the Debtors to make the Interim Distribution in accordance with this Order is not “distributing”, nor shall it be considered to have “distributed”, such funds for the purposes of the Statutes, and the Receiver shall not incur any liability under the Statutes for causing or assisting the Debtors in making the Interim Distribution in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Receiver shall not have any liability for any of the Debtors’ tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Receiver under or pursuant to the Statutes or otherwise at law arising as a result of the Interim Distribution contemplated in this Order, and any claims of such nature are hereby forever barred.

GENERAL

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions with respect to any matters arising from or under this Order.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Jana
Steele

Digitally signed
by Jana Steele
Date: 2024.11.01
15:43:14 -04'00'

Applicant Respondents

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

Proceeding commenced at Toronto

ORDER

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