

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF Section 101 of the Court of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C., c. B-3,  
as amended*

BETWEEN:

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**MOTION RECORD**

**December 4, 2023**

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**TO: THIS HONOURABLE COURT**

**TO: SERVICE LIST**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF Section 101 of the Court of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C., c. B-3,  
as amended*

BETWEEN:

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**I N D E X**

<b>Tab</b>	<b>Document</b>
<b>1.</b>	<b>Notice of Motion dated December 4, 2023</b>
<b>2.</b>	<b>First Report of the Receiver, BDO Canada Limited dated December 4, 2023</b>
A.	<b>Appendix “A”</b> – Receivership Order dated November 16, 2023
B.	<b>Appendix “B”</b> – LinkedIn Profile of Tara Witt
C.	<b>Appendix “C”</b> – Company Structure Chart
D.	<b>Appendix “D”</b> – Miller Thomson Email Chain
E.	<b>Appendix “E”</b> – Brendan Bissell Email of November 17, 2023
F.	<b>Appendix “F”</b> – Receiver’s Pre-Filing Report & Supplemental Report
G.	<b>Appendix “G”</b> – 2516216 Ontario Ltd. – Garnishment Order & Order of Justice Roberts

Tab	Document
H.	<b>Appendix “H”</b> – Receiver’s Borrowing Certificate #1
I.	<b>Appendix “I”</b> – Email Chain dated November 24, 2023 – Confirming Offer Extension Date
J.	<b>Appendix “J”</b> – Tara Witt Email of November 27, 2023
K.	<b>Appendix “K”</b> – Balance Sheet of ADWebKey
L.	<b>Appendix “L”</b> – GrackleDocs Agreement of Purchase and Sale - Redacted
M.	<b>Appendix “M”</b> – Interim Operating Agreement
<b>3.</b>	<b>Draft Order</b>

# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF Section 101 of the Court of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C., c. B-3,  
as amended*

B E T W E E N:

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**NOTICE OF MOTION**

BDO Canada Limited ("**BDO**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Abledocs Inc. ("**Abledocs**") and Abledocs International Limited ("**Abledocs International**") and together with AbleDocs, the "**Debtors**") will make a motion to a judge presiding over the Ontario Superior Court of Justice on December 5, 2023 at 10:00 a.m., or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- In writing under subrule 37.12.1(1) because it is *(insert one of on consent, unopposed or made without notice)*;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;



- [ ] By telephone conference;  
[X] By video conference.

at the following Zoom details:

- To Be Provided

**THE MOTION IS FOR:**

1. An Order substantially in the form contained at Tab 3 herein for the following relief:
  - (a) if necessary, the abridgement of the time for service of the Notice of Motion and Motion Record herein and dispensing of service thereof so that the motion is properly returnable;
  - (b) the approval of the sale transaction contemplated by an accepted offer between the Receiver and Grackledocs Inc. (the "**Purchaser**") made as of December 4, 2023 (the "**APS**"), in respect of the sale of the Purchased Assets (as defined in the APS) (the "**Transaction**"); and
  - (c) vesting in the Purchaser, Abledocs's right, title and interest in and to the Purchased Assets;
  - (d) the approval of the Receiver's activities described in the First Report of the Receiver dated December 4, 2023 (the "**First Report**");
  - (e) sealing the Confidential Supplement to the Receiver's First Report (the "**Confidential Supplement**") until the closing of the Transaction, or further order of this Court;

- (f) compelling Adam Spencer (“**Spencer**”), the President and sole director of Abledocs, to transfer all funds to the Receiver that are being deposited into an RBC bank account held in North Carolina in the name of Abledocs (USA) LLC, account number 000503352558 (the “**RBC North Carolina Account**”), where Abledocs’ customer accounts receivable are currently being deposited; and
- (g) such further and other relief as required in the circumstances and this Honorable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

**The Receivership Order**

- 2. Pursuant to the terms of the Order of Justice Sheard dated November 16, 2023 (the “**Receivership Order**”), BDO was appointed as Receiver over the assets, undertakings and properties of the Debtors (the “**Property**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act* (“**BIA**”) and section 101 of the *Courts of Justice Act* (“**CJA**”).

**Background: The Debtors**

- 3. Abledocs is a Federally registered technology company that specializes in providing digital accessibility services to its customers and has its registered head office at 27 Coventry Road, Oakville, Ontario. Abledocs predominantly operates virtually with 40 Canadian employees.
- 4. By the time of the Receivership Order, Abledocs was woefully insolvent and did not have access to sufficient cash to continue operations nor did the Receiver have the financial

resources to continue to operate the business. Abledocs had liabilities including, among others: (i) payroll arrears owing to its 40 Canadian employees of \$186,604, representing one month's worth of outstanding payroll, (ii) obligations owing to the Canada Revenue Agency in respect of outstanding employee payroll withholdings and unremitted HST combined totaling \$3,227,586, and (iii) a balance of approximately \$1,552,174 owing to HSBC, its senior secured creditor.

5. BDO understands that Abledocs International has limited operations and is the parent company that apparently owns Abledocs and other related entities that operate in the United States, Denmark, Australia, United Kingdom and Israel (the "**Abledocs Subsidiaries**").
6. The Receiver has obtained limited information from the Debtors and their former corporate counsel to confirm Abledocs International's ownership interest in all of the Abledocs Subsidiaries. Consequently, the Receiver is unable to deal with offers for the shares of all the Abledocs Subsidiaries or make any decisions regarding their business operations through the normal exercise of shareholder rights in those businesses.

### **Approval of the Transaction**

7. Among the powers set out in the Receivership Order, the Receiver is empowered and authorized in Paragraph 3(j) to market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

8. Pursuant to its powers under the Receivership Order, the Receiver was able to secure necessary funding to continue the business on a short-term basis to preserve jobs, goodwill and value while soliciting two competing offers from parties with intimate knowledge of Abledocs' affairs, business and assets.
9. Given Abledocs financial condition, the only other alternative was for the Receiver to cease business operations, terminate the employees and seek offers for the "turn-key" business while also initiating liquidation efforts. Other prospective purchasers would have been significantly hindered by the quality and reliability of the financial information produced by Abledocs to complete any meaningful due diligence in respect of historical sales, current accounts receivable and the customer list to be able to evaluate the assets and submit an offer for the "turn-key" business, and it is expected that the value from the Abledocs assets would have been greatly reduced.
10. The Receiver's sales process resulted in the Receiver's acceptance of the APS pending approval of this Court.
11. To continue the business in a seamless manner, the Purchaser has entered into an interim operating agreement with the Receiver to use the Abledocs' intellectual property until the APS and Transaction is approved by the Court. In pursuit of closing the Transaction and preserving the business, the Purchaser has offered the majority of the former Abledocs employees gainful employment and is currently assuming all of the risks and rewards of operating the business, pursuant to the terms and conditions of the interim operating agreement.
12. The Receiver recommends the approval of the APS for the reasons set out in the First

Report including, among others, the following reasons:

- (a) the Sale Process was conducted in a commercially reasonable manner in the circumstances and likely yielded a higher value than would have otherwise been obtained had the business been shut down and a protracted sales process initiated by the Receiver;
- (b) it is the Receiver's view that the purchase price under the APS is commercially reasonable, was higher than the purchase price offered by the unsuccessful bidder for the Purchased Assets, and represents the maximum possible price in these circumstances; and
- (c) HSBC supports the Receiver's recommendation to the Court to accept the Asset Purchase Agreement, even though they may temporarily forgo a recovery from the sale of the Abledocs Subsidiaries shares, as contemplated by the unsuccessful bid, as the main affected creditor of Abledocs International.

**RBC US Funds Bank Account: Abledocs (USA) LLC**

13. On Friday, December 1, 2023 the Receiver discovered the RBC North Carolina Account held in the name of Abledocs (USA) LLC, where Abledocs' customer accounts receivable are currently being deposited. Consequently, this will impact the sale closing proceeds to be received from the Purchaser through a purchase price adjustment to account for the collection of any accounts receivable by the Receiver/Abledocs prior to the Transaction closing.

14. In the circumstances, pursuant to the terms of Paragraph 5 of the Receivership Order, which compels former directors and officers to grant immediate and continued access to the Debtors' Property and shall deliver all of the Debtors' Property to the Receiver, the Receiver is seeking an Order from the Court compelling Spencer to transfer all funds to the Receiver that belong to Abledocs that are being deposited into the RBC North Carolina Account.
15. The Receiver has not yet had an opportunity to seek Spencer's cooperation in this regard, however, the Receiver is requesting this relief given the extreme short time to the sale approval motion and short time to complete the Transaction with the Purchaser pursuant to the terms of the Asset Purchase Agreement.

#### **Approval of Activities and Fees**

16. In the First Report, the Receiver has included a detailed description of its activities.
17. The Receiver's activities as set out in the First Report are fair and reasonable and should to be approved.

#### **Sealing of the Confidential Appendices**

18. The Receiver is requesting that the Court seal the Confidential Supplement pending the completion of the Transaction or further order of this Honourable Court.
19. The Confidential Supplement should be sealed as its contents contain commercially sensitive financial information which could have a negative impact on the market for the Property should the sale of the Property to the Purchaser not close.

20. The salutary effects of sealing the Confidential Supplement outweighs any deleterious effects.

**Other Grounds**

21. As contained in the first Report.
22. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.
23. Such further and other grounds as the lawyers may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) The First Report and Confidential Supplement;; and
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

December 4, 2023

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Lawyers for the Receiver, BDO Canada  
Limited

**HSBC BANK CANADA**

Applicant

-and-

**ABLEDOCS INC., et al.**

Respondents

Court File No.: CV-23-00083219-0000

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
**HAMILTON**

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**NOTICE OF MOTION**

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Lawyers for the Receiver, BDO Canada Limited



# TAB 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

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and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as  
amended*

**B E T W E E N:**

**HSBC BANK CANADA**

Applicant

- and -

**ALBLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY**

**AS COURT APPOINTED RECEIVER**

**December 4, 2023**

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Interim Operating Agreement **M**

## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

1. By Order of the Honourable Justice L. Sheard of the Ontario Superior Court of Justice (the “**Court**”) dated November 16, 2023 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) over Abledocs Inc. (“**Abledocs**”) and Abledocs International Ltd. (“**Abledocs International**” and together with Abledocs, the “**Debtors**”) over all of the assets, undertakings and properties of the Debtors, A copy of the Receivership Order is attached hereto as **Appendix “A”**. The within proceeding is referred to herein as the “**Receivership Proceeding**”.

### Purpose of this Report

2. The purpose of the Receiver’s Report to Court dated December 4, 2023 (the “**First Report**”) is to provide information to the Court with respect to:
  - a) background information in respect of the Debtors and their assets and liabilities and the Receiver’s efforts to solicit offers for the Abledocs assets;
  - b) the funds borrowed by the Receiver through a Receiver’s Certificate issued to Tarrison Products Ltd. (“**Tarrison**”) to fund Abledocs ongoing operations so the Receiver could obtain offers for the Abledocs assets to attempt to maximize a recovery for the creditors and preserve the employment of as many of the Abledocs employees as possible;
  - c) the Receiver’s activities since its appointment, for which the Receiver seeks approval, including assigning Abledocs into bankruptcy pursuant to the powers contained in the Receivership Order;
  - d) the offers received by the Receiver with respect to the Debtors’ Property;
  - e) the agreement of purchase sale dated December 3, 2023 (the “**GrackleDocs APS**”) entered into by GrackleDocs Inc. (“**GrackleDocs**” or the “**Purchaser**”) and the Receiver with respect to sale of the Abledocs assets, properties and undertakings (the “**Property**”), subject to the approval of this Court;
  - f) the Receiver’s motion for an Order(s) of this Court:
    - i. approving and authorizing the GrackleDocs APS, attached as **Confidential Appendix “1”**, and approving the transaction set out therein (the “**Transaction**”);

- ii. vesting Abledocs' right, title and interest, if any, in and to the Property free and clear of all encumbrances, except any permitted encumbrances, subject to the terms of the GrackleDocs APS;
  - iii. sealing the Receiver's Confidential Supplement to the First Report dated December 4, 2023 (the "**Confidential Supplement**") including the Tarrison Letter of Intent (the "**Tarrison LOI**"), the GrackleDocs Letter of Intent (the "**GrackleDocs LOI**") included as **Confidential Appendix "2"**, the GrackleDocs APS, and other commercially sensitive information, which will be filed with the Court in support of this motion;
  - iv. compelling Adam Spencer ("**Spencer**") to transfer all funds to the Receiver that are being deposited into an RBC bank account held in North Carolina in the name of Abledocs (USA) LLC, account number 000503352558, where Abledocs' customer accounts receivable are currently being deposited; and
  - v. approving the activities of the Receiver, as described in this First Report.
3. This First Report, and other all court materials and orders issued and filed in these receivership proceedings are or will be made available on the Receiver's case website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/abledocsinc> and will remain available on the website for a period of six (6) months following the Receiver's discharge.

#### **DISCLAIMER**

4. This First Report is prepared solely for the use of the Court for the purpose of assisting it in making a determination whether to: (i) approve and authorize the GrackleDocs APS and the Transaction, (ii) vest the Debtor's right, title and interest, if any, in and to the Property free and clear of all encumbrances, except permitted encumbrances, to the Purchaser, (iii) approve the actions and conduct of the Receiver and (iii) approve other ancillary relief being sought.
5. Except as otherwise described in this First Report:
  - a. the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - b. the Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

6. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

## **BACKGROUND**

7. Abledocs is a technology company that specializes in providing digital accessibility services to its customers and has its registered head office at 27 Coventry Road, Oakville, Ontario. Spencer is the President and sole director of Abledocs. Abledocs is a Federally registered corporation and is a technology company that predominantly operates virtually with 40 Canadian employees. Abledocs' registered head office address is also the head office of Spencer's wife's family company, Tarrison, which provides Abledocs with access to a meeting room and offices on the second floor of the building. Tara Witt ("**Witt**") is Spencer's wife and is reportedly a Managing Partner of Tarrison and an owner of the Tarrison Contract Furniture division as well as Chief Marketing Officer for Abledocs. Attached as **Appendix "B"** is a LinkedIn profile for Witt.
8. BDO understands that Abledocs International has limited operations and is the parent company that apparently owns Abledocs and other related entities that operate in the United States, Denmark, Australia, United Kingdom and Israel (the "**Abledocs Subsidiaries**"). A copy of the Company Structure Chart provided by Abledocs is included hereto as **Appendix "C"**.
9. The Receiver has obtained limited information from the Debtors and its former corporate counsel, Miller Thomson LLP, to confirm Abledocs International's ownership interest in all of the Abledocs Subsidiaries. Attached as **Appendix "D"** is an email chain between Spencer, the Receiver and Miller Thomson LLP indicating that the latter only has possession of the minute book for Abledocs International which does not contain any share certificates evidencing ownership in the Abledocs Subsidiaries.
10. Given that the Debtors have not been able to provide the corporate minute books or share registers for the Abledocs Subsidiaries, the Receiver cannot confirm Abledocs International's ownership interest in them. Consequently, until an ownership interest in all of the Abledocs Subsidiaries is confirmed, the Receiver is unable to deal with offers for the shares of all of the Abledocs Subsidiaries or make any decisions regarding their business operations through the normal exercise of shareholder rights in those businesses.
11. The Receivership Order was received by the Receiver in the afternoon on Friday, November 17, 2023 and the Receiver immediately contacted Spencer to make arrangements to meet at the Abledocs head office on Monday, November 20, 2023. The meeting was for the Receiver to take possession and control of the Debtors' assets. Spencer advised the Receiver that he had a business solution to retire the HSBC loan and to repay the CRA obligations in full (discussed below).

12. On November 17, 2023, counsel for Abledocs, Brendan Bissell from Recon Reconstruct LLP, sent an email to Thornton Grout Finnigan LLP (“**TGF**”) asking them to disclose the Receiver’s independent counsel and stating that Abledocs was aware of a third party potentially interested in making an offer to buy the business as a going concern likely on a stalking horse basis but the amount would not be sufficient to repay HSBC. A copy of email of Brendan Bissell is attached as **Appendix “E”**.

## **ASSETS & LIABILITIES**

### **Cash**

13. Abledocs has three Royal Bank of Canada (“**RBC**”) bank accounts. As at November 16, 2023 (the “**Receivership Date**”) Abledocs’ RBC bank accounts had been garnished by a creditor pursuant to a garnishment order (discussed below) and the bank accounts contained no credit balances or alternatively, had no cash on hand.
14. Abledocs also banks with Toronto Dominion Bank (“**TD**”). At the Receivership Date, there were two TD bank accounts with credit balances of CAD\$19,869.22 and USD\$13,364.20, respectively. The Receiver seized these funds, and they represented the only funds on hand to fund ongoing operations of the Abledocs business.
15. The operating line facilities with HSBC Bank Canada (“**HSBC**”) were suspended prior to the Receivership Proceeding (discussed below).

### **Accounts Receivable**

16. As set out in the Receiver’s Pre-Filing Report and Supplemental Report (the “**Pre-Filing Reports**”) attached as **Appendix “F”**, Abledocs failed to disclose on its margin reports from June 2022 to July 2023 significant CRA payroll deduction arrears and had not provided HSBC or its consultant, BDO, with any evidence to confirm the existence of the significant accounts receivable reported by Abledocs in support of its borrowings. As set out in Paragraph 33 of the Pre-Filing Report, had Abledocs reported its significant payroll deduction arrears on its margin reports, the maximum permitted borrowing on the operating line with HSBC would have been \$97,000 in the month of March 2023 over the borrowing period spanning from June 2022 to July 2023.
17. In March 2023, Abledocs reported total accounts receivable of \$3,410,736 in support of its margin report filed with HSBC. The following accounts receivable were reported in the accounts receivable list:

Customer	Balance
API - Apt Pay Inc	\$ 569,520
ENS - Element Nutritional Sciences	1,959,396
JAK - Jaktrx Inc.	195,836
Tarrison Ltd. (US)	269,168
Grand Total	<u>\$ 2,993,920</u>

The Receiver has not been able to identify any contracts for the above customers and there does not appear to be any transaction history in the QuickBooks accounting system for the above customer accounts receivable. Additionally, the receivable owing from Tarrison Ltd. (US) was initially invoiced in June 2022 and has been re-aged throughout the period from June 2022 to July 2023 where it appears in March 2023 in the “61-90 day” aging category on the accounts receivable list. It therefore appears that 88% of the reported accounts receivable in March 2023 were either not genuine and/or should have been excluded from being margined given the aging of the receivable. Further investigative work is required to verify the accounts receivable reported by Abledocs from June 2022 to July 2023 filed in support of its borrowings with HSBC. This investigative work requires the enhanced investigative and examination powers of a trustee in bankruptcy.

18. Abledocs provided the Receiver with an accounts receivable list as at November 20, 2023 showing outstanding accounts receivable of \$845,920. After scrutinizing the accounts receivable to provide a list to the parties making offers to the Receiver for the Abledocs business and assets, Abledocs management reduced the accounts receivable to \$361,731. The accounts receivable list was reduced to account for the removal of certain customer accounts receivable that were identified as either significantly aged and not collectible or circumstances warranted that the account should have been written-off, including the removal of customer accounts receivable for Jaktrx and Tarrison Ltd (US).

### Intellectual Property

19. The Receiver understands that Abledocs developed proprietary software to support its business offerings which include:
  - **Create:** offerings that help organizations create fully accessible content; which is supported with the following software, AD Stream and ADPublish;
  - **Validate:** offerings that help organizations test their digital content for compliance; which is supported with the following software, ADScan and ADScan for Wordpress;
  - **Remediate:** offerings that help organizations have their content made accessible by Abledocs; which is supported with the following software, ADGateway; and



- **Educate:** offerings that help teach people how to make their digital content accessible and learn to use Abledocs' applications.

Other proprietary software includes, ADO, ADAPI, ADDashboard, ADLegacy, ADAlign, and ADValidate. The Abledocs software is referred to hereinafter as the “AD IP”.

20. The value of the AD IP is unknown, however, it is thought to have a greater value with the existing human capital to support and utilize it, given that there are other competitors in the market providing similar accessibility services with their own software solutions.

## Liabilities

21. The Pre-Filing Reports outline the obligations owing to the Canada Revenue Agency in respect of outstanding employee payroll withholdings and unremitted HST of \$2,696,854 and \$530,732 respectively, combined totaling \$3,227,586. The Receiver also understands that Abledocs has failed to file or remit any outstanding HST for the first three quarters of 2023 which could increase the HST obligation. Given the significant deemed trust claim of CRA, which greatly exceeds the value of the Abledocs assets, CRA and the Abledocs employees are the only affected creditors in this Receivership Proceeding.
22. The Pre-Filing Reports disclose the numerous defaults under the credit facility agreement between the senior secured creditor, HSBC, and Abledocs including the significant margin shortfall of over \$1.7 million on a \$2.0 million operating line facility. Given the significant margin deficiency, HSBC has not allowed any further cheques to clear the operating line which as of November 16, 2023 had a balance outstanding of approximately \$1,552,174.
23. On October 20, 2023 a judgement creditor, 2516216 Ontario Ltd. c.o.b. as Numbrs (“**Numbrs**”) obtained a Garnishment Order for payment of an outstanding balance of \$121,303.17 and served it on HSBC and RBC. Additionally, Numbrs obtained an order dated October 31, 2023 requiring Abledocs to set aside \$60,000 as security for costs by November 1, 2023 and to deposit those funds in trust with its counsel in respect of its appeal. Copies of the Numbrs Garnishment and the order of Justice Roberts are included hereto as **Appendix “G”**.
24. At the Receivership Date, Abledocs had payroll arrears owing to its 40 Canadian employees of \$186,604, representing one month's worth of outstanding payroll. Additionally, the Receiver understands there may be additional payroll arrears owing to 4 employees in the United States employed by Abledocs (USA) LLC. The Receiver is advised that Abledocs Australia processes its own payroll and the Receiver is not aware of any payroll arrears for the Australian employees.

25. A recent RBC online account summary obtained by the Receiver shows an outstanding operating line balance of \$4,000, a CEBA loan balance of \$32,250 and an outstanding credit card balance of \$4,335.90.

#### **MEETINGS WITH ABLEDOCS EXECUTIVE TEAM**

26. On Monday, November 20, 2023 the Receiver together with its counsel, Jason Spetter from Lipman Zener Waxman PC (“LZW”), attended the Abledocs head office to meet with Spencer, Witt, Brian Smith, Jeff Mills and Paul Walker from Abledocs. Additionally, two consultants/financial advisors Christopher Wein and Stephen Bloom were present at the meeting. The Receiver was advised that Jeff Mills, Chief Operating Officer, and Paul Walker, Chief Technology Officer, were employed by Abledocs as consultants, however, they also worked for another software company, GrackleDocs. The Receiver understands that GrackleDocs provides digital accessibility services for Google products to its customers. The Receiver’s understanding was that GrackleDocs was working cooperatively with Abledocs to find alternative solutions to salvage the Abledocs business.
27. At the meeting, Spencer advised that he intended on making an offer to purchase HSBC’s debt and security and enter into a payment plan with CRA and have the Receivership Proceeding terminated, failing which, GrackleDocs would submit an offer to purchase the Abledocs business and assets from the Receiver. The parties, however, needed time to assemble their offers and expected the Receiver to continue to operate the Abledocs business in the interim. The Receiver advised the parties that, given the cash flow issues described below and the importance of the continued employment of certain Abledocs employees to preserve the company’s value and goodwill, offers for the Abledocs assets needed to be received by Friday, November 24, 2023.
28. The Receiver advised the Abledocs executive team that the company was “woefully” insolvent and did not have access to sufficient cash to continue operations nor did the Receiver have the financial resources to continue to operate the business. Absent funding provided to the Receiver, it would be forced to immediately cease business operations and terminate the Abledocs employees. Spencer advised the Receiver that he could immediately provide funding to the Receiver to “keep the lights on” until offers could be received and reviewed by the Receiver. The Receiver agreed to continue to operate the business with sufficient funding for one week to give Spencer and his team time to assemble their offers in order to preserve the goodwill of the business and preserve the continued employment of the Abledocs employees. The Receiver inquired about the outstanding payroll arrears which Abledocs management stated was only one pay period in arrears totaling approximately \$80,000.
29. In the circumstances, Spencer agreed to provide \$150,000 to the Receiver under a Receiver’s Borrowing Certificate to fund ongoing operations for one week estimated at \$70,000 (operating

expenses other than payroll were completely unknown to the Receiver) and to pay the outstanding payroll arrears owing to the employees of approximately \$80,000. The \$150,000 funding was provided but it was advanced by Tarrison.

30. After meeting with the Abledocs executive team, the Receiver continued to gather financial information and, the following day, discovered that Abledocs management team understated their own payroll obligations, as those obligations were double what management reported to the Receiver. The payroll was processed semi-monthly and paid one pay cycle in arrears, so in fact, there was a month of payroll owing to the Abledocs employees totaling \$186,604. The Receiver brought this to the attention of Abledocs' management team and was advised that the Receiver would be provided with at least an additional \$50,000 to cover the payroll arrears.
31. The Receiver scheduled a November 28, 2023 court date to obtain approval to increase its borrowing capability above the original \$200,000 borrowing charge set out in the Receivership Order. Ultimately, the Receiver did not receive the additional \$50,000 funding over the next two days to cover the payroll arrears. Witt instructed the Receiver to return \$80,000 back to Tarrison after Spencer and Witt realized that only a partial payment toward the payroll arrears could be made from the \$150,000 received.
32. The Receiver returned \$80,000 to Tarrison and issued a Receiver's Borrowing Certificate to Tarrison for \$70,000 to fund the Receiver's estimated operating expenses consisting predominantly of payroll obligations for one week. A copy of the Receiver's Borrowing Certificate issued to Tarrison is attached as **Appendix "H"**.
33. On Thursday, November 23, 2023 the Receiver received an offer from Stephen Bloom of Batl Capital LP to purchase HSBC's debt and security at a significant discount (the "**Batl Security Offer**"). The Receiver notes the offer price contained in the Batl Security Offer was well below the personal guarantee provided by Spencer to HSBC. A copy of the Batl Security Offer is included as **Confidential Appendix "3"**. The Receiver forwarded the Batl Security Offer to HSBC and its counsel, TGF, for their consideration and scheduled a call later that day to obtain instructions.
34. After receipt of the Batl Security Offer, the Receiver emailed Walker and Mills to enquire if an offer was going to be received from GrackleDocs for the Abledocs assets by the Friday deadline.
35. HSBC later advised the Receiver in the afternoon of November 23, 2023 that it would not accept the Batl Security Offer and did not provide any counteroffer.
36. In the afternoon on November 23, 2023 the Receiver had a conversation with Paul Walker who advised that GrackleDocs' LOI was virtually completed but GrackleDocs was waiting on the outcome of Spencer's efforts to purchase HSBC's debt and security before submitting the

GrackleDocs LOI. Paul Walker advised that GrackleDocs planned to purchase the Abledocs business and assets independently of Spencer and Witt.

37. The Receiver scheduled a second meeting with the Abledocs executive team on Friday, November 24, 2023 at the Abledocs head office. Walker and Mills from GrackleDocs did not attend the meeting. Abledocs counsel, Brendan Bissell, attended the meeting virtually. At the meeting the Receiver advised Spencer and Witt that the Batl Security Offer had been rejected by HSBC with no counteroffer provided to the Receiver. The Receiver advised Spencer and Witt that, in the circumstances, it was likely to receive an offer for the Abledocs business and assets from GrackleDocs and that absent entering into an operating agreement with GrackleDocs or another party, the Receiver did not intend to assume the risk of operating the Abledocs business beyond the end of the business day. The Receiver also explained that it was willing to accept an offer for the Abledocs business and assets from Spencer and Witt, however, any further discussion regarding purchasing HSBC's debt and security had to be directed to HSBC and its counsel. The Receiver also advised Spencer and Witt to make their best offer for the Abledocs assets.
38. On the afternoon of Friday, November 24, 2023, the Receiver's counsel received an email from Abledocs counsel, Brendan Bissell, asking the Receiver to extend the deadline for the receipt of offers until Monday, November 27, 2023 at 10:00 a.m. so that Spencer and Witt could submit a competing offer for the Abledocs business and assets. The Receiver confirmed an extension of the deadline for the receipt of their offer until Monday morning as requested. A copy of the email chain between Abledocs counsel and the Receiver's counsel confirming the extension is attached as **Appendix "I"**.
39. The Receiver received two letters of intent to purchase the Abledocs assets and the shares of the Abledocs Subsidiaries purportedly owned by Abledocs International. The letters of intent were received from GrackleDocs and Tarrison. Given that Abledocs and Abledocs International have separate and distinct creditors, the Receiver approached both bidders and asked them to either submit separate offers for the assets of Abledocs and Abledocs International or allocate the purchase price among the assets for each of the entities in their respective offers. GrackleDocs decided to remove the shares of the Abledocs Subsidiaries from GrackleDocs' offer. Tarrison allocated its purchase price between the Abledocs assets and the shares of the Abledocs Subsidiaries.
40. Following the receipt and evaluation of the offers, the Receiver terminated the employees of Abledocs and, given Abledocs' insolvency and the need for enhanced investigative powers to investigate Abledocs' affairs, and pursuant to its power and authority in Paragraph 3(p) of the of the Receivership Order, the Receiver filed an assignment in bankruptcy on behalf of Abledocs on November 27, 2023.

## SALE PROCESS

41. Among the powers set out in the Receivership Order, the Receiver is empowered and authorized in Paragraph 3(j) to market the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
42. Pursuant to its powers under the Receivership Order, as set out above, the Receiver was able to secure necessary funding to continue the business on a short-term basis to preserve jobs, goodwill and value while soliciting two competing offers from parties with intimate knowledge of Abledocs' affairs, business and assets. Given Abledocs financial condition, the only other alternative was for the Receiver to cease business operations, terminate the employees and seek offers for the "turn-key" business while also initiating liquidation efforts. Other prospective purchasers would have been significantly hindered by the quality and reliability of the financial information produced by Abledocs to complete any meaningful due diligence in respect of historical sales, accounts receivable and the customer list to be able to evaluate the assets and submit an offer for the "turn-key" business.
43. If the Receiver had ceased business operations to run a protracted sales process while initiating liquidation proceedings the value from the Abledocs assets would have been greatly reduced largely for the reasons set out below:
  - The Abledocs accounts receivable consist of 155 customer accounts. 71 of 155 customer accounts (approximately 45%) of those customer accounts are located in the United States. Of the 155 customer accounts only 27 (approximately 17%) of those account balances exceed \$5,000. Given the small dollar value size of the accounts receivable combined with the fact that nearly half of the Abledocs customers are located in a foreign jurisdiction, the overall recovery from the accounts receivable would be significantly reduced if not sold to the Purchaser;
  - There would also be limited value associated with the customer list if there were no employees to continue to service those customers. Additionally, some customers on the accounts receivable list have credit balance showing for pre-paid accessibility services and those customers would be lost on a "stand alone" sale of the customer list; and
  - The value of the AD IP without the human capital to support and operate it, would be greatly diminished as there are other competitors in the market providing similar services with their own software solutions.

44. Lastly, if the Receiver had ceased business operations to initiate a protracted sale process for the “turn-key” business while simultaneously commencing liquidation proceedings, 40 Canadian employees would have lost their jobs.

#### **Tarrison Letter of Intent**

45. The Receiver received the Tarrison LOI to purchase all of Abledocs assets, including cash and cash equivalents, the AD IP, customer list, accounts receivable and all of the shares of the Abledocs Subsidiaries purportedly owned by Abledocs International. The purchase price was allocated between the Abledocs assets and the Abledocs International assets.
46. The Receiver later received email confirmation from Tara Witt that the Tarrison LOI excluded the cash and cash equivalents of Abledocs, which the Receiver advised was not being offered for sale. A copy of the email confirmation removing the cash and cash equivalents from the Tarrison LOI is included as **Appendix “J”**.
47. Tarrison provided the Receiver with a \$300,000 deposit with the Tarrison LOI and provided the Receiver with evidence that it had the financial wherewithal to complete the sale transaction.
48. As stated earlier, until the legal ownership interests in the Abledocs Subsidiaries can be confirmed the Receiver is prevented from dealing with offers for the shares of the Abledocs Subsidiaries. Additionally, the Receiver had limited financial information for the Abledocs Subsidiaries to evaluate offers for the purchase of the shares. Financial information received, although not reviewed for reasonableness, shows that the net assets or Shareholder’s Equity in Abledocs Pty Australia (ADWebKey) could be \$339,102. A copy of the Balance of ADWebKey is included hereto as **Appendix “K”**.
49. On Friday, December 1, 2023, after accepting the GrackleDocs LOI, the Receiver obtained information that appears to demonstrate Abledocs International’s ownership interest in Abledocs Pty Australia through a share sale agreement and a report obtained from the Australian Securities & Investment Commission which shows that Abledocs International Ltd. owns all of the 11 issued ordinary shares of Web Key IT Pty.
50. The Tarrison LOI contained a purchase price for the Abledocs Assets as disclosed in Paragraph 50 of the Confidential Supplement. The Receiver had difficulty in evaluating the purchase price contained in the Tarrison LOI as the Receiver will need to complete further investigative work into the value and collectability of the Tarrison (US) accounts receivable totaling \$269,168. Nevertheless, the purchase price offered by GrackleDocs for the Abledocs assets was higher than the purchase price offered by Tarrison.

### **Proposed Transaction**

51. The GrackleDocs LOI contained the following conditions:
- i. a purchase price for the Abledocs assets, including purchasing the accounts receivable customer list, AD IP and other Abledocs intellectual property; and
  - ii. a deposit of \$100,000 with the offer.
52. GrackleDocs provided the Receiver with evidence of their financial wherewithal to complete the sale transaction.

### **GrackleDocs APS**

53. The Receiver and GrackleDocs entered into an APS dated December 3, 2023 (the “**GrackleDocs APS**”). A redacted copy of the APA is included hereto as **Appendix “L”**. The GrackleDocs APS has a final purchase price as disclosed in Paragraph 53 of the Confidential Supplement and is expected to close no later than 3 days after Court approval of the Transaction.
54. The Receiver has received the \$100,000 deposit as set out in the GrackleDocs APS.
55. To continue the business in a seamless manner, the Purchaser has entered into an interim operating agreement with the Receiver to use the Abledocs intellectual property until the GrackleDocs APS and Transaction is approved by the Court.
56. In pursuit of closing the Transaction and preserving the business, the Purchaser has offered the majority of the former Abledocs employees gainful employment and is currently assuming all of the risks and rewards of operating the business pursuant to the terms and conditions of the interim operating agreement. A copy of the interim operating agreement is included hereto as **Appendix “M”**.
57. The Receiver is of the view that the Sale Process was conducted in a commercially reasonable manner in the circumstances and likely yielded a higher value than would have otherwise been obtained had the business been shut down and a protracted sales process initiated by the Receiver.
58. Additionally, HSBC, supports the Receiver’s recommendation to the Court to accept the GrackleDocs APS, even though they may temporarily forgo a recovery from the sale of the shares of the Abledocs Subsidiaries as the main affected creditor of Abledocs International. Abledocs International is the corporate guarantor of the HSBC credit facilities granted to Abledocs.

59. Accordingly, for the reasons set out above, the Receiver recommends that the Court approve the GrackleDocs APS and authorize the Receiver to close the Transaction as contemplated under the GrackleDocs APS.

#### **RBC BANK US FUNDS BANK ACCOUNT – ABLEDOCS (USA) LLC**

60. On Friday, December 1, 2023 the Receiver discovered another RBC USD funds bank account held in North Carolina in the name of Abledocs (USA) LLC, account number 000503352558, where Abledocs' customer accounts receivable are currently being deposited. Consequently, this will impact the sale closing proceeds to be received from the Purchaser through a purchase price adjustment to account for the collection of any accounts receivable by the Receiver/Abledocs prior to the Transaction closing.

61. In the circumstances, the Receiver, pursuant to the terms of Paragraph 5 of the Receivership Order, which compels former directors and officers to grant immediate and continued access to the Debtors' Property and shall deliver all of the Debtors' Property to the Receiver, is seeking an Order from the Court compelling Spencer to transfer all funds to the Receiver that belong to Abledocs and deposited into the Abledocs (USA) LLC, RBC US Funds bank account with bank account number 000503352558 (the "**RBC North Carolina Account**"). The Receiver has not yet had an opportunity to seek Spencer's cooperation in this regard, however, the Receiver is requesting this relief given the extreme short time to the sale approval motion and short time to complete the Transaction with GrackleDocs pursuant to the terms of the GrackleDocs APS.

#### **SEALING ORDER**

62. In the event that the Court does not grant the Approval and Vesting Order or the Transaction does not close, the Receiver is of the view that efforts to re-market the assets would be impaired if the contents of the Confidential Supplement were to be made public at this time. Accordingly, the Receiver believes that it is appropriate for the Confidential Supplement to remain confidential until such time as the Transaction closes. Accordingly, the Receiver requests an Order sealing the Confidential Supplement.

#### **ACTIVITIES OF THE RECEIVER**

63. The Receiver's more salient activities since its appointment include:

- a. attending meetings at the Abledocs head office to meet with the Abledocs management and executive team;
- b. arranging to borrow funds to keep the business active for one week to solicit offers for the Abledocs assets;



- c. seizing the Debtors' bank accounts held with RBC, TD Bank and HSBC;
- d. investigating and scrutinizing Abledocs reported accounts receivable to include in a sale of the business;
- e. identifying the various proprietary software used in the Abledocs business to include in a sale of the business;
- f. taking possession of the various "cloud" based platforms used by Abledocs and limiting access to these platforms;
- g. attempting to verify and locate the corporate records of Abledocs International to verify whether it owns the shares of the Abledocs Subsidiaries;
- h. reviewing an offer submitted by BATL GP Inc. to purchase HSBC's debt and security and forwarding the offer to HSBC and its counsel for its consideration;
- i. evaluating offers received for the Debtors' Property;
- j. meeting with the Abledocs employees to advise them of the cessation of the Abledocs business and termination of their employment and discuss their potential continued employment with GrackleDocs and discuss their rights with regard to making claims under the *Wage Earner Protection Program Act* ("**WEPPA**");
- k. preparing the Statement of Affairs and other requisite filing documents to place Abledocs into bankruptcy;
- l. negotiating and drafting an interim operating agreement with GrackleDocs to preserve the goodwill of the Abledocs business until the GrackleDocs APS can be approved by this Court and the Transaction completed;
- m. reviewing the GrackleDocs APS drafted by the Receiver's counsel;
- n. processing payroll and gathering employee information to administer WEPPA claims on behalf of Abledocs' former employees; and
- o. preparing the First Report and Confidential Supplement.

#### **SUMMARY AND RECOMMENDATIONS**

64. Based on the foregoing, the Receiver respectfully requests that this Court grant Order(s):

- a. approving and authorizing the GrackleDocs APS and approving the Transaction;
- b. vesting Abledocs' right, title and interest, if any, in and to the Property free and clear of all encumbrances, except permitted encumbrances, subject to the terms of the GrackleDocs APS;
- c. sealing the Confidential Supplement;
- d. grant an Order compelling Spencer to transfer all funds belonging to Abledocs from the RBC North Carolina Account to the Receiver; and
- e. approving the activities of the Receiver, as described in this First Report

All of which is respectfully submitted this 4<sup>th</sup> day of December 2023.

BDO CANADA LIMITED,  
in its capacity as the Court-appointed Receiver of  
Abledocs Inc. and Abledocs International Ltd.  
Per:



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Name: Gary Cerrato, CIRP, LIT  
Title: Senior Vice-President

# APPENDIX “A”

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF section 243(1) of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3,  
as amended and section 101 of the Courts of Justice Act, RSO 1990, c. C43, as amended*

THE HONOURABLE ) THURSDAY, THE 16<sup>TH</sup>  
)  
JUSTICE L. SHEARD ) DAY OF NOVEMBER, 2023

**B E T W E E N:**

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**ORDER  
(Appointing Receiver)**

**THIS APPLICATION** made by the Applicant for an Order: (a) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (“**CJA**”), appointing BDO Canada Limited (“**BDO**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of AbleDocs Inc. and AbleDocs International Limited (together, the “**Debtors**”) acquired for, or used in relation to the businesses carried on by the Debtors (collectively, the “**Property**”); and (b) abridging the time for service of this Notice of Application and the materials filed in support of the application, authorizing service

*via* electronic mail, and dispensing with further service thereof, was heard this day in Hamilton, Ontario.

**ON READING** the Affidavit of Connie Chow sworn October 20, 2023, the Pre-Filing Report of BDO dated October 27, 2023, the Consent of BDO to act as Receiver, and on hearing the submissions of counsel to the Applicant, no one else appearing although duly served as it appears from the Affidavit of Service of Puya Fesharaki, sworn October 26, 2023, filed,

### **SERVICE**

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

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Receiver, without security, of all of the Debtors' Property acquired for or used in relation to the businesses carried on by the Debtors, including all proceeds thereof.

### **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to assign any of the Debtors into bankruptcy;
- (q) to act as trustee in bankruptcy of the Debtors, take possession and control of the assets of such bankrupt for the purposes of this Receivership and to pay the costs of such a bankruptcy from the proceeds of the Receivership;
- (r) to enter into agreements with the trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and



- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **RECEIVER'S LEGAL COUNSEL**

4. **THIS COURT ORDERS** that the Receiver may retain legal counsel to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order. Such legal counsel may include Thornton Grout Finnigan LLP, the lawyers for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent legal counsel in respect of any legal advice or services where a conflict exists or may arise.

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

5. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing

the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

9. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

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

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

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

11. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, including, without limitation, licenses and permits, are hereby stayed and

suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

12. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors’ current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

14. **THIS COURT ORDERS** that all amounts standing to the credit of the Debtors in any account as at the date of this Order, together with funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”). The Receiver may, without any further Order, make such interim distributions to the Applicant as the Receiver deems appropriate, up to the amount secured by its security and subject to the payment in full of any priority payables, with any surplus thereafter, net of any disbursements provided for herein, held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

15. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on behalf of the Debtors, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental**

**Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER’S LIABILITY**

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER’S ACCOUNTS**

19. **THIS COURT ORDERS** that the Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and its counsel shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its independent counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and independent counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts out of the monies in its hands against its fees and disbursements, and those of its counsel, incurred at the standard rates and charges of the Receiver, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/AbledocsInc>.

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

#### **GENERAL**

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. **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.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

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

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without need for entry and filing on the date hereof.

L. Sheard J.

**SCHEDULE        “A”**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the “**Receiver**”) of the assets, undertakings and properties of AbleDocs Inc. and AbleDocs International Limited (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (the “**Court**”) dated the \_\_ day of \_\_\_\_\_, 2023 (the “**Order**”) made in an application having Court file number CV-23-00083219-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

Per: \_\_\_\_\_

Name:

Title:

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended*

**HSBC BANK CANADA**

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL INC.**

Applicant

Respondents

Court File No. CV-23-00083219-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Hamilton, Ontario

**ORDER  
(appointing Receiver)**

**THORNTON GROUT FINNIGAN LLP**  
TD West Tower, Toronto-Dominion Centre  
100 Wellington Street West, Suite 3200  
Toronto, ON M5K 1K7  
Fax: (416) 304-1313

**D.J. Miller** (LSO #34393P)  
Email: [djmiller@tgf.ca](mailto:djmiller@tgf.ca)  
Tel: (416) 304-0559

**Puya Fesharaki** (LSO #70588L)  
Email: [pfesharaki@tgf.ca](mailto:pfesharaki@tgf.ca)  
Tel: (416) 304-7979

Lawyers for the Applicant, HSBC Bank Canada

# APPENDIX “B”

## Contact

[www.linkedin.com/in/tarajwitt](http://www.linkedin.com/in/tarajwitt)  
(LinkedIn)  
[www.tarrison.com](http://www.tarrison.com) (Company)

## Top Skills

Hospitality  
Restaurants  
Hospitality Industry

## Certifications

CFSP Level III  
AutoCAD Certification

## Honors-Awards

Joyce Johnson Award

# Tara Witt

Strategy and Operations Specialist  
Oakville, Ontario, Canada

## Experience

### Tarrison

5 years 9 months

#### Managing Partner

January 2023 - Present (9 months)

Ontario, Canada

#### Operating Partner

January 2018 - February 2023 (5 years 2 months)

### AbleDocs

#### Chief Marketing Officer

January 2019 - Present (4 years 9 months)

Greater Toronto Area Metropolitan Area

### Tarrison Contract Furniture

#### Owner

September 2013 - Present (10 years 1 month)

Ontario, Canada

Tarrison Contract, a division of Tarrison Products, is an essential interior and exterior furniture resource for commercial consumers. We service a number of markets, including A&D, Hospitality, Foodservice, Corporate, Healthcare, Institutional, and Public Spaces. Tarrison ensures that you receive top quality products with premium customer service. We will furnish any space with a tailored solution to your design and budget.

### Bum Contract Furniture

#### Architecture and Design Representative

May 2011 - June 2014 (3 years 2 months)

Oakville, ON

### Demaine and Collis Group Inc.

#### Sales Associate

May 2011 - September 2013 (2 years 5 months)

Oakville, Ontario



Sales associate for an independent manufacturers' rep group and distributor that services the hospitality and food service industry.

Tarrison Ltd

Sales Support

April 2007 - May 2011 (4 years 2 months)

- Communications with customers and suppliers at trade shows
- Maintained and updated the quote system, and digitally constructed catalogues and advertisements

Hybrid Technologies Inc.

Administrative Marketing Assistant

September 2007 - August 2008 (1 year)

- Organized data and selected imagery for the website marketing the Hybrid Living Home built in Calgary, AB
- Provided timely personal assistance to the owner of the company

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## Education

Western University

Bachelor of Arts, Psychology with Business · (2008 - 2011)

Neuchâtel Junior College

Finishing School · (2006 - 2007)

# APPENDIX “C”



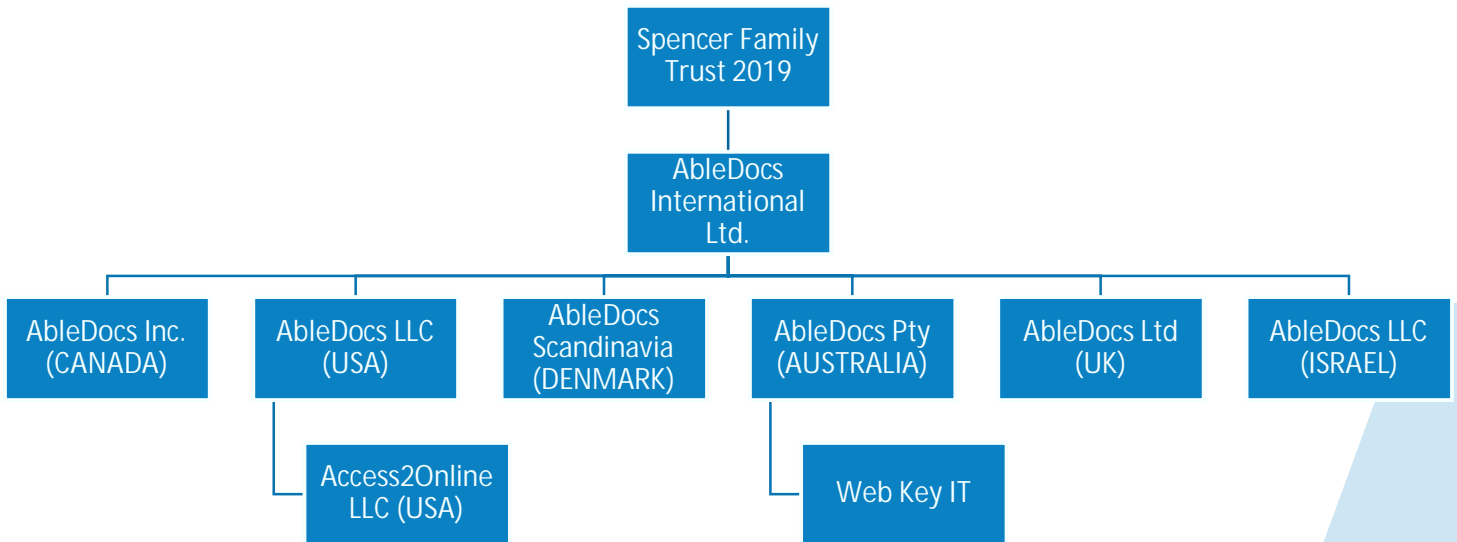
**North America HQ**  
2780 Coventry Rd  
Oakville, ON  
Canada L6H 6R1

**United States**  
150 Gratiot Blvd.  
Marysville, Michigan  
U.S.A. 48040

**United Kingdom**  
Monomark House,  
27 Old Gloucester Street,  
London, England WC1N  
3AX

**Australasia**  
8/15 Bonner Drive  
Malaga WA  
6090  
Australia

# Legal Structure (2023-03-09)



Spencer Family Trust is held for Aston James Spencer, and is overseen by Tara June Witt, and Barbara Furlong. All three of Canada.

# APPENDIX “D”

Cerrato, Gary

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From: Boettger, Adam  
Sent: Thursday, November 30, 2023 8:53 AM  
To: Cerrato, Gary  
Subject: FW: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hello Gary,

Please see the email below from Jay. The Minute Book does not contain the share certificates of the AbleDocs subsidiaries.

Based on what Jay said, the Minute Book may only contain the shares *issued* by that particular corporation, not the shares *owned*. If that's right, then the physical share certificates of each of the subsidiary companies could be in the Minute Books of that subsidiary (i.e. AbleDocs US in the US Minute Book, AbleDocs Australia in the Australian Minute Book, etc.).

We do not know the locations of any Minute Books of the subsidiary companies. Following the acquisition of control by the prospective purchaser next week, perhaps they can assist us in locating and acquiring the physical share certificates from the various entities.

Regards,

Adam Boettger, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
T: 905 633 4926 | F: 905 570 0249

[aboettger@bdo.ca](mailto:aboettger@bdo.ca) | [www.bdo.ca](http://www.bdo.ca)

 Before you print think about the environment

---

From: Sernoskie, Jay  
Sent: November 30, 2023 8:41 AM  
To: Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)>  
Subject: RE: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hi Adam,

Apologies for the delay. The only share certificate in the minute book for AbleDocs International Limited is the one issued to The Spencer 2019 Family Trust in the capital of AbleDocs International Limited for 450 Class A Common Shares dated January 9, 2020.

Best,  
Jay

**JASON R. SERNOSKIE**  
Partner

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario | M5H 3S1  
T +1 416.597.6030  
[jsernoskie@millერთhomson.com](mailto:jsernoskie@millერთhomson.com)

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---

From: Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)>  
Sent: Thursday, November 30, 2023 8:00 AM  
To: Sernoskie, Jay <[jsernoskie@millერთhompson.com](mailto:jsernoskie@millერთhompson.com)>  
Subject: RE: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hello Jason,

Please let me know if you have had a chance to take a scan through the AbleDocs Minute Book for the physical share certificates of the group entities.

Thank you,

Adam Boettger, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
T: 905 633 4926 | F: 905 570 0249

[aboettger@bdo.ca](mailto:aboettger@bdo.ca) | [www.bdo.ca](http://www.bdo.ca)

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---

From: Sernoskie, Jay  
Sent: November 24, 2023 3:13 PM  
To: Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: Re: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hi Adam,

I will check when I am back in the office early next week.

Best,  
Jay

**JASON R. SERNOSKIE**  
Partner

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario | M5H 3S1  
T +1 416.597.6030  
[jsernoskie@millერთhompson.com](mailto:jsernoskie@millერთhompson.com)

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On Nov 24, 2023, at 3:02 PM, Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)> wrote:

Hello Jay,

Would you be able to take a quick look inside the Minute Book (of AbleDocs International) to verify if the physical share certificates of the group entities are not within the Minute Book? The Company's not sure where else they would be, as they too understood all records were sent to you from their previous counsel.

Thank you,

Adam Boettger, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
T: 905 633 4926 | F: 905 570 0249  
[aboettger@bdo.ca](mailto:aboettger@bdo.ca) | [www.bdo.ca](http://www.bdo.ca)

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From: Boettger, Adam  
Sent: November 22, 2023 2:40 PM  
To: 'Sernoskie, Jay' <[jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: RE: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hello Jay,

At this time, we do not need to arrange for collection of the Minute Book. Thank you for confirming the documents you have.

Regards,

Adam Boettger, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
T: 905 633 4926 | F: 905 570 0249  
[aboettger@bdo.ca](mailto:aboettger@bdo.ca) | [www.bdo.ca](http://www.bdo.ca)

Before you print think about the environment

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From: Sernoskie, Jay  
Sent: November 22, 2023 9:09 AM  
To: Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: [EXT] RE: AbleDocs - Notice of Receivership and Request for Records

Hi Adam,

We only have the minute book for AbleDocs International Limited. We did not incorporate the company nor maintain the books. The records were sent to us from AbleDocs' previous counsel. Let me know where to send them.

Best,  
Jay

**JASON R. SERNOSKIE**  
Partner

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario | M5H 3S1  
T +1 416.597.6030  
[jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)

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<image001.png>

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From: Boettger, Adam <[aboettger@bdo.ca](mailto:aboettger@bdo.ca)>  
Sent: Tuesday, November 21, 2023 8:38 AM  
To: Sernoskie, Jay <[jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: [\*\*EXT\*\*] AbleDocs - Notice of Receivership and Request for Records

Hello Jason,

I am contacting you on behalf of BDO Canada Limited in our capacity as court appointed Receiver of AbleDocs Inc. and AbleDocs International Limited. Please find attached a copy of the Receivership Order dated November 26, 2023. I understand from the email below that your client, Mr. Adam Spencer, has also advised you of the receivership proceedings.

The Receiver is in the process of locating the Company's books and records. Can you please advise if you have any of the following records in your possession for either of these companies:

1. Minute Book
2. Corporate seal (Mr. Spencer advised there may not be a corporate seal)
3. Physical shares of the group entities wholly-owned by AbleDocs International, incl.
  1. AbleDocs LLC (USA)
  2. AbleDocs Scandinavia (Denmark)
  3. AbleDocs Pty (Australia)
  4. AbleDocs Ltd (UK)
  5. AbleDocs LLC (Israel)
4. Other corporate records

We can make arrangements to collect these books and records, if necessary, once we understand what books and records you have in your possession.

Let me know if you have any questions.

Thank you,

Adam Boettger, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
T: 905 633 4926 | F: 905 570 0249  
[aboettger@bdo.ca](mailto:aboettger@bdo.ca) | [www.bdo.ca](http://www.bdo.ca)

 Before you print think about the environment



---

From: Adam Spencer  
Sent: November 20, 2023 3:52 PM  
To: Jason Sernoskie ([jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)) <[jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)>; Cerrato, Gary  
<[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: [EXT] Introduction

Hey Jay,

Gary is the appointed receiver from BDO.

They may ask to receive the minute books.

Thanks for your help.

**Adam Spencer**  
President & CEO

**Head Office, AbleDocs Inc**  
2780 Coventry Rd  
Oakville Ontario, L6H 6R1

Phone (905) 318-6800

Email [aspencer@abledocs.com](mailto:aspencer@abledocs.com)

<image008.jpg>

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# APPENDIX “E”

Cerrato, Gary

---

From: R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>  
Sent: Sunday, November 19, 2023 2:56 PM  
To: Cerrato, Gary  
Cc: Adam Spencer; Jason Spetter  
Subject: [EXT] Re: In the Matter of HSBC Bank Canada v AbleDocs Inc. and AbleDocs International Limited (Court File No. CV-23-00083219-0000)

Thanks, Gary. If Adam is thinking of something else or in addition then he or I will let you know.



R. Brendan Bissell  
Partner  
T | 416.613.0066  
C | 416-992-4979  
E | [bbissell@reconllp.com](mailto:bbissell@reconllp.com)

Reconstruct LLP | Restructuring and Litigation Lawyers  
200 Bay Street | Suite 2305 | Box 120 | Toronto ON M5J 2J3  
On Nov 19, 2023, at 11:57 AM, Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)> wrote:

Brendan, I have set up a meeting with Adam Spencer from Abledocs tomorrow morning at 10:00 am at the Abledocs office at 2780 Coventry Road, Oakville.

The Receiver's independent counsel is Jason Spetter from Lipman, Zener & Waxman PC, who is copied on this email. Jason will be attending with me on Monday morning at Abledocs to discuss the proposed offer you are referring to below, which I assume may be the same offer Adam referenced on my call with him on Friday afternoon. Jason is copied on this email.

Regards,

Gary Cerrato, CIRP, LIT  
Senior Vice President  
Business Restructuring & Turnaround Services  
BDO Canada Limited  
Direct: 416-369-6058  
Mobile: 647-883-3514  
[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)

20 Wellington Street East, Suite 500  
Toronto, ON, M5E 1C5  
Canada  
Tel: 416-865-0210  
Fax: 416-865-0904

---

From: R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>  
Sent: Friday, November 17, 2023 12:35 PM  
To: Puya Fesharaki <[PFesharaki@tqf.ca](mailto:PFesharaki@tqf.ca)>

Cc: Shaun Parsons <[sparsons@reconllp.com](mailto:sparsons@reconllp.com)>

Subject: Re: In the Matter of HSBC Bank Canada v AbleDocs Inc. and AbleDocs International Limited (Court File No. CV-23-00083219-0000)

Puya: Who is independent counsel to BDO? My client is aware of a third party that is likely willing to make an offer to buy the business as a going concern and likely on a stalking horse basis but the amount will not be sufficient to repay HSBC so the conflict is clear.

Regards,

R. Brendan Bissell  
Partner  
T | 416.613.0066  
C | 416-992-4979  
E | [bbissell@reconllp.com](mailto:bbissell@reconllp.com)

Reconstruct LLP | Restructuring and Litigation Lawyers  
200 Bay Street | Suite 2305 | Box 120 | Toronto ON M5J 2J3

On Nov 17, 2023, at 12:20 PM, Puya Fesharaki <[PFesharaki@tgf.ca](mailto:PFesharaki@tgf.ca)> wrote:

To the Service List:

Please find attached the Order and Endorsement of Justice Sheard of the Ontario Superior Court of Justice appointing BDO Canada Limited as Receiver over the Respondents.

Regards,  
Puya



Puya J. Fesharaki | [PFesharaki@tgf.ca](mailto:PFesharaki@tgf.ca) | Direct Line +1 416 304 7979 | [www.tgf.ca](http://www.tgf.ca)

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From: Puya Fesharaki <[PFesharaki@tgf.ca](mailto:PFesharaki@tgf.ca)>  
Sent: Monday, November 13, 2023 8:21 PM  
To: R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>; [gcerrato@bdo.ca](mailto:gcerrato@bdo.ca);  
[edward.park@justice.gc.ca](mailto:edward.park@justice.gc.ca); [kdias@justice.gc.ca](mailto:kdias@justice.gc.ca); [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca); [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca); D. J. Miller <[DJMiller@tgf.ca](mailto:DJMiller@tgf.ca)>; Shaun Parsons <[sparsons@reconllp.com](mailto:sparsons@reconllp.com)>  
Subject: In the Matter of HSBC Bank Canada v AbleDocs Inc. and AbleDocs International Limited (Court File No. CV-23-00083219-0000)

To the Service List:

Please find attached the Supplemental Report of the Proposed Receiver in connection with the adjourned hearing in respect of the captioned matter set to be heard by the Ontario Superior Court of Justice tomorrow.

Should you have any questions, please reach out to the undersigned.



**Thornton Grout Finnigan LLP**  
RESTRUCTURING + LITIGATION

Puya J. Fesharaki | | PFesharaki@tgf.ca | Direct Line +1 416 304 7979 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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# APPENDIX “F”

Court File No. CV-23-00083219-0000

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

ABLEDOCS INC. AND ABLEDOCS INTERNATIONAL LIMITED

Respondents

REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS PROPOSED RECEIVER

October 27, 2023



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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

1. BDO Canada Limited ("BDO" or the "Consultant") understands that HSBC Bank Canada ("HSBC" or the "Applicant") intends to bring an application before this Honourable Court seeking relief under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended ("BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended ("CJA"), appointing BDO as receiver and manager (in such capacity, the "Receiver") over all of the assets, undertakings and properties (collectively, the "Assets") of Abledocs Inc. ("Abledocs") and Abledocs International Limited ("Abledocs International" and together with Abledocs, the "Debtors") in such proceeding.
2. BDO has provided its consent to act as Receiver (the "Consent") should this Honourable Court grant the Applicant's request to appoint a Receiver over the Debtors' Assets. A copy of the Consent is included as Tab 3, to the Applicant's Application record.
3. The proceedings to be commenced by the Applicant pursuant to the BIA and CJA are referred to herein as the "Receivership Proceeding".

### Background

4. BDO understands that Abledocs International has limited operations and is the parent company that owns Abledocs and other related entities that operate in the United States, Denmark, Australia, United Kingdom and Israel. A copy of the Company Structure Chart provided by Abledocs is included hereto as Appendix "A". BDO also understands that Abledocs International provided an unlimited guarantee of Abledocs indebtedness and obligations to HSBC as set out in Paragraph 7 of the affidavit of Connie Chow sworn October 20, 2023 (the "Chow Affidavit") filed in support of the Applicant's relief to appoint a Receiver over the Debtors' Assets.

5. Abledocs is a technology company that specializes in providing digital accessibility services to its customers and has its registered head office at 27 Coventry Road, Oakville, Ontario. During BDO's initial call with Adam Spencer ("Spencer"), President and CEO of Abledocs, to discuss BDO's consulting mandate, Spencer indicated that "Abledocs is a technology company that operates virtually". BDO was advised that Abledocs' head office address is that of Spencer's wife's company, Tarrison Ltd., which provides Abledocs with access to meeting rooms on the second floor of the building
  6. HSBC provided Abledocs with a \$2.0 million revolving line of credit (the "Loan") pursuant to credit facility agreement dated May 10, 2022, as amended by an amending agreement dated June 13, 2022 (as amended, the "Credit Facility Agreement").
  7. The Credit Facility Agreement includes conditions that limit Abledocs' borrowing ability to the lesser of \$2.0 million or the following margin requirement:
    - (i) 75% of "Acceptable Receivables"; plus
    - (ii) 90% of "Insured Receivables", subject to maximum amounts specified in any insurance certificate; plus
    - (iii) \$500,000 representing the guarantee from the Personal Guarantor; less
    - (iv) "Potential Prior Ranking Claims".
- "Acceptable Receivables", "Insured Receivables" and "Potential Prior Ranking Claims" are defined in the Definitions and Interpretation section of the Schedule A appended to the Facility Letter attached to the Chow Affidavit as Exhibit "B".
8. There are numerous defaults under the Credit Facility Agreement as outlined in HSBC's letter to Abledocs dated September 7, 2023 included as Exhibit E to the Chow Affidavit. The balance outstanding under the Loan on October 19, 2023 was approximately \$1,640,896 (\$1,332,306 and USD \$225,002).

9. As set out in Paragraph 11 of the Chow Affidavit HSBC sent letters dated September 13, 2023 demanding repayment of the Loan from Abledocs, Abledocs International and Spencer as the personal guarantor. HSBC also delivered to Abledocs a Notice of Intention to Enforce Security pursuant to the BIA.
10. On September 18, 2023, BDO was engaged as HSBC's Consultant with the consent of Abledocs. The terms of the consulting engagement agreement (the "Consulting Agreement") required Abledocs full cooperation and full access to Abledocs' books and records so BDO could complete the following scope of work:
  - (i) review the financial and business affairs of Abledocs;
  - (ii) review Abledocs' borrowing base calculations and loan margin position, including compliance with all financial and non-financial covenants in its loan and forbearance agreements with HSBC;
  - (iii) review Abledocs' cash flow requirements on a 13 week and long-term basis;
  - (iv) review and analyze HSBC's security position; and
  - (v) review and advise with respect to all aspects of Abledocs financial affairs and operations and HSBC's security over the assets of Abledocs and all matters related thereto and in connection therewith.

#### Purpose

11. The purpose of this pre-filing report of the proposed Receiver dated October 27, 2023 (the "Pre-filing Report") is to provide this Honourable Court with further information in support of the relief sought by the Applicant.

## Disclaimer

12. BDO has reviewed the Chow Affidavit and has relied upon the financial records and financial statements of Abledocs as well as other information supplied by management, accountants, auditors and financial advisors to Abledocs. Our procedures and enquiries did not constitute an audit or review engagement. BDO assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of the Pre-filing Report. Any use which any party, other than the Court, makes of this Pre-filing Report or any reliance on or a decision made based upon it is the responsibility of such party.
13. Capitalized terms not defined in this report are as defined in the Chow Affidavit filed in support of the Applicant's motion to appoint a Receiver over the Debtors' Assets. This report should be read in conjunction with the Chow Affidavit as certain information contained in the Chow Affidavit has not been included herein in order to avoid unnecessary duplication.
14. Unless otherwise stated, all monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars.

## INFORMATION REQUESTS/DISCUSSIONS WITH MANAGEMENT

15. Gary Cerrato ("Cerrato") and Nicole Sagolili from BDO scheduled an initial call with Spencer and Brian Smith ("Smith") from Abledocs on September 20, 2023 to discuss the scope of the engagement, the information required to complete the consulting mandate and to ask some general questions about the business operations and financial affairs of Abledocs.

16. During the initial call Spencer confirmed that 11206052 Canada Inc. changed its name on June 6, 2022 to Abledocs Inc. Additionally, Cerrato asked Spencer and Smith if they were aware of any outstanding obligations for unremitted payroll withholdings owing to Canada Revenue Agency ("CRA") by Abledocs. Neither Spencer nor Smith claimed they were aware of any significant obligations owing by Abledocs to CRA for outstanding payroll withholdings. Cerrato indicated that no significant outstanding payroll withholdings had been reported by Abledocs on the monthly filed certificates of margin compliance with HSBC since the Loan was advanced.
17. Cerrato referenced the Compilation Financial Statements for 11206052 Canada Inc. provided to HSBC for the period ending December 31, 2021 prepared by BDFP & Associates LLP and approved by Spencer which disclose \$1,521,685 in "Government remittances payable" in the Current Liabilities section of the Balance Sheet. A copy of the Compilation Financial Statements for the period ending December 31, 2021 are included hereto as Appendix "B".
18. Cerrato then enquired if the \$3,036,999 balance reported as "Accounts payable and accrued liabilities" in the internally prepared financial statements for the period ending December 31, 2022 submitted to HSBC included the prior period balance of \$1,521,685 owing to CRA given that there was no separate line item in the Liabilities section of the Balance Sheet for "government remittances payable". Neither Spencer nor Smith could provide a response. Copies of the internally prepared financial statements for the period ending December 31, 2022 are included as Appendix "C".
19. Cerrato asked Spencer why Abledocs was delayed in providing compilation financial statements to HSBC for the period ending December 31, 2022 which were due by April 30, 2023 pursuant to terms of the Credit Facility Agreement. The following is a summary of Spencer's response:
  - (i) the records of Abledocs were a "mess" and Abledocs had to "fire" the former bookkeeper;
  - (ii) Abledocs had hired two separate bookkeeping firms to correct the accounting records;

- (iii) Abledocs had also recently hired two employees, a bookkeeper and a clerk to address the known bookkeeping issues;
  - (iv) the last reconciled bank statements that had been reviewed were in February 2023, although bank reconciliations were prepared monthly and adjustments being made after month end;
  - (v) Abledocs International had entered into a sale transaction with with DLT Resolution Inc. ("DLTI"), a publicly traded US entity, whereby DLTI would acquire 100% of the capital stock of Abledocs International through a share-for-share exchange or reverse-take-over (for no cash consideration) and the transaction required consolidated audited financial statements to be prepared in accordance with US GAAP which was taking up a significant amount of the accounting staff's time.
- 20. Cerrato concluded the call by asking Spencer if Web Key It, a customer with an accounts receivable balance of \$690,187 reported on the July 2023 accounts receivable aging report submitted by Abledocs was a related company. Spencer responded that Web Key It was purchased by Abledocs two years ago.
- 21. On September 20, 2023 following the initial call with Abledocs, BDO sent an email with a list of financial information BDO required to complete its mandate. A copy of the email request and list of the financial information requested is included as Appendix "D".
- 22. To date, the only information received by BDO on September 20 and 22, 2023 is as follows:
  - (i) a Corporate Structure Chart;
  - (ii) printouts obtained from the CRA "My Business" portal reporting Abledocs' outstanding returns and unpaid balances owing for unremitted payroll withholdings and HST (the "CRA Reports"); and
  - (iii) a Memo of Understanding between DLTI and Abledocs International.
- 23. BDO sent a follow up email requesting information from Abledocs on September 26, 2023 with no response received from Abledocs. A copy of BDO's September 26, 2023 email is attached as Appendix "E".

24. On September 26, 2023, HSBC together with BDO scheduled a call with Abledocs and its legal counsel to discuss the significant margin shortfall of \$1,733,414 based on the July 2023 margin report submitted by Abledocs. Given the significant margin deficiency, HSBC advised that it could not allow any further cheques to clear Abledocs Loan account unless the margin deficiency was corrected. During this call BDO again requested access to the financial information required to complete its review. BDO has not received any further information other than what has been listed in Paragraph 22.
25. On October 3 and 4, 2023, HSBC sent emails to Spencer requesting the August 2023 margin compliance certificate and the outstanding quarterly reporting which information has also not been provided. Copies of the HSBC emails together and Abledocs' response is included as Appendix " F " .

#### PRELIMINARY OBSERVATIONS/MARGIN CALCULATIONS

26. Abledocs filed its July 2023 margin report showing a margin shortfall of \$1,733,414 which included disclosure of \$599,571 in "Potential Prior Ranking Claims" consisting of outstanding HST of \$595,929 and \$3,642 in outstanding payroll withholdings. A reproduction of the margin calculation is as follows:

<u>Uninsured A/R:</u>	
CAD A/R	\$ 2,024,355
USD A/R (converted)	617,469
Total A/R	<u>\$ 2,641,824</u>
Less > 90 days	(2,271,527)
Less Stale A/R	<u>(85,465)</u>
Acceptable Receivables	284,832
Marginable @ 75%	\$ 213,624
Add Personal Guarantee	500,000
Less: Potential Prior Ranking Claims	<u>(599,571)</u>
Borrowing Limit	114,053
Operating Line Balance	<u>(1,847,467)</u>
Margin Surplus/(Shortfall)	<u><u>\$ (1,733,414)</u></u>

27. The CRA Reports provided by Abledocs which were obtained through their CRA online account portal disclose that there are significant outstanding payroll withholding obligations owing to CRA totaling \$2,091,161 as follows:



Tax Year Balances

Tax Year	Amount Paid	T4 Return Amount	Balance
2023	\$ -	\$ -	\$ -
2022	-	848,267.21	848,267.21
2021	28,913.44	692,830.30	663,916.86
2020		370,916.03	370,916.03
2019	-	208,060.73	208,060.73
Totals	\$ 28,913.44	\$ 2,120,074.27	\$ 2,091,160.83

28. It appears that there was at least \$1,242,894 in outstanding payroll withholding obligations at the time the Loan was advanced which were omitted in every margin report filed by Abledocs from December 2022 to July 31, 2023. Additionally, there has been no remittances made by Abledocs for outstanding payroll withholdings in 2023.
29. Using Abledocs' 2022 withholding amounts in the above table as an estimate, there could be an additional \$636,000 owing to CRA for outstanding payroll withholdings for the 9 months of 2023. Therefore, the total outstanding payroll withholdings owing to CRA are estimated to be in the range of \$2,091,161 to \$2,727,161.
30. The CRA Reports received also disclosed outstanding HST obligations of \$530,732. Additionally, the CRA Reports show that Abledocs has not filed its HST returns for the first two quarters of 2023.
31. Based on Abledocs' reported HST figure of \$595,929 in the July 2023 margin report, it appears that the total accumulated liabilities owing to CRA for outstanding payroll withholdings and HST could be in the range of \$2,687,090 to \$3,323,090. Copies of the CRA Reports are attached hereto as Appendix "G".
32. Reproducing the July 2023 margin report with the known "Potential Prior Ranking Claims" shows HSBC is facing a negative minimum security position of \$1,973,466 or alternatively, there is no collateral in support of the \$1,847,467 Loan as follows:

Uninsured A/R:	
CAD A/R	\$ 2,024,355
USD A/R (converted)	617,469
Total A/R	<u>\$ 2,641,824</u>
Less > 90 days	(2,271,527)
Less Stale A/R	<u>(85,465)</u>
Acceptable Receivables	284,832
Marginable @ 75%	\$ 213,624
Add Personal Guarantee	500,000
Less: Potential Prior Ranking Claims	(2,687,090)
<b>Borrowing Limit</b>	<b>(1,973,466)</b>
Operating Line Balance	<u>(1,847,467)</u>
Margin Surplus/(Shortfall)	<u><b>\$ (1,847,467)</b></u>

33. If Abledocs had properly reported its "Potential Prior Ranking Claims" in its margin reports to HSBC, the maximum permitting borrowing on the Loan would have been \$97,000 in the month of March 2023:

Uninsured A/R (000's):	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Total A/R	\$ 719	\$ 914	\$ 1,723	\$ 1,701	\$ 1,816	\$ 2,217	\$ 2,382	\$ 2,335	\$ 2,389	\$ 3,411	\$ 2,827	\$ 2,773	\$ 2,711	\$ 2,642
Less A/R 90 + days	(29)	(37)	(17)	(6)	(11)	(44)	(32)	13	23	(132)	(157)	(187)	(390)	(2,272)
Less Stale A/R	-	-	-	-	-	-	-	-	-	-	(10)	(6)	(48)	(85)
Acceptable A/R	\$ 690	\$ 877	\$ 1,706	\$ 1,695	\$ 1,805	\$ 2,173	\$ 2,350	\$ 2,348	\$ 2,412	\$ 3,279	\$ 2,660	\$ 2,580	\$ 2,273	\$ 285
Marginable @ 75%	518	658	1,280	1,271	1,354	1,630	1,763	1,761	1,809	2,459	1,995	1,935	1,705	214
Add: Personal Guarantee	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Sub Total	1,018	1,158	1,780	1,771	1,854	2,130	2,263	2,261	2,309	2,959	2,495	2,435	2,205	714
Less Prior Ranking Claims:														
Payroll Withholdings Arrears (prior to 2023)	\$(1,594)	\$(1,665)	\$(1,736)	\$(1,807)	\$(1,878)	\$(1,949)	\$(2,020)	\$(2,091)	\$(2,091)	\$(2,091)	\$(2,091)	\$(2,091)	\$(2,091)	\$(2,091)
Estimated 2023 Payroll Withholding Accrual (based on 2022 payroll)								(70)	(70)	(70)	(70)	(70)	(70)	(70)
HST Arrears Reported	(364)	(367)	(413)	(490)	(498)	(511)	(556)	(554)	(571)	(701)	(551)	(569)	(579)	(596)
Borrowing Limit	(941)	(875)	(370)	(526)	(523)	(331)	(314)	(454)	(423)	97	(217)	(295)	(535)	(2,043)

### Accounts Receivable Observations

34. Although BDO has not been provided with any information to confirm the accounts receivable reported on a monthly basis by Abledocs, BDO has made the following observations after reviewing Abledocs accounts receivable lists and margin reports attached as Exhibit "H" and submitted to HSBC from June 30, 2022, to July 31, 2023 as set out below.

35. The accounts receivable reported by Abledocs is aged based on the number of days past the customer's credit terms date, not based on invoice date as required in the definition of "Acceptable Receivables" in Schedule A to the Credit Facility Agreement (i.e. if a customer has credit terms of 60 days and the invoice is in the 60 to 90 day bucket, the invoice is really aged 120 days based on invoice date and does not qualify for margining as it is over 90 days old). This treatment essentially leaves accounts receivable in the receivable "aging buckets" longer than 90 days, thereby inflating the Acceptable Receivables available for margining. A description of the accounts receivable aging in the "Quickbooks" accounting software package is included hereto as Appendix "1".

#### Web Key IT

36. From April to July 2023, Abledocs included an accounts receivable from a related or affiliated entity, Web Key IT, in the amount of \$690,187 in its margin reports which should have been excluded for margining pursuant to the definition of "Acceptable Receivable" in Schedule A to the Credit Facility Agreement. The Corporate Structure Chart and discussions with Spencer confirm that Web Key IT is a related or affiliated entity. Inclusion of the Web Key IT accounts receivable inflated the margin calculated from Acceptable Receivables by \$517,640 (\$690,187 multiplied by 75%).

#### Tarrison US

37. Abledocs included accounts receivable from Tarrison US of \$269,167.95 in the July 2023 margin report. Tarrison US appears to be owed or a division of Tarrison Ltd. ("Tarrison") which has its head office listed at 2780 Coventry Road, Oakville, ON, which is the same municipal address listed as Abledocs head office.

38. Tarrison's website states that it is a family-owned Canadian company that designs and fabricates stainless steel products and has a US distribution center in Marysville, Michigan. Adam Spencer advised that the 2780 Coventry Road, Oakville, ON address was just a mailing address for Abledocs, and that it was the physical address of "his wife's business". Adam Spencer's wife is Tara Witt. Tara Witt appears to be a Managing Partner and Operating Partner of Tarrison and an owner of one of its divisions as well as the Chief Marketing Officer for Abledocs. Copies of Tara Witt's LinkedIn profile and resume including the Corporate Search for Tarrison is included hereto as Appendix "J".
39. BDO is unclear why a steel fabricating company would require \$269,167.95 in digital accessibility services. At July 31, 2023 the Tarrison US accounts receivable is aged over 90 days past the customer's credit terms date (not the invoice date) and has been margined by HSBC in previous months. Given Abledoc's financial situation, it seems peculiar that this invoice hasn't been paid by a company either owned by Spencer's wife and/or her family.

Element Nutritional Sciences Inc. & Jaktrx Inc.

40. The accounts receivable list submitted with the July 2023 margin report includes accounts receivable from Element Nutritional Sciences Inc. ("Element") in the amount of \$564,999.98 and Jaktrx Inc. ("Jaktrx") in the amount of \$195,836.26 totaling \$760,836.24.
41. A SEDAR filing for Element, a US public company, states that Jaktrx is a wholly-owned subsidiary of Element. Element's consolidated fiscal 2022 financial statements show revenue of \$4.0 million, a net loss of \$10.347 million, and negative cash flows. The financial statements also include a "going-concern" note that states the company's ability to continue as a going-concern is dependent upon raising additional capital and sources of liquidity. Based on the consolidated financial statements of Element, it appears that Element and Jaktrx may be insolvent and therefore the combined receivable for both entities of approximately \$760,836.24 at July 31, 2023 may not be collectible. Copies of Element's Consolidated Financial Statements for fiscal 2022 are included as Appendix "K".

42. The accounts receivable balance for Element on the March 31, 2023 accounts receivable listing was \$1.959 million. We also note that it seems implausible that Element and Jaktrx, which both sell nutritional supplements would require digital accessibility services of approximately \$2.2 million when they generate consolidated annual revenues of \$4.0 million.

All of which is respectfully submitted this 27<sup>th</sup> day of October, 2023.

BDO CANADA LIMITED,

Per:



---

Name: Gary Cerrato, CIRP, LIT  
Title: Senior Vice President

HSBC BANK CANADA

- and -

ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT HAMILTON

**FIRST REPORT OF BDO CANADA LIMITED, IN ITS  
CAPACITY AS PROPOSED COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Barristers and Solicitors  
100 Wellington Street West  
Suite 3200  
Toronto, Ontario  
M5K 1K7

**D.J. Miller** (LSO# 34393P)

Email: [djmiller@tgf.ca](mailto:djmiller@tgf.ca)

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**Puya Fesharaki** (LSO #70588L)

Email: [pfesharaki@tgf.ca](mailto:pfesharaki@tgf.ca)

Tel.: (416) 304-7979

*Lawyers for the Proposed Receiver*

Court File No. CV-23-00083219-0000

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

ABLEDOCS INC. AND ABLEDOCS INTERNATIONAL LIMITED

Respondents

SUPPLEMENT TO REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY

AS PROPOSED RECEIVER

November 13, 2023

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Memo of BDO Canada Limited, dated November 13, 2023	B
Canada Revenue Agency reports for the Company's HST and source deduction arrears	C



## Introduction and Purpose

1. The purpose of this report is to supplement the pre-filing report of the proposed Receiver dated October 27, 2023 (the "Pre-filing Report"), and to provide this Honourable Court with further information in support of the relief sought by the Applicant.

## Information Provided by the Company

2. Pursuant to the Endorsement of Madam Justice B. Macneil dated November 2, 2023 (the "Endorsement"), on November 3, 2023 BDO requested various financial information and documentation from the Company.
3. On November 3, 2023, the Company provided copies of bank statements for the Company's accounts with HSBC Bank of Canada, TD Canada Trust, Royal Bank of Canada, and Paypal for the months of February or March 2023 to September 2023.
4. On November 13, 2023, at around 11:00 AM, the Company provided various additional information (collectively, the "Information"), including:
  - (a) Accounts receivable ("AR") listing as of August 31, 2023;
  - (b) Margin report as of August 31, 2023;
  - (c) Balance sheet as at August 31, 2023;
  - (d) Income statement as at August 31, 2023;
  - (e) Trial balance reports as at March 31, April 30, May 31, June 30, July 31, and August 31, 2023;
  - (f) Transaction list by customer report (the "Transaction Report") for the period of January 1 to November 13, 2023 (the "Period");
  - (g) Reports from the Company's Canada Revenue Agency ("CRA") account relating to Harmonized Sales Tax ("HST") and payroll source deductions; and
  - (h) Payroll reports.
5. A copy of the e-mail correspondence between BDO and the Company is attached hereto as Appendix "A" .

6. A memo outlining BDO's findings with respect to the Information provided by the Company on November 3 and 13, 2023 is attached hereto as Appendix "B".
7. The key findings noted by BDO are as follows:
  - (a) BDO identified three (3) AR balances that made up a significant portion of the Company's AR as at July 31, 2023:
    - (i) Apt Pay Inc. - \$569,520.00;
    - (ii) Element Nutritional Sciences Inc. - \$564,999.98; and
    - (iii) Web Key IT PTY Ltd. - \$690,187.00.
  - (b) It was noted that the three (3) customers no longer had balances outstanding on the AR listing as at August 31, 2023, which would indicate that either the balances were paid by the customers or the invoices were written-off or reversed.
  - (c) BDO reviewed the July and August 2023 bank statements provided by the Company and did not identify any large deposits which could relate to the above-noted customer balances.
  - (d) In addition, the Transaction Report provided did not show any recorded transactions relating to the three (3) above-noted customer balances during the Period (invoices or customer payments).
  - (e) Accordingly, it appears that the AR balances at July 31, 2023 for the three (3) above-noted customers were not recorded as a transactions in the Company's accounting system, nor were the AR balances actually paid to the Company.
  - (f) The Company has an additional quarterly HST return that is unfiled and overdue (quarter ending September 30, 2023).
  - (g) A report from the Company's payroll account with CRA shows that total source deduction arrears are \$2.697 million, compared to the balance of \$2.091 million in a report provided as of September 21, 2023.

- (h) As a result, the Company's position with respect to its CRA arrears has further deteriorated.
- 8. Copies of the reports from the Company's CRA account relating to the Company's HST and payroll source deductions arrears is attached hereto as Appendix "C".

All of which is respectfully submitted this 13<sup>th</sup> day of November, 2023.

BDO CANADA LIMITED,

Per:



---

Name: Gary Cerrato, CIRP, LIT  
Title: Senior Vice President

## Appendix “A”

Sagolili, Nicole

---

From: Adam Spencer <aspencer@abledocs.com>  
Sent: November 13, 2023 10:52 AM  
To: Sagolili, Nicole; Brian Smith  
Cc: Cerrato, Gary; R. Brendan Bissell; Shaun Parsons  
Subject: RE: [EXT] RE: Abledocs - Information Requests

Categories: AbleDocs

Hi Nicole,

I'm cc'ing [@Brian Smith](#) as he and I spoke this morning and I know you're about to receive the information.

## Adam Spencer

President & CEO



Phone (905) 318-6800

Email [aspencer@abledocs.com](mailto:aspencer@abledocs.com)

### Head Office, AbleDocs Inc

2780 Coventry Rd

Oakville Ontario, L6H 6R1



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---

From: Sagolili, Nicole <nsagolili@bdo.ca>  
Sent: Monday, November 13, 2023 10:51 AM  
To: Adam Spencer <aspencer@abledocs.com>  
Cc: Cerrato, Gary <gcerrato@bdo.ca>; R. Brendan Bissell <bbissell@reconllp.com>; Shaun Parsons <sparsons@reconllp.com>  
Subject: RE: [EXT] RE: Abledocs - Information Requests

Adam,

We still have not received any further information or documentation since the bank statements you provided on November 3<sup>rd</sup>. Brian Smith asked to have a call with me on Friday; however, my discussion with him did not provide any definitive answers as to when BDO would receive the information that has been requested. Please advise when we can expect the information requested in our e-mail dated November 3<sup>rd</sup>.

Thank you,

Nicole Sagolili, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
Financial Advisory Services  
Direct: 519-904-3222  
[BDO Canada Limited](#)  
20 Wellington Street East, Suite 500  
Toronto, Ontario, Canada M5E 1C5  
[www.bdo.ca](http://www.bdo.ca)

---

From: Adam Spencer  
Sent: November 8, 2023 8:10 AM  
To: Sagolili, Nicole <[nsagolili@bdo.ca](mailto:nsagolili@bdo.ca)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>; R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>; Shaun Parsons <[sparsons@reconllp.com](mailto:sparsons@reconllp.com)>  
Subject: RE: [EXT] RE: Abledocs - Information Requests

Hi Nicole,

Sorry, we're working on it. Will have more things to you today.

**Adam Spencer**  
President & CEO



Phone (905) 318-6800  
Email [aspencer@abledocs.com](mailto:aspencer@abledocs.com)

**Head Office, AbleDocs Inc**

2780 Coventry Rd  
Oakville Ontario, L6H 6R1



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---

From: Sagolili, Nicole <[nsagolili@bdo.ca](mailto:nsagolili@bdo.ca)>  
Sent: Tuesday, November 7, 2023 7:49 PM  
To: Adam Spencer <[aspencer@abledocs.com](mailto:aspencer@abledocs.com)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>; R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>; Shaun Parsons <[sparsons@reconllp.com](mailto:sparsons@reconllp.com)>  
Subject: RE: [EXT] RE: Abledocs - Information Requests

Adam,

Following up on the remaining requests.

Thank you,

Nicole Sagolili, CPA, CA, CIRP, LIT  
Vice President, Business Restructuring & Turnaround Services  
Financial Advisory Services  
Direct: 519-904-3222  
[BDO Canada Limited](#)  
20 Wellington Street East, Suite 500  
Toronto, Ontario, Canada M5E 1C5  
[www.bdo.ca](http://www.bdo.ca)

---

From: Adam Spencer  
Sent: November 3, 2023 4:49 PM  
To: Sagolili, Nicole <[nsagolili@bdo.ca](mailto:nsagolili@bdo.ca)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>; R. Brendan Bissell <[bbissell@reconllp.com](mailto:bbissell@reconllp.com)>; Shaun Parsons <[sparsons@reconllp.com](mailto:sparsons@reconllp.com)>  
Subject: [EXT] RE: Abledocs - Information Requests

Good afternoon Nicole,

Confirming receipt of this request. We have been in meetings with our lawyers this afternoon.

We will work to get you these things over the weekend, for what we have available.

- 1) Our RBC Canada CAD and USD accounts have been garnished as of today by Numbrs.
- 2) Please find attached.

As mentioned, we'll work over the weekend to get everything else organized.

**Adam Spencer**  
President & CEO



Phone (905) 318-6800  
Email [aspencer@abledocs.com](mailto:aspencer@abledocs.com)

**Head Office, AbleDocs Inc**

2780 Coventry Rd  
Oakville Ontario, L6H 6R1

A promotional banner for AbleDocs Stream. On the left, there is an illustration of a person sitting on a laptop screen, looking at a document, with another person standing next to the laptop. The background is light blue with stylized leaves. On the right, the 'AD' logo is followed by the word 'Stream' in a large, bold, blue font. Below it, the tagline 'Faster. Better. Smarter.' is written in a smaller blue font. At the bottom right, there is a red button with the text 'Find Out More' in white.

**AD Stream**  
Faster. Better. Smarter.  
[Find Out More](#)

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---

From: Sagolili, Nicole <[nsagolili@bdo.ca](mailto:nsagolili@bdo.ca)>  
Sent: Friday, November 3, 2023 2:53 PM  
To: Adam Spencer <[aspencer@abledocs.com](mailto:aspencer@abledocs.com)>  
Cc: Cerrato, Gary <[gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)>  
Subject: Abledocs - Information Requests  
Importance: High

Adam,

Attached is the Endorsement of Madam Justice B. Macneil dated November 2, 2023 (the "Endorsement"), which states that Abledocs Inc. ("Abledocs") must comply with their obligations under the engagement letter of BDO Canada.

Accordingly, please provide us with the following information, listed in order of priority:

- 1) Pursuant to paragraph 1(a)(iv) of the Endorsement, please confirm in writing whether any of Abledoc's bank accounts, in addition to the HSBC bank accounts, have been issued a garnishment by the creditor 2516216 Ontario Ltd. o/a Numbrs. A copy of the garnishment is attached. If so, please advise which bank accounts and financial institutions.
- 2) Please provide the September 2023 bank statements for every bank account held by Abledocs.
- 3) Please provide the accounts receivable information which we had previously requested in our attached e-mail dated September 26, 2023 (summarized below):
  - a) For the following receivables that were in the AR listing as of July 31, please provide: a) a copy of the contract with the customer; b) copies of the Purchase Orders for the related receivables; and c) copies of the related invoices.
    - i. Apt Pay Inc. (\$569,520.00)
    - ii. Element Nutritional Sciences Inc. (\$564,999.98)
    - iii. Web Key IT PTY Ltd. (\$690,187.00)
    - iv. Jaktrx Inc. (\$195,836.26)
    - v. Tarrison Ltd. (USA) (\$269,167.95)
  - b) AR Aging Detail report as of August 31, 2023 (showing all individual invoices, invoice date, due date, original invoice balance, and remaining invoice balance) - generated from QuickBooks and in PDF format.
  - c) AP Aging Detail report as of August 31, 2023 - generated from QuickBooks and in PDF format.
- 4) The balance of information requested on September 20, 2023 in the attached "Information Request List" Excel file.

We would appreciate if we could get at minimum #1 and #2 above today. Please confirm your receipt of this e-mail.

Thank you,

Nicole Sagolili, CPA, CA, CIRP, LIT  
*Vice President, Business Restructuring & Turnaround Services*  
Financial Advisory Services



Direct: 519-904-3222

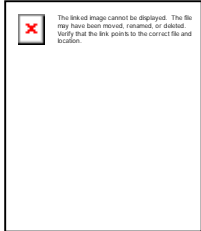
[BDO Canada Limited](#)

20 Wellington Street East, Suite 500

Toronto, Ontario, Canada M5E 1C5

[www.bdo.ca](http://www.bdo.ca)

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## **Appendix “B”**

# MEMO

DATE: November 13, 2023

TO: Connie Chow,  
Manager, North America Risk, HSBC Bank Canada

FROM: BDO Canada Limited ("BDO")

RE: AbleDocs Inc. ("Abledocs" or the "Company")

---

We have received several documents from Abledocs this afternoon. Our preliminary review of the documents has identified the following findings.

1. HST arrears:

- A screen shot from the Company's CRA account shows that the Company has an additional quarterly HST return that is unfiled and overdue (quarter ending September 30, 2023).
  - Based on the information provided by the Company, we are unable to determine the amount of the additional HST arrears.
- All of the Company's quarterly HST returns from January 1, 2023 to September 30, 2023 are currently unfiled and overdue.
- Accordingly, the Company's position with respect to CRA appears to have worsened.

2. Source deduction arrears:

- A report from the Company's payroll account with CRA shows that total source deduction arrears are \$2.697 million, compared to the balance of \$2.091 million in a report provided as of September 21. The increase relates to amounts showing as owing for the 2023 year.
- Accordingly, the Company's position with respect to CRA appears to have worsened.

3. Margin report for August 2023:

- In the "Certificate of Compliance and Margin Report" provided as of August 31, 2023, the Company again misreported the amount of the CRA HST and source deduction arrears.
- As shown in the chart below, the Company reported only \$3,051.84 of arrears relating to source deductions (compared to the \$2.697 million amount noted above).

	Provincial and Other		Federal	
	Total	Delinquent	Total	Delinquent
Workers' Compensation	* WSIB/CPP/EI under 1 account in acctg package		N/A	N/A
PST			N/A	N/A
GST/HST	N/A	N/A	452618.25	346455.3
CPP	*		3501.84	
EI	N/A	N/A	*	
Other				
Totals	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$456,120.09</b>	<b>\$346,455.30</b>

4. AR listing as at August 31, 2023:

- The Company provided an aged AR listing as at August 31, 2023, which shows a total amount owing of \$710,690.61.
- The majority of the AR balance is made up of a \$269,167.95 receivable from Tarrison Ltd., and a \$195,836.26 receivable from Jaktrx Inc. We had previously requested supporting documentation for these 2 balances but did not receive anything from the Company.

5. AR transactions:

- The Company provided a report called "Transaction List by Customer" (the "Transaction Report") for the period of January 1, 2023 to November 13, 2023 (the "Period"). The Transaction Report details the invoices and customer payments that were recorded in the Company's accounting system (QuickBooks) for each customer during the Period.
- On September 26, and again on November 3, we had asked for supporting documentation (contracts, purchase orders, and invoices) for the following customer balances that were on the Company's AR listing as at July 31, 2023:
  - Apt Pay Inc. (\$569,520.00)
  - Element Nutritional Sciences Inc. (\$564,999.98)
  - Web Key IT PTY Ltd. (\$690,187.00)
  - Jaktrx Inc. (\$195,836.26)
  - Tarrison Ltd. (USA) (\$269,167.95)

Apt Pay Inc. ("Apt")

- Apt had an AR balance of \$569,520.00 as at July 31, 2023.
- Apt was no longer on the AR listing as at August 31, 2023, which indicates that either the balance was paid or the invoice was written-off sometime in the month of August.
- A review of the HSBC, TD, and RBC bank statements provided for the months of July and August 2023 do not appear to show a deposit for an amount around \$570,000.
- The Transaction Report also did not show any transactions relating to Apt during the period (invoices or customer payments).
- Based on the information provided, it appears that the AR balance at July 31, 2023 was not recorded as a transaction in the Company's accounting system, nor was the balance actually paid to the Company.

#### Element Nutritional Sciences Inc. ("Element")

- Element had an AR balance of \$1,959,395.57 as at March 31, 2023. The AR balance decreased to \$564,999.98 as at April 30, 2023, which indicates that either a balance of approximately \$1,395,000 was paid or the invoices were written-off sometime in the month of April.
- A review of the HSBC, TD, and RBC bank statements provided for the months of March and April 2023 do not appear to show a deposit for an amount around \$1,395,000.
- Element had an AR balance of \$564,999.98 as at July 31, 2023. Element was no longer on the AR listing as at August 31, 2023, which indicates either the balance was paid or the invoice was written-off sometime in the month of August.
- A review of the HSBC, TD, and RBC bank statements provided for the months of July and August 2023 do not appear to show a deposit for an amount around \$565,000.
- The Transaction Report also did not show any transactions relating to Element during the period (invoices or customer payments).
- Based on the information provided, it appears that the AR balances at both March 31 and July 31, 2023 were not recorded as transactions in the Company's accounting system, nor were the balances actually paid to the Company.

#### Web Key IT PTY Ltd. ("Web Key")

- Web Key had an AR balance of \$690,187.00 as at July 31, 2023. The Company had previously provided HSBC with a copy of invoice #10003908, dated April 30, 2023, in the amount of \$575,187.00 which was to make up part of the total AR balance at July 31.
- Web Key was no longer on the AR listing at at August 31, 2023, which indicates that either the balance was paid or the invoice was written-off sometime in the month of August.
- A review of the HSBC, TD, and RBC bank statements provided for the months of July and August 2023 do not appear to show a deposit for an amount around \$690,000.
- The Transaction Report also did not show the transaction relating to invoice #10003908 (in the amount of \$575,187.00).
  - The only transactions showing for Web Key was invoice #10003939, dated July 20, 2023, in the amount of \$10,404.30, and a payment received for the same amount on July 21, 2023. It is noted that we were able to trace this payment to the Company's HSBC bank statement in the month of July 2023.
- Based on the information provided, it appears that the AR balance at July 31, 2023 was not recorded as a transaction in the Company's accounting system, nor was the balance actually paid to the Company.

#### Jaktrx Inc. ("Jaktrx")

- As noted above, the AR balance for Tarrison was \$195,836.26 at both July 31 and August 31.

#### Tarrison Ltd. (USA) ("Tarrison")

- As noted above, the AR balance for Tarrison was \$269,167.95 at both July 31 and August 31.

## **Appendix “C”**



## Canada Revenue Agency

# View expected and filed returns

Business number: **715525887 RT0001**

Business name: **AbleDocs Inc.**

## Expected returns

Reporting period	Return type	Status	Due date
2023-01-01 to 2023-03-31	GST34	Return overdue	2023-04-30
2023-04-01 to 2023-06-30	GST34	Return overdue	2023-07-31
2023-07-01 to 2023-09-30	GST34	Return overdue	2023-10-31
2023-10-01 to 2023-12-31	GST34	Next return	2024-01-31

## Filed returns

Select the return you want to view by clicking on the link in the Reporting period column below.

Reporting period	Return type	Status	Received date
<a href="#">2022-10-01 to 2022-12-31</a>	GST34	Assessed	2023-09-21
<a href="#">2022-07-01 to 2022-09-30</a>	GST34	Assessed	2023-09-21
<a href="#">2022-04-01 to 2022-06-30</a>	GST34	Assessed	2023-09-21
<a href="#">2022-01-01 to 2022-03-31</a>	GST34	Assessed	2023-09-21
<a href="#">2021-10-01 to 2021-12-31</a>	GST34	Assessed	2022-01-31
<a href="#">2021-07-01 to 2021-09-30</a>	GST34	Assessed	2021-10-20
<a href="#">2021-04-01 to 2021-06-30</a>	GST34	Assessed	2021-07-22
<a href="#">2021-01-01 to 2021-03-31</a>	GST34	Assessed	2021-04-30
<a href="#">2020-10-01 to 2020-12-31</a>	GST34	Assessed	2021-01-31
<a href="#">2020-07-01 to 2020-09-30</a>	GST34	Assessed	2020-11-02
<a href="#">2020-04-01 to 2020-06-30</a>	GST34	Assessed	2020-07-28
<a href="#">2020-01-01 to 2020-03-31</a>	GST34	Assessed	2020-04-30

<b>Reporting period</b>	<b>Return type</b>	<b>Status</b>	<b>Received date</b>
<u>2019-10-01 to 2019-12-31</u>	GST34	Assessed	2020-01-31
<u>2019-07-01 to 2019-09-30</u>	GST34	Assessed	2019-12-04
<u>2019-04-01 to 2019-06-30</u>	GST34	Assessed	2019-07-31
<u>2019-01-18 to 2019-03-31</u>	GST34	Assessed	2019-05-08

**Screen ID:** B-RT-VR-01

**Date modified:** 2023-10-16



Government  
of CanadaGouvernement  
du Canada

## Canada Revenue Agency

## View and pay account balance

Payroll deduction account:

**715525887RP0001**

Business name:

**AbleDocs Inc.**

The following account information is not a complete statement of account.

## Tax year balances

Select link to view detail

Tax year ⓘ	(\$) Amount paid ⓘ	(\$) Amount unpaid ⓘ	(\$) T4 return amount	(\$) Balance adjustment ⓘ	(\$) Balance ⓘ
<a href="#">2023</a>	\$0.00	\$605,693.77 Cr	\$0.00	\$0.00	\$605,693.77 Cr
<a href="#">2022</a>	\$0.00	\$0.00	\$848,267.21 Dr	\$0.00	\$848,267.21 Dr
<a href="#">2021</a>	\$28,913.44 Cr	\$663,916.86 Cr	\$692,830.30 Dr	\$0.00	\$0.00
<a href="#">2020</a>	\$0.00	\$370,916.03 Cr	\$370,916.03 Dr	\$0.00	\$0.00
<a href="#">2019</a>	\$0.00	\$208,060.73 Cr	\$208,060.73 Dr	\$0.00	\$0.00

**Note:** The outstanding balance below may not reflect the total amount owing, see [View and pay wage subsidies and hiring program balance](#) for additional payroll amounts.

## Arrears account balances

Current total amount owing: \$2,315,640.36

Select link to view detail

Tax year ⓘ	(\$) Amount owing ⓘ	(\$) Uncharged interest ⓘ	(\$) Law cost ⓘ
------------	------------------------	------------------------------	--------------------

<u>2023</u>	\$689,046.87 Dr	\$509.83 Dr	\$0.00
<u>2022</u>	\$0.00	\$0.00	
<u>2021</u>	\$840,713.34 Dr	\$622.05 Dr	
<u>2020</u>	\$492,541.12 Dr	\$364.44 Dr	
<u>2019</u>	\$291,626.93 Dr	\$215.78 Dr	
<b>Total</b>	<b>\$2,313,928.26 Dr</b>	<b>\$1,712.10 Dr</b>	<b>\$0.00</b>

## Need assistance or want to make a payment?

If you need assistance, [request a call back](#).

For payment options, see [Make a payment](#).

Note: Electronic payments will be applied to your account in approximately 48 hours. It may take longer to process payments mailed or made at financial institutions.

**Screen ID:** B-RP-AB-01

**Date modified:** 2023-10-16

HSBC BANK CANADA

- and -

ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED

Applicant

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT HAMILTON

**SUPPLEMENT TO FIRST REPORT OF BDO CANADA LIMITED,  
IN ITS  
CAPACITY AS PROPOSED COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Barristers and Solicitors  
100 Wellington Street West  
Suite 3200  
Toronto, Ontario  
M5K 1K7

**D.J. Miller** (LSO# 34393P)

Email: [djmiller@tgf.ca](mailto:djmiller@tgf.ca)

Tel: (416) 304-0559

**Puya Fesharaki** (LSO #70588L)

Email: [pfesharaki@tgf.ca](mailto:pfesharaki@tgf.ca)

Tel.: (416) 304-7979

*Lawyers for the Proposed Receiver*

# APPENDIX “G”



Court File No. CV-23-00000005-0000  
Garnishment No. 11700CV23A04547715

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**2516216 ONTARIO LTD. o/a NUMBRS**

Applicant/Creditor

- and -

**ABLEDOCS INC.**

Respondent/Debtor

-and-

**HSBC**

Garnishee

**NOTICE OF GARNISHMENT**

TO: the HSBC at 4550 Hurontario St, Mississauga ON L5R 4E4.

A LEGAL PROCEEDING in this court between the creditor and the debtor has resulted in an order that the debtor pay a sum of money to the creditor. The creditor claims that you owe a debt to the debtor. A debt to the debtor includes both a debt payable to the debtor and a debt payable to the debtor and one or more co-owners. The creditor has had this notice of garnishment directed to you as garnishee in order to seize any debt that you owe or will owe to the debtor. Where the debt is payable to the debtor and to one or more co-owners, you must pay one-half of the indebtedness or the greater or lesser amount specified in an order made under subrule 60.08 (16).

YOU ARE REQUIRED TO PAY to the Sheriff of the City of Milton,

- (a) within 10 days after this notice is served on you, all debts now payable by you to the debtor; and
- (b) within 10 days after they become payable, all debts that become payable by you to the debtor within 6 years after this notice is served on you,

subject to the exemptions provided by section 7 of the *Wages Act*. The total amount of all your payments to the sheriff is not to exceed **\$121,303.17** less \$10 for your costs of making each payment.

EACH PAYMENT MUST BE SENT with a copy of the attached garnishee's payment notice to the sheriff at the address shown below.

IF YOU DO NOT PAY THE TOTAL AMOUNT OF **\$121,303.17** LESS \$10 FOR YOUR COSTS OF MAKING EACH PAYMENT WITHIN 10 DAYS after this notice is served on you, because the debt is owed to the debtor and to one or more co-owners or for any other reason, you must within that time serve on the creditor and the debtor and file with the court a garnishee's statement in Form 60I attached to this notice.

IF YOU FAIL TO OBEY THIS NOTICE, THE COURT MAY MAKE AND ENFORCE AN ORDER AGAINST YOU for payment of the amount set out above and the costs of the creditor.

IF YOU MAKE PAYMENT TO ANYONE OTHER THAN THE SHERIFF, YOU MAY BE LIABLE TO PAY AGAIN.

TO THE CREDITOR, THE DEBTOR AND THE GARNISHEE.

Any party may make a motion to the court to determine any matter in relation to this notice of garnishment.

Date October 20th, 2023

Issued by M. Akalirai Digitally signed by M. Akalirai  
Date: 2023.10.20 10:59:34 -0400

Local registrar

Address of  
court office.....

.....

**Creditor's address:**

2516216 Ontario ltd. o/a Numbrs  
11 Cayuga St N Ste A,  
Cayuga, Ontario, N0A 1E0

**Debtor's address:**

AbleDocs Inc.  
2780 Coventry Road,  
Oakville ON, L6H 6R1

**Sheriff's address:**

491 Steeles Ave. East  
Milton, Ontario  
L9T 1Y6

**GARNISHEE'S PAYMENT NOTICE**

Make payment by cheque or money order payable to the **Sheriff of the City of Milton** and send it, along with a copy of this payment notice, to **55 Munsee St. N., Cayuga, Ontario N0A 1E0.**

Court: Milton

File No. CV-23-00000005-0000

Office at 491 Steeles Ave. East  
Milton, Ontario L9T 1Y6

Garnishment No. \_\_\_\_\_

Creditor: 2516216 Ontario ltd. o/a Numbrs

Debtor: AbleDocs Inc.

Garnishee: HSBC

TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT

Date of payment .....

Amount enclosed \$.....

**2516216 ONTARIO LTD. o/a NUMBRS**  
Applicant

-and-

**ABLEDOCS INC.**  
Respondent

Court File No: CV-23-00000005-0000

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Cayuga

**NOTICE OF GARNISHMENT**

**Durant Barristers**

Concession St.  
Russell, ON K4R 1E1

**Andrew Paterson (LSO No. 72028E)**

Tel: 613-290-6427

Email: [apaterson@durantbarristers.com](mailto:apaterson@durantbarristers.com)

Agent for the Lawyer of the Applicant





trust for the Respondent as security for its costs and to deposit those trust funds in the amount of \$60,000 by November 14, 2023 with the Respondent's counsel, to be held in trust for the Respondent as security for its costs.

2. **THIS COURT ORDERS** that if the Appellant fails to separate out or deposit the trust funds in accordance with paragraph 1 of this Order, the Respondent may move on notice to the Appellant to dismiss the appeal.
3. **THIS COURT ORDERS** that the automatic stay of the judgment of Justice Reid dated August 28, 2023 is lifted.
4. **THIS COURT ORDERS** that the Appellant pay the Respondent on Appeal costs of this motion in the amount of \$12,147.50.

**THIS ORDER BEARS INTEREST** at a rate of 7% per annum commencing on October 31<sup>st</sup>, 2023.

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

November 7, 2023

PER / PAR: ND

  
\_\_\_\_\_  
Registrar, Court of Appeal for Ontario

25162116 Ontario Ltd. o/a NUMBRS

-and- ABLEDOCS INC.

Applicant/Respondent on Appeal

Respondent/Appellant on Appeal

**ONTARIO  
COURT OF APPEAL**

Draft Order

**KUSHNER YK MORGAN LLP**

200 Bay Street, North Tower  
Suite 1200, PO Box 96  
Toronto, ON M5J 2J2  
Fax: 416-907-1536

Eric Morgan (LSO No. 60531Q)  
Tel: 647-317-1526x2  
[emorgan@kmcounsel.ca](mailto:emorgan@kmcounsel.ca)

Alexis Beale (LSO No. 65902W)  
Tel: (647) 317-1526x3  
[abeale@kmcounsel.ca](mailto:abeale@kmcounsel.ca)

Lawyers for the applicant/respondent on appeal

# APPENDIX “J ”

## RECEIVER CERTIFICATE

### CERTIFICATE NO. 1

#### AMOUNT \$70,000.00

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the “**Receiver**”) of the assets, undertakings and properties of Abledocs Inc. and Abledocs International Limited (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 16<sup>th</sup> day of November, 2023 (the "**Order**") made in an action having Court file number CV-23-00083219-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$70,000 being part of the total principal sum of \$200,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1<sup>st</sup> day of each month after the date hereof at a notional rate per annum equal to the rate of 2.0% per cent above the prime commercial lending rate of the HSBC Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.


5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 29<sup>th</sup> day of November, 2023.

BDO Canada Limited  
solely in its capacity as Receiver of Abledocs  
Inc., and Abledocs International Limited, and  
not in its personal capacity

Per:   
Name: Gary Cerrato  
Title: Senior Vice President

# APPENDIX “K”

Cerrato, Gary

---

From: R. Brendan Bissell <bbissell@reconllp.com>  
Sent: Friday, November 24, 2023 3:40 PM  
To: Jason Spetter  
Cc: Cerrato, Gary  
Subject: [EXT] Re: AbleDocs

You don't often get email from bbissell@reconllp.com. [Learn why this is important](#)

Thanks, Jason (and Gary).



R. Brendan Bissell  
Partner  
T | 416.613.0066  
C | 416-992-4979  
E | bbissell@reconllp.com

Reconstruct LLP | Restructuring and Litigation Lawyers  
200 Bay Street | Suite 2305 | Box 120 | Toronto ON M5J 2J3

On Nov 24, 2023, at 3:39 PM, Jason Spetter <jspetter@lzwlaw.com> wrote:

Hi Brendan,

I confirm that the receiver will provide your client until 10am on Monday to make an offer but they can't delay the matter any further.

Jason Spetter | B.A., LL.B.  
Managing Director  
Lipman, Zener & Waxman PC  
D. 416 789 0655  
F. 416 789 9015  
[jspetter@lzwlaw.com](mailto:jspetter@lzwlaw.com)

---

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---

From: R. Brendan Bissell <bbissell@reconllp.com>  
Sent: Friday, November 24, 2023 2:53 PM  
To: Jason Spetter <jspetter@lzwlaw.com>  
Subject: AbleDocs  
Importance: High

You don't often get email from [bbissell@reconllp.com](mailto:bbissell@reconllp.com). [Learn why this is important](#)

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



Jason: I left you a voicemail on this too. Can you call me on this urgently please? I'm on my cell today – 416-992-4979. Doesn't need to be long I don't think.

— R. Brendan Bissell  
Partner  
T | 416.613.0066  
C | 416-992-4979  
E | [bbissell@reconllp.com](mailto:bbissell@reconllp.com)

Reconstruct LLP | Restructuring and Litigation Lawyers  
200 Bay Street | Suite 2305 | Box 120 | Toronto ON M5J 2J3

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# APPENDIX “L”

Cerrato, Gary

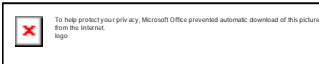
---

From: Tara Witt <tara@tarrison.com>  
Sent: Monday, November 27, 2023 7:07 PM  
To: Cerrato, Gary; Boettger, Adam; 'R. Brendan Bissell'  
Cc: 'jspetter@lzwlaw.com'; Jim Witt  
Subject: RE: [EXT] RE: LOI for the assets of AbleDocs Inc. and AbleDocs International Limited

Hi Gary,

As per our verbal conversation, I had forgotten to remove the listing of "cash & equivalents" from the assets to be purchased- it was my intention to do so. Please advise if you require a revised LOI or if this email suffices to redact it at this point.

Thank you,

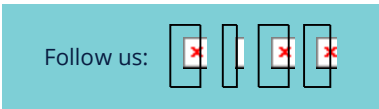


**Tara Witt**

Managing Partner

Phone: **905 825 9665 (ext228)**

Mobile: **416 460 6777**



Canadian Head Office  
2780 Coventry Rd., Oakville ON, L6H 6R1

US Distribution Center  
150 Gratiot Blvd., Marysville MI, 48040



**This email message and any attachments may contain confidential or proprietary information from Tarrison.** If you are not an intended addressee, note that any disclosure, copying, distribution, or use of the contents of this message is strictly prohibited. If you have received this e-mail in error, please reply to me with this message, and destroy all copies of the message and any attachments.

---

From: Tara Witt  
Sent: Monday, November 27, 2023 4:13 PM  
To: 'Cerrato, Gary' <gcerrato@bdo.ca>; 'Boettger, Adam' <aboettger@bdo.ca>; 'R. Brendan Bissell' <bbissell@reconllp.com>  
Cc: 'jspetter@lzwlaw.com' <jspetter@lzwlaw.com>; Jim Witt <jwitt@tarrison.com>  
Subject: RE: [EXT] RE: LOI for the assets of AbleDocs Inc. and AbleDocs International Limited

Hi Gary,

Please find attached an additional revision to the LOI with the changes that we discussed. If more granularity is needed, I am happy to oblige. As I mentioned earlier, my main concern is getting an answer and some comfort to the staff as soon as possible – so any expediency in this matter is much appreciated by many.

Thank you,

---

From: Tara Witt  
Sent: Monday, November 27, 2023 11:29 AM

# APPENDIX ‘M’

## Balance sheet report

Accrual mode

31 Dec 2023

	<b>Total</b>
<b>1-0000 Assets</b>	
<b>1-1000 Current Assets</b>	
<b>1-1100 Bank Accounts</b>	
1-1115 Westpac Cheque	5,915.69
1-1116 Westpac Business Cash Reserve	21.77
1-1140 Petty Cash/Cash On Hand	11.00
<b>Total Bank Accounts</b>	<b>5,948.46</b>
<b>1-1300 Other Current Assets</b>	
1-1310 Trade Debtors	18,756.65
1-1325 Loan Abledocs Pty Ltd	1,849.00
<b>Total Other Current Assets</b>	<b>20,605.65</b>
<b>Total Current Assets</b>	<b>26,554.11</b>
<b>1-2000 Non-Current Assets</b>	
<b>1-2200 Office Equipment</b>	
1-2210 Office Equipment At Cost	12,593.00
1-2220 Accum. Depr. Office Equipment	(12,593.00)
<b>Total Office Equipment</b>	<b>0.00</b>
1-2600 Goodwill	300,000.00
<b>Total Non-Current Assets</b>	<b>300,000.00</b>
<b>Total Assets</b>	<b>326,554.11</b>
<b>2-0000 Liabilities</b>	
<b>2-1000 Current Liabilities</b>	
<b>2-1200 GST Liabilities</b>	
2-1210 GST Collected	4,048.20
2-1220 GST Paid	(525.15)
<b>Total GST Liabilities</b>	<b>3,523.05</b>
<b>2-1300 Other Tax/Withholding Liab.</b>	
2-1310 Voluntary Withholdings Payable	(450.00)
2-1330 Company Tax Instal. Payable	450.00
<b>Total Other Tax/Withholding Liab.</b>	<b>0.00</b>
<b>2-1400 Payroll Liabilities</b>	
2-1410 PAYG Withholding Payable	7,001.00
2-1490 Other Payroll Liabilities	2,897.17
<b>Total Payroll Liabilities</b>	<b>9,898.17</b>
<b>2-1500 Other Current Liabilities</b>	
2-1510 Trade Creditors	9,382.00
<b>Total Other Current Liabilities</b>	<b>9,382.00</b>
<b>Total Current Liabilities</b>	<b>22,803.22</b>
<b>2-2000 Non-Current Liabilities</b>	
2-2250 Directors Loan	5,186.22

	<b>Total</b>
2-2255 Abledocs Financing	(40,537.19)
<b>Total Non-Current Liabilities</b>	<b>(35,350.97)</b>
<b>Total Liabilities</b>	<b>(12,547.75)</b>
<b>Net Assets</b>	<b>339,101.86</b>
<b>3-0000 Equity</b>	
3-1000 Owner's/Shareholder's Capital	11.00
3-3400 Share Premium	300,000.00
3-8000 Retained Earnings	76,054.64
3-9000 Current Year Earnings	(36,963.78)
<b>Total Equity</b>	<b>339,101.86</b>

# APPENDIX “N”

## AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated the 4<sup>th</sup> day of December, 2023.

### BETWEEN:

**BDO CANADA LIMITED**, in its capacity as Receiver of Abledocs Inc.,  
but not in its personal capacity

- and -

**GRACKLEDOCS INC.**, a corporation organized and existing under the  
laws of Ontario, or a nominee corporation to be incorporated prior to  
the Closing Date

### RECITALS

- A. AbleDocs Inc. is a corporation organized and existing under the laws of Canada and was engaged in providing digital accessibility services to its customers;
- B. GrackleDocs Inc. is a corporation which conducts a business similar to the business conducted by AbleDocs Inc.;
- C. HSBC Bank Canada ("**HSBC**"), provided certain credit facilities to AbleDocs that were guaranteed by AbleDocs International Limited and Adam Spencer, the sole officer and director of AbleDocs Inc. and AbleDocs International Limited;
- D. HSBC commenced enforcement proceedings against AbleDocs and AbleDocs International Limited, including an application for the appointment of a receiver (the "**Receivership Application**");
- E. pursuant to the Order of the Honourable Justice L. Sheard dated November 16, 2023 (the "**Appointment Order**"), pursuant to section 101 of the of the *Courts of Justice Act*, R.S.O. 1990 c.C.43 BDO Canada Limited ("**BDO**") was, appointed as the receiver and manager, without security, of all of the assets, undertakings and properties of AbleDocs Inc. (in this capacity, the "**Receiver**"). In addition, the Appointment Order also appointed BDO as the Receiver of the property, assets and undertaking of AbleDocs International Limited; and,
- F. the Receiver desires to sell and the Purchaser desires to purchase the Purchased Assets, as more particularly set out herein, subject to the terms and conditions hereof.

**THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants, agreements, representations and warranties of the parties herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement:



**“Accounts Receivable”** means accounts receivable, bills receivable, trade accounts, book debts and insurance claims relating to the Business, recorded as receivable in the books and records of the Debtor where an amount is owing to the Debtor, and other amounts due or deemed to be due to the Receiver or the Debtor relating to the Business including refunds and rebates receivable relating to the Business or the Purchased Assets, including, without limitation, the Tax Credits (if any);

**“Asset Locations”** shall mean any location of the Purchased Assets;

**“Agreement”** means this Agreement of Purchase and Sale and all schedules attached hereto;

**“Appointment Order”** has the meaning set out in Recital E;

**“Approval and Vesting Order”** has the meaning set out in Article 4.3;

**“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-2, as amended;

**“Business”** means the business of the Debtor;

**“Business Day”** means a day on which banks are open for business in the City of Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

**“CJA”** means the *Courts of Justice Act*, R.S.O. 1990 c. C-43, as amended;

**“Claims”** means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, and **“Claim”** means any one of them;

**“Closing”** means the successful completion of the Transaction;

**“Closing Date”** means the Business Day which is the earlier of three days following the date on which the Approval and Vesting Order is granted or such other date as agreed upon between the parties in writing;

**“Contracts”** means contracts, agreements, engagements or commitments to which the Debtor is entitled in connection with the Business;

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

**“Debtor”** mean AbleDocs Inc.;

**“Employees”** means individuals employed by the Debtor, on a full-time, part-time or temporary basis, including those employees of the Debtor on disability leave, parental leave or other absence;

**“Encumbrances”** means all pledges, liens, charges, security interests, leases, title retention agreements, mortgages, restrictions, developments or similar agreements, easements, rights-of-

way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;

“**ETA**” means the *Excise Tax Act* (Canada), R.S.C., 1985, c. E-15, as amended;

“**Excluded Assets**” means any assets listed in Schedule “B”;

“**HST**” means harmonized sales taxes under the ETA;

“**ICA**” means the *Investment Canada Act*, R.S.C. 1985, c. 28, as amended;

“**ITA**” means the *Income Tax Act* (Canada), R.S.C., 1985, c. 1, as amended;

“**Intellectual Property**” means all of the Debtor’s intellectual property, including, without limitation, (i) copyrights, (ii) patents, (iii) trademarks, trade names, domain names, websites, software in source code and object code form, email accounts and addresses, business names, corporate names, trade styles, logos and all other forms of business identifiers, (iv) business telephone numbers, and (v) trade secrets and all other confidential information and data in any form or format including without limitation, all know-how obtained, developed or used in or contemplated at any time for use in the business, affairs undertaking and operations of the Debtor including, without limitation, the intellectual property listed in Schedule “C”;

“**Interim Period**” means the period from and including the date of this Agreement to and including the Closing Date;

“**Parties**” means the Receiver and the Purchaser collectively, and “**Party**” means any one of them;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Purchase Price**” means the sum of ██████████, payable as set out in Article 2.5(a), with the sum of ██████████ of the Purchase Price being allocated to the purchase of the Accounts Receivable;

“**Purchased Assets**” means all the right, title and interest of the Debtor, or any of them, and the right, title and interest of the Receiver in and to all of the Debtor’s property, assets and undertaking of whatsoever nature and kind, legal and equitable, tangible and intangible including, without limitation, the (i) assets described in Schedule “A”; (ii) Contracts; (iii) Intellectual Property; and (iv) Accounts Receivable, but in all cases excluding the Excluded Assets;

“**Purchaser**” means GrackleDocs Inc. or a nominee corporation to be incorporated prior to the Closing Date;

“**Receiver**” has the meaning set out in Recital E;

“**Subsidiaries**” means corporations in which the Debtor has a controlling interest as defined in the *Business Corporations Act* (Ontario);

“**Tax**” and “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital

gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authorities, and whether disputed or not;

**“Tax Credits”** means all amounts receivable by or payable to the Receiver or the Debtor consisting of or related to any refund of Taxes paid by the Debtor, or other refundable tax credits owed to the Debtor;

**“Time of Closing”** means 2:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the parties may mutually agree; and

**“Transaction”** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles or sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof.

## **1.3 Extended Meanings**

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and Governmental Authorities. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

## **1.4 Schedules**

The following Schedules are incorporated in and form part of this Agreement:

Schedule A	Purchased Assets
Schedule B	Excluded Assets
Schedule C	Intellectual Property
Schedule D	Approval and Vesting Order

## **ARTICLE 2 SALE AND PURCHASE AND ASSIGNMENT**

### **2.1 Sale and Purchase of Purchased Assets**

Subject to the terms and conditions hereof, on the Closing Date:

- (a) **Purchase and Sale of Purchased Assets** — the Receiver shall sell and the Purchaser shall purchase the Purchased Assets;
- (b) **Transfer and Delivery of Purchased Assets** — the Receiver shall cooperate with the Purchaser to execute and deliver to the Purchaser all such bills of sale,

assignments, instruments of transfer, deeds, assurances, consents and other documents as shall be reasonably necessary or desirable to effectively transfer to the Purchaser the Purchased Assets, including, without limitation, as may be reasonably necessary to transfer or cause the appropriate regulatory agency to transfer the Purchased Assets. The Purchaser agrees to pay the Receiver's reasonable fees for providing the above-noted cooperation to the Purchaser. The Receiver shall deliver up to the Purchaser possession of the Purchased Assets on an "as is where is" basis; and

- (c) **Other Documents** — the Receiver and Purchaser shall deliver such other documents as may be necessary or desirable to complete the transactions provided for in this Agreement.

## **2.2 Assignment and Assumption of Purchased Assets**

Subject to the conditions and terms hereof, the Receiver shall assign to the Purchaser at the Time of Closing all of the Debtor's rights, title and interests in and to the Purchased Assets.

## **2.3 "As is, Where is"**

The Purchaser acknowledges that the Receiver is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date, subject to the terms of this Agreement and the Approval and Vesting Order. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Receiver to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser.

## **2.4 Excluded Obligations**

The Purchaser shall not assume and shall not be liable for any liabilities or obligations of any nature which are related in any way to the Debtor.

## **2.5 Payment of the Purchase Price**

- (a) The amount payable by the Purchaser for the Purchased Assets shall be the Purchase Price.
- (b) The Purchaser delivered a deposit to the Receiver in the amount of [REDACTED] by wire transfer or bank draft drawn in Canadian Dollars which is to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.
- (c) On Closing, the Purchaser shall remit the balance of the Purchase Price to the Receiver by wire transfer or bank draft drawn in Canadian Dollars.

## **2.6 Taxes**

- (a) The Purchaser shall pay, upon Closing, all applicable federal and provincial taxes exigible in connection with the purchase and sale of the Purchased Assets including, without limitation, HST. Alternatively, where applicable, the Purchaser

shall have the option to furnish the Receiver with appropriate exemption certificates.

- (b) In accordance with the requirements of the ITA or the ETA, the regulations thereunder, the administrative practice and policy of Canada Revenue Agency and any applicable equivalent or corresponding provincial or territorial legislative, regulatory and administrative requirements, the Purchaser and the Receiver shall make and file, in a timely manner,
  - (i) a joint election(s) to have the rules in subsection 22(1) of the ITA, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the Accounts Receivable that are the subject of such election, and shall designate therein that portion of the Purchase Price allocated to the Accounts Receivable that are the subject of such election, such amount being [REDACTED];
  - (ii) a joint election(s) to have the rules in subsection 20(24) of the ITA, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Receiver in respect of undertakings which arise from the operation of the Business and to which paragraph 12(1)(a) of the ITA applies. The Purchaser and the Receiver acknowledge that the Receiver is transferring assets to the Purchaser which have a value equal to the elected amount as consideration for the assumption by the Purchaser of such obligations of the Receiver;
  - (iii) the Purchaser and the Receiver shall file a joint election pursuant to section 167 of the ETA confirming that the Transaction is a sale of all or substantially all of a business and that the Purchase Price shall therefore be exempt from HST; and
  - (iv) the Purchaser and the Receiver shall prepare and file their respective tax returns in a manner consistent with the aforesaid elections.

## **2.7 Employees**

The Receiver terminated all the Debtor's employees as of the close of business on November 27, 2023. The Receiver shall make best efforts to provide the Purchaser with the last known contact information disclosed in the books and records for all the employees of the Debtor who were employed by the Debtor prior to the date of the Appointment Order, solely as disclosed by the books and records of the Debtor and without any further investigation or confirmation by the Receiver.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

### **3.1 Purchaser's Representations**

The Purchaser represents and warrants to the Receiver as follows:

- (a) the Purchaser is, or will be at the Time of Closing a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario;

- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any Court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success;
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (f) the Purchaser is a Canadian within the meaning of ICA; and
- (g) the Purchaser is either registered under or has applied for registration under Part IX of the ETA and will notify the Receiver of its registration number once obtained but in any event prior to the Closing Date.

### **3.2 Receiver's Representations**

The Receiver represents and warrants to the Purchaser as follows:

- (a) the Receiver has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approval and Vesting Order by the Court;
- (b) save and except for the charges created and/or authorized in the Appointment Order, the Receiver has done no act to encumber the Purchased Assets since the Appointment Order; and
- (c) the Receiver is not a non-resident of Canada for the purposes of the ITA.

## **ARTICLE 4 CONDITIONS**

### **4.1 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Receiver contained in this Agreement shall be true and correct as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (b) the Receiver shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Time of Closing and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Time of Closing all the deliveries contemplated in Article 5.3 and elsewhere in this Agreement;
- (c) during the Interim Period, no material loss or material damage to the Purchased Assets, or any material portion thereof, shall have occurred; and
- (d) the Approval and Vesting Order shall have been issued by the Court, and such Approval and Vesting Order shall not have been stayed, varied or vacated.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

### **4.2 Conditions for the Benefit of the Receiver**

The obligation of the Receiver to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date and shall have executed and delivered or caused to have been executed and delivered to the Receiver at the Time of Closing all the deliveries contemplated in Article 5.2 and elsewhere in this Agreement;
- (c) there shall be no order issued by any Governmental Authorities to restrain or prohibit the Purchaser from completing the Transaction contemplated by this Agreement;
- (d) the Purchaser shall not be, and shall not be deemed to be bankrupt; and
- (e) the Approval and Vesting Order shall have been issued by the Court, and such Approval and Vesting Order shall not have been stayed, varied or vacated.

The foregoing conditions are for the exclusive benefit of the Receiver. Any condition may be waived by the Receiver in whole or in part. Any such waiver shall be binding on the Receiver only if made in writing.

#### **4.3 Approval and Vesting Order**

- (a) As soon as practicable after the execution and delivery of this Agreement by the Parties, and in any event by no later than four (4) Business Days following such execution and delivery, the Receiver shall file a motion with the Court for an order substantially in the form attached hereto as Schedule "D" (the "**Approval and Vesting Order**"), the terms of which assign the Purchased Assets to the Purchaser, authorize and approve this Agreement and finally and unconditionally approve the sale of the Purchased Assets to the Purchaser, upon the filing of the Receiver's certificate referenced herein.
- (b) The Receiver shall provide the Purchaser with the proposed service list for the motion prior to the motion being served. The Receiver will make all additions to that service list, and attend to serving those parties, as the Purchaser may reasonably require and will provide the amount of notice of the motion to the service list as the Purchaser may reasonably request.
- (c) The motion materials served by the Receiver will contain this agreement in a confidential appendix which will not be served on the service list and will seek an Order of the court sealing the confidential appendix until after the Receiver files a Receiver's certificate as contemplated in the Approval and Vesting Order.
- (d) The form of Approval and Vesting Order will contain provisions:
  - (i) providing access to any Purchased Assets in the possession of 3rd parties to allow for the removal of those assets on a timely basis following Closing;
  - (ii) providing that any Purchased Assets vest in the Purchaser free and clear of any and all encumbrances;
  - (iii) directing the administrators or owners of any hosting sites and domain registrars who control the websites of the Debtor, and the domain names of the Debtor, to transfer ownership of those websites, any information stored in any servers related to those websites or in the cloud, and the domain names, to the Purchaser; and
  - (iv) directing the transfer of all Intellectual Property, including registrations which may be in the Debtor's name.

#### **4.4 Non-Satisfaction of Conditions**

- (a) If any condition set out in this Article 4 is not satisfied or performed prior to the time specified therefore, the party for whose benefit the condition is inserted may:
  - (i) waive compliance, or extend the time for performance, with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part; or



- (ii) elect on written notice to the other party to terminate this Agreement before Closing.
- (b) If either Party elects to terminate this Agreement it is acknowledged and agreed that Parties may apply to the Court for advice and direction on the consequences of failing to close.

## **ARTICLE 5 CLOSING**

### **5.1 Closing**

The completion of the Transaction shall take place at the offices of the Purchaser's counsel at the Time of Closing on the Closing Date or as otherwise determined by mutual agreement of the parties in writing.

### **5.2 Purchaser's Deliveries on Closing**

At or before the Time of Closing, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Receiver, acting reasonably:

- (a) payment or evidence of payment of applicable federal and provincial taxes or alternatively, appropriate exemption certificates, as required by Article 2.6;
- (b) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Article 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (d) such further and other documentation as is referred in this Agreement or as the Receiver may reasonably require to give effect to this Agreement.

### **5.3 Receiver's Deliveries on Closing**

At or before the Time of Closing, the Receiver shall execute and/or deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) an Assignment of Trademarks, Copyrights and all other Intellectual Property in form satisfactory to the Purchaser, acting reasonably;
- (b) the Receiver's Certificate, executed by the Receiver as referred to in the Approval and Vesting Order and to be filed with the Court after the Closing;
- (c) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

- (d) an acknowledgement dated as of the Closing Date, that each of the conditions precedent in Article 4.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date.

#### **5.4 Possession of Purchased Assets**

The Receiver shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets wherever situate at the Time of Closing, subject to the terms and provision of the Approval and Vesting Order. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Article 5.2.

#### **5.5 Access to Purchased Assets**

The Purchaser may have reasonable access to the Purchased Assets during normal business hours during the Interim Period for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Receiver. The Purchaser agrees to indemnify and save the Receiver harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets. The Purchaser shall provide the Receiver with one (1) Business Day notice of its desire to inspect the Purchased Assets during the Interim Period.

#### **5.6 Risk**

The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets shall be damaged in any way or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the transaction. Such option shall be exercised within 5 days after notification to the Purchaser by the Receiver of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 5 days of the Closing Date) in which event this Agreement shall be terminated automatically without any compensation. If the Purchaser does not exercise such option, it shall complete the transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the transaction and shall be entitled to an assignment of the proceeds of insurance referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this Article as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined by the Court.

#### **5.7 Collection of Accounts Receivable**

Any Accounts Receivable collected by the Receiver after the Closing Date (other than the Tax Credits and the Purchase Price paid pursuant to this Agreement) shall be held in trust by the Receiver for the benefit of the Purchaser, and shall be paid forthwith following receipt by the Receiver to the Purchaser.

#### **5.8 Termination**

If either the Receiver or the Purchaser validly terminates this Agreement pursuant to Article 5.6 all the obligations of both the Receiver and the Purchaser pursuant to this Agreement shall be at an end.

## **ARTICLE 6 GENERAL**

### **6.1 Further Assurances**

The Receiver and the Purchaser will cooperate and execute and deliver such documents for any filings necessary to obtain the Tax Credits. Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

### **6.2 Notice**

Any notice or other communication under this Agreement shall be in writing and may be delivered personally, transmitted by fax, or electronic mail addressed to:

in the case of the Purchaser, as follows:

GrackleDocs Inc.  
34 St Hildas Avenue  
Toronto, Ontario  
M4N 2P4

Attention: Paul Walker  
Email: [pwalker@grackledocs.com](mailto:pwalker@grackledocs.com)

with a copy to counsel for the Purchaser, as follows:

Blaney McMurtry LLP  
2 Queen St. E., Suite 1500  
Toronto, ON M5C 3G5

Attention: David Ma  
Email: [dma@blaney.com](mailto:dma@blaney.com)

and in the case of the Receiver, as follows:

BDO Canada Limited  
60 Columbia Way, Suite 300  
Markham, Ontario  
L3R 0C9

Attention: Gary Cerrato  
Email: [gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)

with a copy to counsel for the Receiver, as follows:

Lipman Zener Waxman PC  
100 Sheppard Avenue East, Suite 850  
Toronto, Ontario

M2N 6N5  
Attention: Jason Spetter  
Fax No: 416.789.9015  
Email: jspetter@lzwlaw.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

### **6.3 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Receiver and the Purchaser or by their respective solicitors.

### **6.4 Currency**

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

### **6.5 Survival**

The representations and warranties of the parties hereto contained in this Agreement shall merge on Closing.

### **6.6 Benefit of Agreement**

This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

### **6.7 Entire Agreement**

This Agreement and the attached Schedules constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

### **6.8 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

### **6.9 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were

omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

#### **6.10 Receiver's Capacity**

The Receiver is acting in its capacity as Receiver of the Debtor and shall have no personal or corporate liability under this Agreement.

#### **6.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

#### **6.12 Commission**

The Parties acknowledge that there are no agent or broker fees or other commissions payable by in connection with the Transaction. In the event that one of the Parties has incurred agent or broker fees, the party incurring said fees will be responsible for payment of said fees. Further each Party indemnifies the other in the event that they have incurred agent or broker fees and the other Party is required to satisfy those fees, either by law, or as a means of protecting their interest in the Purchased Assets.

#### **6.13 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

*[Remainder of this page intentionally left blank]*



## **SCHEDULE "A PURCHASED ASSETS**

All of the operational assets and intellectual assets of AbleDocs Inc. including:

- Customer List and Book of Business
- AbleDocs internet domain, website and Tradename
- Pdfua Foundation internet domain and website
- Hardware
  - Any hardware/software associated with employees that will transfer to GrackleDocs Inc. needed for their daily work
- All moveable assets
- All inventory and work in progress
- All commercial records
- All Documents and content stored in the SharePoint Repository

**SCHEDULE "B"**  
**EXCLUDED ASSETS**

Excluded assets shall mean:

1. HST refund owing to the Debtor;
2. Tax Credits owing to the Debtor;
3. Corporate minute books and accounting records of the Debtor (subject to the Receiver providing reasonable access thereto to Purchaser);
4. cash held by AbleDocs Inc. up to and including November 28, 2023;



**SCHEDULE "C"**  
**INTELLECTUAL PROPERTY**

- ADO, ADAPI, ADScan, ADGateway, ADDashboard, ADLegacy, ADReader, ADStream, PDF Validator & WordPress Plugin
- All source code stored in AbleDocs GitHub and Microsoft DevOps repositories

# APPENDIX “O”

## ASSET RENTAL AGREEMENT

**THIS AGREEMENT** made the 29th day of November, 2023.

**BETWEEN:**

**BDO Canada Limited**, solely in its capacity as receiver without security of the undertaking, property and assets of Abledocs Inc., and without corporate or personal liability

(hereinafter called the “**Receiver**”)

OF THE FIRST PART

- and -

**GrackleDocs Inc.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the “**Servicer**”)

OF THE SECOND PART

**WHEREAS** Abledocs (the “**Corporation**”) is a technology company that specializes in providing digital accessibility services to its customers (the “**Business**”);

**AND WHEREAS** the Receiver was appointed as the receiver, without security, of all the assets, undertakings and properties (the “**Property**”) of the Corporation pursuant to an order of the Ontario Superior Court of Justice (“**Court**”) on November 16, 2023 bearing Court File No. CV-23-00083219-0000 (as such order may be amended or restated from time to time, the “**Receivership Order**”);

**AND WHEREAS** pursuant to the terms of the Receivership Order and such further orders of the Court, the Receiver was authorized to pursue all avenues of sale of the Corporation’s Business or Property, in whole or part subject to prior approval of the Court whereby the Receiver will be bringing a motion before the Court for a sale approval and vesting order (the “**Approval and Vesting Order**”).

**AND WHEREAS** the Servicer will execute an Agreement of Purchase and Sale (the “**APS**”) to purchase the Property of the Business (the “**Transaction**”) and the Servicer wishes, given the nature of the Property and the Business, to rent the Property of the Business, from the date of this Agreement to the date of closing of the Transaction (the “**Closing Date**”) upon the terms and conditions set out in this Agreement;

**AND WHEREAS** the Receiver is prepared to allow this upon the terms and conditions as set forth herein;

**NOW THEREFORE THIS AGREEMENT** witnesses that in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties to this Agreement agree as follows:

**ARTICLE 1  
INTERPRETATION**

**Section 1.01 Definitions.** The following terms have the following meanings:

- a) **“Agreement”** means this Agreement for the operation of the Business prior to the Closing Date of the Transaction;
- b) **“Accounts Receivable”** means any and all (i) accounts receivable, notes receivable and other amounts receivable owed to the Corporation or the Receiver (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Claims pertaining to the collection of amounts payable, or that may become payable, to the Corporation or the Receiver, (ii) amounts receivable owing or payable to the Corporation or the Receiver from any Governmental Authority subject to any restrictions on the assignment of debts owed by any Governmental Authority to the Corporation under applicable law, and (iii) other amounts due to the Corporation or the Receiver which have historically been classified as accounts receivable on the balance sheets of the Corporation;
- c) **“Applicable Law”** means, with respect to any person, Property, transaction, event or other matter: (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law; (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (each, a **"Law"**), in each case relating or applicable to such person, Property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any person having jurisdiction over it, or charged with its administration or interpretation;
- d) **“Approval and Vesting Order”** has the meaning ascribed therein the recitals of this Agreement;
- e) **"Business Day"** means any day other than a Saturday, Sunday, or any other statutory holiday in Ontario;
- f) **“Claim”** means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;

- g) “**Closing**” means closing of the Transaction;
- h) "**Governmental Authority**" means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Corporation, the Purchased Assets, or any other matter that is the subject of this Agreement;
- i) “**Legal Requirement**” means any constitution, law, bylaw, statute, treaty, convention, rule, regulation, ordinance, guideline, policy, code, standard principle of common law, notice from or approval of any Government Authority or any order or permit and any contact with any Governmental Authority relating to compliance with any of the foregoing;
- j) "**Party**" or "**Parties**" mean either the Receiver or the Servicer, as appropriate in the context, or both; and
- k) “**Term**” means November 28, 2023 until the earlier of: (a) termination of this Agreement by the Receiver; or (b) the Closing Date.

## **ARTICLE 2 EQUIPMENT AND FACILITIES**

**Section 2.01 List of Property** The Servicer shall rent the assets listed in the attached Schedule “A” solely for the use and purposes as established herein (collectively, the “**Rented Property**”).

**Section 2.02 Maintenance and Operation**. The Rented Property shall be maintained and operated by competent employees of the Servicer only. The Servicer shall pay all expenses of operating and maintaining the Rented Property and shall insure the property against normal perils and hazards with loss payable to the Receiver. The Servicer assumes full responsibility for carrying out and managing its own day-to-day operations at its own risk and peril, and shall assume all risk and obligations relating to carrying on such operations.

**Section 2.03 Title to the Rented Property**. The Rented Property shall be and remain the property of the Corporation and the Servicer shall have no right of property except the right to use the said property in accordance with this Agreement. During the term of this Agreement, the Receiver shall be entitled to inspect the Rented Property from time to time during normal business hours.

**Section 2.04 Access to the Rented Property**. The Receiver will provide the Servicer access to all the relevant Abledocs cloud platforms that contain proprietary software developed and owned by Abledocs until the sale closing. Should the sale not close, the Servicer will relinquish all access to the Abledocs cloud accounts and, for greater certainty, will not copy or use for its own purpose any

of the proprietary software developed by Abledocs to deliver any of its accessibility services for any purpose. For greater certainty, any software licensed through Microsoft or other third party providers can never be sold to the Servicer by the Receiver pursuant to licensing/copyright laws.

### **ARTICLE 3 OPERATIONS**

**Section 3.01 Duties of the Servicer.** For the purposes of this Agreement, operating and managing the Rented Property shall include:

- a) the payment by the Servicer of all expenditures necessary to maintain and continue the Rented Property, lease or licensing payments for third party owned software, taxes and other liabilities incurred or arising out of the conduct, use and operation of the Rented Property;
- b) operating and using the Rented Property in accordance with all Legal Requirements; and
- c) keeping and maintaining, in accordance with Canadian generally accepted accounting principles, full detailed and proper records regarding all financial transactions involved in the collection of the accounts receivable of the Business and shall make available all such records to the Receiver upon request.

#### **Section 3.02**

**Section 3.03 Insurance.** On execution of this Agreement, the Servicer shall provide to the Receiver evidence, to the Receiver's satisfaction, that the Servicer has sufficient insurance to cover any losses that are consistent with the nature of the Business.

**Section 3.04 Servicer is not an Agent.** The Servicer agrees that it shall not in any way or at any time be entitled to hold itself out as a partner, joint venture, division, subsidiary, associate or affiliate of the Corporation or the Receiver, nor hold out that it is otherwise related to the Corporation or the Receiver in any manner, except to the extent described in this Article 2 and expressly permitted by the Receiver. The Servicer shall not act as an agent of the Corporation or the Receiver.

### **ARTICLE 4 COLLECTIONS**

**Section 4.01 Sales Revenue.** The Servicer will retain all sales revenue received by the Corporation with respect to work orders that were generated on or after November 29, 2023. All other revenue received shall be held in trust for the benefit of the Receiver

## Section 4.05

**Section 4.06 Books and Records.** The Servicer shall preserve all books and records and the data contained therein, whether in paper or electronic form, relating to the Accounts Receivable, or otherwise, and the Servicer shall provide access to such books, records and data to the Receiver so that he Receiver can monitor the collection of the Accounts Receivable. Further, the Servicer shall not remove, dispose or permit the removal or disposition of any books, records, vouchers, furniture, equipment , or any other assets of the Corporation, whether owned or leased, without the express written consent of the Receiver.

## ARTICLE 5 TERMINATION

**Section 5.01 Termination.** This Agreement shall terminate on the early of: (i) the Closing Date; or (ii) at the election of the Receiver, upon the occurrence of any default by the Servicer under this Agreement or the APS.

**Section 5.02 Effects of Termination.** Upon termination of this Agreement other than on the Closing Date and completion of the Transaction, the Servicer shall forthwith after termination:

- a) deliver to the Receiver all records and documents, including without limitation, all contracts and all operating records and books of account maintained in accordance with the provisions of this Agreement and respecting the Business;
- b) take all steps to cooperate with the ultimate purchaser(s) of the Business and its Property (if other than the Servicer) and the Receiver, as applicable, to facilitate the transition of the Business and its Property; and
- c) deliver a general status report as to all current matters in connection with the Business.

## ARTICLE 6 INTELLECTUAL PROPERTY

**Section 6.01 Use of Intellectual Property.** For the Term, the Servicer shall have a license to use, for the purposes of carrying out its obligations under this Agreement only, the intellectual property included in the Rented Property, as identified in Schedule "A", but the Servicer shall gain no rights to such intellectual property pursuant to this Agreement.

## ARTICLE 7 CONFIDENTIALITY, NON-COMPETE AND NON-SOLICIT

**Section 7.01 Confidentiality.** In connection with this Agreement, the Corporation and/or the Receiver will be furnishing the Servicer with certain information which is either non-public,

confidential or proprietary in nature. All information (whether written, oral, electronic or in any other form) furnished by the Corporation and/or the Receiver or their respective affiliates, shareholders, trustees, directors, officers, employees, agents, members, partners, potential financing sources, representatives or advisors including, without limitation, lawyers, accountants, consultants, bankers, financial advisors or any other representatives (collectively, the "**Representatives**") to the Servicer or its Representatives regarding the Corporation, its affiliates and its assets (together with all analyses, compilations, data, studies, plans, memoranda, notes, reports, maps, sections, models, interpretations, recipes, documents, computer records or other information in hard copy, electronic or other form prepared by the Servicer or its Representatives containing or based upon any such furnished information, but excluding Excluded Information (as hereinafter defined), the "**Confidential Information**"). For the purposes of this Agreement, the term "**Excluded Information**" means any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Corporation or the Receiver or any of their Representatives or by anyone to whom the Servicer or any of its Representatives transmit any Confidential Information, (ii) is or becomes known or available to the Servicer on a non-confidential basis and not in contravention of Applicable Law from a source which has represented to the Servicer that it is entitled to disclose it to the Servicer on such basis, (iii) is already in Servicer's possession, provided that such Confidential Information is not subject to another confidentiality agreement with, or other obligation of secrecy to, the Corporation or the Receiver, or (iv) in the normal course of operation of the Business would be disclosed to customers, employees, suppliers, regulators or other third parties.

**Section 7.02 Obligations of the Servicer.** The Confidential Information will be kept confidential by the Servicer and its Representatives and the Servicer and its Representatives will respect its confidential and proprietary nature and will take reasonable precautions to maintain such confidentiality. Furthermore, the Servicer and its Representatives will use the Confidential Information solely for the purpose of performing the Servicer's obligations under this Agreement. The Servicer further agrees it will not disclose the Confidential Information to any third parties.

**Section 7.03 Required Disclosure of Confidential Information.** If the Servicer or any of its Representatives conclude that the Servicer or its Representatives are legally compelled to publicly disclose any Confidential Information, the Servicer shall provide the Receiver with prompt prior written notice of such requirement so that the Receiver may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement.

**Section 7.04 Return of Confidential Information.** At the request of the Receiver, the Servicer will promptly: (i) return to the Receiver all documents containing Confidential Information (and all copies thereof) or all such material shall be destroyed, and (ii) no copy thereof shall be retained and the Servicer shall not be entitled to make use of any such materials. In addition, at the request of the Receiver, the Servicer shall promptly certify to the Receiver in writing that the Servicer has complied with (i) and (ii).

**Section 7.05 Accuracy of Confidential Information.** The Receiver is not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and the Receiver shall be under no obligation to update, supplement or amend the Confidential Information as a result of subsequent events or developments or otherwise.



The Receiver shall not have any liability, direct or indirect, to the Servicer or any other person resulting from the Servicer's use of the Confidential Information.

**Section 7.06 Survival.** The Servicer's obligations under this Article 7 will terminate two (2) years from the Closing Date, unless the Servicer is the purchaser in the Transaction, in which case they shall terminate on Closing.

## **ARTICLE 8 INDEMNIFICATION OF THE RECEIVER**

**Section 8.01 Indemnification.** Notwithstanding any termination of this Agreement, the Servicer shall indemnify and save completely free and harmless, the Receiver and the Corporation, as the case may be, from and against any claims, losses, damages, costs or liabilities, (incidental, direct, indirect, consequential or otherwise), that may be suffered or incurred by the Receiver or the Corporation, as the case may be, arising out of any acts or omissions of the Servicer, its representatives, agents or servants in connection with obligations under this Agreement or the operation and use of the Rented Property including, without limitation, any failure to comply with or satisfy Legal Requirements.

**Section 8.02 Notice of Claim.** The Servicer shall give the Receiver and the Corporation prompt written notice of any such claim, demand or action upon receipt of reasonable evidence of the existence of such claim demand or action.

**Section 8.03 Defending any Claim.** The Servicer shall defend or contest any claim, demand or action brought at its cost and expense and may settle same in accordance with the following. The Receiver and the Corporation shall reasonably cooperate in, and allow the Servicer to control, the defense of any claim, demand or action and all related settlement negotiations at the Servicer's cost and expense provided that the Servicer must first obtain the Receiver's prior written consent to settle any claim. The Receiver and the Corporation may employ counsel at the Servicer's expense to assist with any such claim, demand or action or its defense in the event that the Servicer fails to defend.

**Section 8.04 Survival.** This Article 8 shall survive termination of this Agreement.

## **ARTICLE 9 MISCELLANEOUS**

**Section 9.01 Receiver's Capacity.** The parties to this Agreement agree that the Receiver acts solely in its capacity as receiver and manager of the Property of the Corporation, and that the Receiver and its agents, officers and employees shall have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection with the Agreement.

**Section 9.02 Further Assurances.** Each of the parties to this Agreement from and after Closing shall, from time to time, and at the request and expense of the party requesting such further assurance, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested for more effectually

carrying out the true intent and meaning of this Agreement.

**Section 9.03 Time of the Essence.** Time shall be of the essence of this Agreement.

**Section 9.04 Currency.** All references in this Agreement to monetary amounts, unless specifically indicated to the contrary, are to Canadian currency.

**Section 9.05 Notices.** Any notice, demand or other communication required or permitted to be given to any party hereunder shall be given in writing and addressed as follows:

In the case of the Receiver:

BDO Canada Limited  
60 Columbia Way, Suite 300  
Markham, Ontario  
L3R 0C9

Attention: Gary Cerrato  
Email: [gcerrato@bdo.ca](mailto:gcerrato@bdo.ca)

with a copy to:

LIPMAN, ZENER & WAXMAN PC  
850-100 Sheppard Ave E  
Toronto, ON  
M2N 6N5

Attention: Jason Spetter  
Email: [jspetter@lzl.com](mailto:jspetter@lzl.com)

In the case of the Servicer:

GrackleDocs Inc.  
34 St. Hilda Avenue  
Toronto, Ontario  
L5L 1A3

Attention: Paul Walker  
Email: [pwalker@grackledocs.com](mailto:pwalker@grackledocs.com)

Any such notice shall be deemed to be sufficiently given if personally delivered or sent with confirmation of receipt by facsimile transmission, and in each case shall be deemed to have been received by the other Party on the same day on which it was delivered or sent with confirmation of receipt by facsimile transmission, if such day is a Business Day, and, if not, on the next following Business Day.

**Section 9.06 Entire Agreement.** Save and except for the APS, this Agreement and the schedules attached to this Agreement constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and supersedes any and all prior negotiations, understandings and agreements between the parties. In the event of any conflict or inconsistency between this Agreement and other documents (other than the APS), this Agreement shall prevail. In the case of an inconsistency between this Agreement and the APS, the APS shall prevail. This Agreement may not be amended or modified in any respect except by written instrument signed by the Party(ies) intended to be bound by such amendment or modification.

**Section 9.07 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the laws of Canada applicable in Ontario and the parties attorn to such jurisdiction.

**Section 9.08 Singular, Plural and Gender.** Words importing the singular include the plural and vice versa, and words importing gender include the masculine and feminine and neutral genders. The term "person", as used in this Agreement, shall have the meaning ascribed to it pursuant to the *Business Corporations Act* (Ontario).

**Section 9.09 Headings.** The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement.

**Section 9.10 Successors and Assigns.** This Agreement shall be binding upon, and enure to the benefit of, the parties to this Agreement and their respective successors and permitted assigns.

**Section 9.11 Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document and all counterparts and adopting instruments will be construed together and will constitute one and the same agreement.

*[remainder of page intentionally left blank]*

**DULY EXECUTED** as of the date first above written.

**BDO CANADA LIMITED**, solely in its capacity as receiver and manager of the undertaking, property and assets of Abledocs Inc., without corporate or personal liability

DocuSigned by:

*Gary Cerrato*

C2A204B668B048F...

---

Per: Gary Cerrato

I have the authority to bind the corporation.

**GRACKLEDOCS INC.**

DocuSigned by:

*Paul Walker*

5FB040AEF240408...

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Per: Paul Walker

I have the authority to bind the Corporation

**SCHEDULE "A"**  
**LIST OF RENTED PROPERTY**

- Cloud based Platforms – Microsoft 365 and Azure Platform managed by Value Added Systems
- Any other cloud based systems/platforms being used by Abledocs to conduct its business
- Technology
  - ADO, ADAPI, ADScan, ADGateway, ADDashboard, ADLegacy, ADReader, ADStream, PDF Validator, & WordPress Plugin
  - All associated source code stored in AbleDocs GitHub and Microsoft DevOps repositories
  - Pipedrive CRM system
  - Authenticate System
  - Order Time System
  - HR System
- Use of the Abledocs domain and website
- Use of the PDFUA Foundation domain and website
  
- Hardware
  - Any hardware/software associated that will ultimately be sold to Grackledocs
  
- All commercial records

# TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF Section 101 of the Court of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C., c. B-3,  
as amended*

**THE HONOURABLE** ) **TUESDAY, THE 5<sup>th</sup>**  
 )  
**JUSTICE** ) **DAY OF DECEMBER, 2023**

**B E T W E E N:**

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**APPROVAL AND VESTING ORDER AND ANCILLIARY RELIEF**

**THIS MOTION**, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the "**Receiver**") of Abledocs Inc. ("**Debtor**"), for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Asset Purchase Agreement**") between the Receiver and Grackledocs Inc. (the "**Purchaser**") dated December 4, 2023, and vesting in the Purchaser the right, title, benefit and interest of the Debtor in and to the assets described in the Asset Purchase Agreement (the "**Purchased Assets**"), and other ancillary relief, was heard this day by videoconference.

**ON READING** the Motion Record of the Receiver and the First Report of the Receiver dated December 4, 2023 (the "**First Report**") and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Tiegan Kilbride sworn December 4, 2023, filed.

**APPROVAL AND VESTING**

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement and the First Report.

2. **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 hereof.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of Debtor's right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement shall vest absolutely in the Purchaser free and



clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, 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 (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order dated November 16, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use

of such information by Debtor.

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

- (a) the pendency of these proceedings; and
- (b) the assignment in bankruptcy made in respect of the Debtor on or about November 27, 2023;

the vesting of the Purchased Assets in the Purchaser to this Order shall be binding on the trustee in bankruptcy in respect of Debtor and shall not be void or voidable by creditors of Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from Section 6(3) of the *Retail Sales Act* (Ontario).

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.

**ANCILLIARY RELIEF**

11. **THIS COURT ORDERS AND DIRECTS** Adam Spencer to facilitate the transfer to the Receiver of all funds being held and deposited into an RBC bank account held in North Carolina in the name of Abledocs (USA) LLC, bearing account number 000503352558.

12. **THIS COURT ORDERS AND DIRECTS** the Confidential Supplement to the First Report, shall be sealed until the closing of the Transaction, or further Order of this Court.

13. **THIS COURT ORDERS** that the activities of the Receiver as described in the First Report be and are hereby approved.

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**Schedule A- Form of Receiver's Certificate**

Court File No.: CV-23-00083219-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

*IN THE MATTER OF Section 101 of the Court of Justice Act, R.S.O. 1990 c.C.43, as amended,  
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C., c. B-3,  
as amended*

B E T W E E N:

**HSBC BANK CANADA**

Applicant

- and -

**ABLEDOCS INC. and ABLEDOCS INTERNATIONAL LIMITED**

Respondents

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice L. Sheard of the Ontario Superior Court of Justice (the "**Court**") dated November 16, 2023, BDO Canada Limited was appointed as receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Abledocs Inc. ("**Abledocs Inc.**"), amongst others.

B. Pursuant to an Order of the Court dated December 5, 2023, the Court approved the agreement of purchase and sale made as of December 3, 2023 (the "**Asset Purchase Agreement**") between the Receiver and GrackleDocs Inc. (the "**Purchaser**" which shall include any party the Purchaser may nominate or direct) and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the

Purchaser, or whomever the Purchaser shall nominate or direct, of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**BDO Canada Limited, in its capacity as  
Receiver, and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**HSBC BANK CANADA**

Applicants

-and-

**ABLEDOCS INC., et al.**

Respondents

Court File No.: CV-23-00083219-0000

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
**HAMILTON**

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**APPROVAL AND VESTING ORDER**

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**LIPMAN, ZENER & WAXMAN PC**

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto, Ontario M2N 6N5

**JASON D. SPETTER** [LSO No. 46105S]

**IAN KLAIMAN** [LSO No. 58955G]

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Applicant

-and-

ABLEDOCS INC., et al.  
Respondents

**Court File No.: CV-23-00083219-0000**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
HAMILTON

**MOTION RECORD**

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