

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE
PROVINCE OF ONTARIO**

MOTION RECORD

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Barristers and Solicitors
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TO: SERVICE LIST

SERVICE LIST

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**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF FINANCE**

(Income Tax, PST)

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Attention: Kevin J. O'Hara

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CANADIAN WESTERN BANK

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ROMA FENCE LIMITED

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Bolton, ON L7E 1G6

Attention: Tony Marra
Email: tmarra@romafence.com

BRAM-WEST HOLDINGS INC.

10 Holland Drive
Bolton, ON L7E 1G6

Attention: Tony Marra
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TONY MARRA

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OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA

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Lawyers for Hebei Minmetals Co. Ltd. and China Export and Credit Insurance (Sinosure)

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE
PROVINCE OF ONTARIO**

**MOTION RECORD
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE
PROVINCE OF ONTARIO**

NOTICE OF MOTION

ACCULINK FENCE & WIRE INC. (the “**Company**”), will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List) on Tuesday, February 2, 2016 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an order:

- (a) if necessary, abridging the time and manner for service of the Company’s Motion Record so that the motion is properly returnable on February 2, 2016;
- (b) granting the Company a 45 day extension of time to make a proposal to its creditors to March 20, 2016; and
- (c) such other relief as this Court may deem appropriate.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Company is a manufacturer and distributor of chain link fences, chain link fence ties, bottom wires, agricultural fences and ornamental iron fencing. The Company

is a member of the Roma Fence group of companies which collectively manufacture and distribute a full line of fences and fence related products.

2. Royal Bank of Canada (“**RBC**”) is the Company’s senior secured creditor. In May 2015, the Company defaulted on its obligations to RBC and RBC demanded payment of its loans in full and served a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA.

3. On October 5, 2015, the Company, with the consent of RBC, commenced this proceeding by filing a Notice of Intention to Make a Proposal. KPMG Inc. was appointed trustee of the Company in the proposal proceeding (the “**Proposal Trustee**”). Although the stay of proceedings under the BIA does not apply to RBC, RBC has agreed not to exercise its enforcement rights in the proposal proceeding, provided however, that Acculink remains within its cash flow projection and a portion of realizations on the Company’s assets in this proceeding are used to permanently pay down the RBC loans.

4. This proposal proceeding was commenced by the Company to allow it to downsize its operations, liquidate redundant equipment and inventory on hand and collect accounts receivable in order to allow the Company to pay down its loans to RBC and make a proposal to its creditors.

The Sale of Equipment to Arrivali

5. On November 4, 2015, this Court granted an Order (the “**First Sale Approval Order**”) authorizing the sale of certain redundant equipment by the Company to Arrivali Fence LLC (“**Arrivali**”) outside of the ordinary course of business.

6. On December 18, 2015, this Court granted an Order (the “**Second Sale Approval Order**”) authorizing the sale of certain further redundant equipment by the Company to Arrivali outside of the ordinary course of business.

7. The sales of redundant equipment to Arrivali contemplated in the First Sale Approval Order and the Second Sale Approval Order have been completed and total

proceeds in the amount of USD \$330,000 have been paid to RBC in reduction of the Company's indebtedness.

The Sale of Redundant Equipment

8. In addition, the Second Sale Approval Order authorized the Company to sell other redundant equipment and non-material assets (the "**Redundant Equipment**"), outside of the ordinary course of business, up to a maximum aggregate sale price of \$100,000.

9. The Company has provided a small quantity of Redundant Equipment to Danbury Global Limited to be sold in its auction at the end of January 2016. The proceeds of the sale of Redundant Equipment will be paid to RBC in reduction of the Company's indebtedness.

Sale of Excess Inventory

10. The Second Sale Approval Order also authorized the Company to sell its excess inventory in the manner proposed in the Affidavit of Christina Marra sworn December 13, 2015. The Company, with the assistance of the Proposal Trustee, has made efforts to market and sell the Excess Inventory to customers, competitors and industry participants at significantly reduced prices.

11. To date, the Company has been able to generate sales of Excess Inventory in the amount of approximately \$19,000. The Company intends to continue its efforts to sell the Excess Inventory in accordance with the Second Sale Approval Order and pay any proceeds to RBC in reduction of the Company's indebtedness.

Stay Extension

12. The stay of proceedings under the BIA was extended from November 4, 2015 to December 21, 2015 pursuant to the First Sale Approval Order. Pursuant to the Second Sale Approval Order, the stay of proceedings was extended again from December 21, 2015 to February 4, 2016.

13. The Company is acting in good faith and with due diligence in seeking to maximize recovery for its creditors by downsizing its operations and liquidating excess or redundant assets and inventory. Once the Company is able to ascertain its recovery from the sale of these assets and inventory and has rightsized its operations, it will be in a better position to put together a proposal to its creditors.

14. In order to advance this proceeding, the Company is seeking an extension of time to file a proposal for 45 days or until March 20, 2016. The stay extension will allow the Company to complete the sale of the Redundant Equipment and liquidate further Excess Inventory.

15. Without the extension the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by RBC and the Proposal Trustee. If the extension applied for is granted, the Company would likely be able to make a viable proposal to its creditors following the downsizing of its operations and the sale of its assets.

16. The facts and circumstances set out in the Affidavit of Christina Marra sworn January 26, 2016 and the Third Report of the Proposal Trustee.

17. *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, s. 65.13.

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

18. The Affidavit of Christina Marra sworn January 26, 2016;

19. The Third Report of the Proposal Trustee; and

20. Such other material as counsel may advise and this Honourable Court may permit.

Date: January 26, 2015

CHAITONS LLP
Barristers and Solicitors
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Lawyers for the Company

TO: SERVICE LIST

TAB 2

Court File No. 32-2043593

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE
PROVINCE OF ONTARIO

AFFIDAVIT OF CHRISTINA MARRA
(Sworn January 26, 2015)

I, Christina Marra, of the City of Bolton, Province of Ontario, MAKE OATH
AND SAY:

1. I am the General Manager of Acculink Fence & Wire Inc. (the "Company" or "Acculink") and as such, I have knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.
2. The Company carries on business as a manufacturer and distributor of wire, chain link and ornamental iron fencing in the Province of Ontario.
3. On October 5, 2015, the Company filed a Notice of Intention to Make a Proposal ("NOI") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") as amended. KPMG Inc. was appointed as the Company's proposal trustee (the "Proposal Trustee"). A copy of the NOI is attached hereto as Exhibit "A".
4. This affidavit is made in support of a motion by the Company for an order granting the Company a 45 day extension of time or until March 20, 2016 to make a proposal to its creditors.

PROPOSAL PROCEEDING

5. This proposal proceeding was commenced by the Company to allow it to downsize its operations, liquidate redundant equipment and inventory on hand and collect accounts receivable in order to allow the Company to pay down its loans to Royal Bank of Canada (“RBC”) and make a proposal to its creditors.

6. The background to this proceeding is set out in detail in my affidavit sworn October 30, 2015 (my “**First Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “B”**. Except where necessary, I have not repeated the facts set out in my First Affidavit.

RBC

7. RBC is the Company’s senior secured creditor. The Company’s indebtedness to RBC is secured by, among other things, a general security agreement constituting a first security interest over all of Acculink’s personal property.

8. As at the date of the swearing of this affidavit, Acculink was indebted to RBC in an amount of approximately \$960,000 for principal and interest.

9. The Proposal Trustee obtained a security opinion from its legal counsel with respect to the validity and enforceability of the security held by RBC confirming that, subject to the usual qualifications and assumptions, RBC has a valid security interest over all of the Company’s personal property. The security opinion obtained by the Proposal Trustee has been filed with the Court.

SALE OF EQUIPMENT AND INVENTORY

10. On November 4, 2015, the Company attended and obtained an Order of the Court (the “**First Sale Approval Order**”), among other things, authorizing it to sell certain redundant equipment to Arrivali Fence LLC (“**Arivali**”) outside of the ordinary course of business and extending the time for filing a proposal to December 21, 2015. A copy of the First Sale Approval Order is attached hereto and marked as **Exhibit “C”**.

11. On December 18, 2015, the Company obtained a further Order of the Court (the "Second Sale Approval Order"), among other things:

- (a) authorizing it to sell certain redundant equipment to Arrivali outside of the ordinary course of business;
- (b) authorizing it to sell further redundant equipment and non-material assets (the "Redundant Equipment"), outside the ordinary course of business, up to a maximum aggregate sale price of \$100,000, with the approval of the Proposal Trustee and RBC;
- (c) authorizing it to sell its excess inventory (the "Excess Inventory"), with the approval of the Proposal Trustee;
- (d) extending the time for filing a proposal to February 4, 2016.

A copy of the Second Sale Approval Order is attached hereto and marked as Exhibit "D".

12. The sales of equipment to Arrivali contemplated in the First Sale Approval Order and the Second Sale Approval Order were completed and total proceeds in the amount of USD \$330,000 were paid to RBC in reduction of the Company's indebtedness.

13. In accordance with the Second Approval Order, the Company has provided a small quantity of Redundant Equipment to Danbury Global Limited ("Danbury") to be sold in its auction at the end of January 2016. A listing of the Redundant Equipment provided to Danbury is attached to the Third Report of the Proposal Trustee as Appendix "A". The proceeds of the sale of Redundant Equipment at the Danbury auction will be paid to RBC in reduction of the Company's indebtedness.

14. In addition, in accordance with the Second Sale Approval Order, the Company, with the assistance of the Proposal Trustee, has made efforts to sell the Excess Inventory and has made sales to date totalling \$19,069.85. The proceeds from the sale of Excess Inventory are being paid to RBC as they are collected, in reduction of the Company's indebtedness.

15. The Company continues to make efforts to sell the Excess Inventory in accordance with the Second Sale Approval Order. The sale of the Excess Inventory has taken longer than anticipated and I believe this is due, in part, to the holiday season. To date, the Company has contacted in excess of 200 parties to solicit interest in the Excess Inventory. The Company has also been in discussions with three brokers in Canada and the U.S. to discuss an arrangement for the sale of further significant quantities of Excess Inventory, and hopes that this arrangement will result in substantial sales being completed by the beginning of March 2016.

STAY EXTENSION

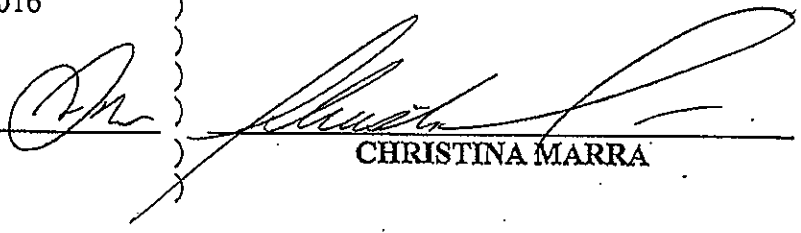
16. Pursuant to the Second Sale Approval Order, the stay of proceedings will expire on February 4, 2016. The Company is acting in good faith and with due diligence in seeking to maximize recovery for its creditors by downsizing its operations and liquidating excess or redundant assets. Once the Company is able to ascertain its recovery from the sale of these assets and has rightsized its operations, it will be in a better position to put together a proposal to its creditors.

17. In order to advance this proceeding, the Company is seeking an extension of time to file a proposal for 45 days or until March 20, 2016. The stay extension will allow the Company to complete further sales of Redundant Equipment and liquidate the Excess Inventory.

18. Without the extension the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by RBC and the Proposal Trustee. If the extension applied for is granted, the Company would likely be able to make a viable proposal to their creditors following the downsizing of its operations and the sale of its assets.

19. I swear this affidavit in support of the Company's motion for the relief set out in this Affidavit.

SWORN BEFORE ME at the City
of *BOLTON*, in the Province of
Ontario, this *26* day of January, 2016
~~Antonio Domenico Marra,~~
a Commissioner, etc., Province of Ontario,
for Roma Fence Ltd. and their subsidiaries,
associated companies, and affiliates.
Expires August 30, 2018.
A Commissioner, Etc.



CHRISTINA MARRA

THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF CHRISTINA MARRA

SWORN BEFORE ME THIS 26

DAY OF JANUARY, 2016.

Anthony Domenico Marra,
a Commissioner, etc., Province of Ontario,
for Roma Fence Ltd. and their subsidiaries,
associated companies, and affiliates.



Expires August 30, 2018.

A Commissioner etc.

District of: Ontario
Division No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

- FORM 33 -

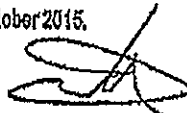
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

Take notice that:

1. I, Acculink Fence & Wire Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. KPMG Inc. of 21 King Street West, Suite 700, Hamilton, ON, L8P 4W7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Hamilton in the Province of Ontario, this 5th day of October 2015.



Acculink Fence & Wire Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

- Proposal Consent -
In the Matter of the Proposal of
Acculink Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Acculink Fence & Wire Inc.

Dated at the City of Hamilton in the Province of Ontario, this 5th day of October 2015.

KPMG Inc. - Trustee
Per:



Brad Newton
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Phone: (905) 523-8200 Fax: (905) 523-2200

District of: Ontario
 Division No. 09 - Toronto
 Court No. 32-2043593
 Estate No. 32-2043593

FORM 93
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Acculink Fence & Wire Inc.
 of the City of Bolton, in the Province of Ontario
 List of Creditors with claims of \$250 or more

Creditor	Claim Amount
Advantage Packaging	2,274.60
Air Liquide	1,549.80
AMAR TRANSPORT INC.	11,615.00
AZZ GALVANIZING - GALVCAST	2,655.44
BELL CANADA - (MAIN LINE)	1,272.99
BOLTON TIRE SALES INC.	337.88
BONBARDE	827.17
Business Development Bank of Canada	55,110.00
CLF INTERNATIONAL	24,861.19
Canada Holdings	153,472.12
CANADA REVENUE AGENCY (HST)	72,161.70
CANADA WIRE & METAL INC.	125,242.23
CANADIAN SAFETY ANCHOR INSPECTIONS	18,527.65
CANYON CANADA INC.	370.23
CARAT PROPERTIES INC.	59,740.67
CBSS CAPITAL INC.	6,384.03
CITY WIDE PACKAGING	4,289.97
COKYASAR GALVANIZ A.S.	42,350.20
DHL GLOBAL FORWARDING (CANADA)	59,161.23
Emk Fyhr	328,227.00
FAZZARI AND PARTNERS	44,070.00
FUS TRANSPORTATION SERVICES IN FRX INC.	1,617.00
GFL ENVIRONMENTAL	2,825.00
HANTEG SOLUTIONS INC.	1,342.11
HEBEI MIN METALS CO., LTD	32,687.96
HEBEI MIN METALS CO., LTD	430,684.48
HOUSE OF BEARING SUPPLY	223,439.04
HYDRO ONE NETWORKS INC.	742.96
INTERNATIONAL TUBULAR PRODUCTS	24,600.88
ITEREX	14,189.80
JADE STERLING STEEL CO. INC.	277.44
MANULIFE FINANCIAL	28,276.08
Marcam Industries	19,429.42
MASTER HALCO	31,833.76
MASTERS INSURANCE	77,389.54
MEDITERRANEAN SHIPPING	24,054.12
MICHAEL SHERIDAN	9,725.00
MULTICOR INC.	1,017.00
MURDOCK MACKAY LTD.	40,143.00
ONTARIO MINING ASSOCIATION	3,818.45
ONWARD CLUTH	3,390.00
OXFORD ROLLFORMING	640.70
P.E.M. FEED SCREWS	18,624.43
PERMOLO CASTINGS LIMITED	4,147.10
PETZO INCORPORATED	6,254.50
	4,300.00

Office of: Ontario
District No. 09 - Toronto
Court No. 32-2043593
Estate No. 32-2043593

FORM 38
Notice of Intention To Make a Proposal
(Subsection 60.4(1) of the Act)

In the Matter of the Proposal of
Acornk Fence & Wire Inc.
of the City of Bolton, in the Province of Ontario
List of Creditors with claims of \$250 or more

POLYFLEX TECHNOLOGIES	145,532.66
PROFESSIONAL POWDER	24,882.42
PURDLATOR COURIER LTD.	679.13
QUEAS GROUP	343.81
R.K. TRUCK CENTRE	892.74
RIVERSTONE IRRIGATION	2,240.00
Rain Fence Limited	300,000.00
ROYAL BANK OF CANADA	1,873,423.01
SPITZ'S TOTAL MAINTENANCE	1,422.06
Tony Mary	613,166.57
TRAFFIC TECH INC.	2,507.33
TREE ISLAND INDUSTRIES LTD.	64,681.39
VISION POWDER COATING	4,330.31
WORKPLACE SAFETY & INSURANCE	4,827.31

THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF CHRISTINA MARRA

SWORN BEFORE ME THIS 26

Anthony Domenico
a Commissioner, etc., Province of Ontario,
for Roma Ferice Ltd. and their subsidiaries,
associated companies, and affiliates.
Expires August 30, 2018.



A Commissioner etc.

Court File No. 32-2043593

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE
PROVINCE OF ONTARIO

AFFIDAVIT OF CHRISTINA MARRA
(Sworn October 30, 2015)

I, Christina Marra, of the City of Bolton, Province of Ontario, MAKE OATH
AND SAY:

1. I am the General Manager of Acculink Fence & Wire Inc. (the "Company" or "Acculink") and as such, I have knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.
2. The Company carries on business as a manufacturer and distributor of wire, chain link and ornamental iron fencing in the Province of Ontario.
3. On October 5, 2015, the Company filed a Notice of Intention to Make a Proposal ("NOI") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") as amended. KPMG Inc. was appointed as the Company's proposal trustee (the "Proposal Trustee"). A copy of the NOI is attached hereto as Exhibit "A".
4. This affidavit is made in support of a motion by the Company for an order:
 - (a) authorizing the Company to sell certain assets out of ordinary course of business; and
 - (b) granting the Company a 45 day extension of the time to make a proposal to its creditors to December 21, 2015.

ACCULINK

5. Acculink is a manufacturer and distributor of chain link fences, chain link fence ties, bottom wires, agricultural fences and ornamental iron fencing. The Company is a member of the Roma Fence group of companies all of which are owned directly or indirectly by members of the Marra family. Collectively, the Roma Fence group of companies manufacture and distribute a full line of fences and fence related products.

6. Acculink manufactures its products from a leased plant facility located at 10 Holland Drive in Bolton, Ontario (the "Plant Facility"). The Plant Facility is leased by the Company from Carat Properties Inc. ("Carat"), a company related to Acculink.

7. Historically, related party sales to the Roma Fence group of companies made up approximately 30% of the Company's sales. The balance of manufactured products is sold by the Company directly to US fence companies, and to larger volume fence companies based mainly in Southern Ontario.

8. Acculink's operations are seasonal in nature with the majority of the sales occurring between the months of May to November. Prior to the commencement of this proceeding, Acculink employed approximately 25 full time and part time non-unionized employees at the Plant Facility, although that number is reduced to 16 during the off season.

RBC

9. RBC is the Company's senior secured creditor. Pursuant to an offer letter dated June 4, 2014 (the "Loan Agreement"), RBC made available to the Company the following demand loan facilities: (i) a deposit account facility in the principal amount of CAD\$70,000; and (ii) a demand loan facility in the principal amount of USD\$1,304,862.39 (collectively, the "RBC Loans"). The RBC Loans are secured by, among other things, a first security interest over all of Acculink's personal property.

10. Copies of the Loan Agreement and the general security agreement executed by Acculink are collectively attached hereto as Exhibit "B".

11. As at the date of the NOI filing, Acculink was indebted to RBC in an amount of approximately \$1.67 million for principal and interest.

OTHER CREDITORS

12. I am advised by the Company's legal counsel, Chaitons LLP ("Chaitons") that Chaitons obtained a search from the Personal Property Security Registration System in the province of Ontario in respect of registrations under the *Personal Property Security Act* ("PPSA") which were outstanding against the Company as at October 28, 2015 and which disclose the particulars of the following registrations in order of registration:

- (a) RBC in respect of all collateral classifications other than consumer goods;
- (b) Roma Fence (East) Inc. ("Roma East") in respect of certain equipment;
- (c) Travelers Financial Corporation ("Travelers") in respect of certain equipment;
- (d) Roynat Inc. ("Roynat") in respect of all collateral classifications other than consumer goods;
- (e) Tony Marra ("Tony") in respect of all collateral classifications other than consumer goods; and
- (f) Bram West Holdings Inc. ("Bram West") in respect of all collateral classifications other than consumer goods.

A copy of the PPSA search against the Company is attached hereto as Exhibit "C".

13. Bram West and Roma East are related to and/or affiliated with the Company. Tony is my father and is the sole director of the Company. Bram West and Tony both guaranteed the Company's obligations to RBC. On May 7, 2015, RBC demanded payment from the guarantors of the RBC Loans, including Bram West and Roma East.

14. As at the date of this affidavit, the Company does not owe any money to Bram West. On or around March 2015, Bram West sold some of its real property and, at the

request of RBC, deposited a portion of the net proceeds from the sale in the approximate amount of \$600,000 in a GIC account in the name of Acculink.

15. As at the date of this Affidavit, the Company is indebted to Tony in the approximate amount of \$665,000, of which \$70,000 is secured.

16. The Company's obligations to Roynat arise under a secured guarantee granted by the Company as security for a loan extended by Roynat to Carat. To the best of my knowledge, Roynat's loan to Carat is not currently in default.

17. The Company's loan from Travelers has been repaid.

18. In addition to the related party loans described above, the Company is indebted to the following related entities on an unsecured basis:

- (a) Roma Fence Ltd. in the amount of approximately \$300,000 for unsecured advances made by Roma Fence Ltd.; and
- (b) Carat in the amount of approximately \$60,000 for rent and equipment rental; and
- (c) Cadette Holdings Inc. in the amount of approximately \$160,000.

19. As at the date of this Affidavit, the Company is indebted to its trade and other arms length creditors in the amount of approximately \$2.1 million.

FINANCIAL DIFFICULTIES

20. Over the last two years, the Company has been experiencing financial difficulties caused primarily by declining sales and the decline in the value of the Canadian dollar *vis a vis* the U.S. dollar. The Company sourced the majority of its materials from the United States which left it vulnerable to exchange rate fluctuations. In 2014, the Company's sale margins were reduced to approximately 10% (from 18% in 2011) and the Company suffered an operating loss of approximately \$550,000, with approximately 50% of that loss attributable to the declining Canadian dollar.

21. The Company defaulted on its obligations to RBC under the RBC Loan. On May 7, 2015, RBC demanded payment of the RBC Loan from Acculink and served a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA ("Notice of Enforcement").

22. Pursuant to a Forbearance Agreement dated July 28, 2015, RBC agreed to forbear from exercising its rights and remedies until September 30, 2015. A copy of the Forbearance Agreement is attached hereto as Exhibit "D".

23. The Company was unable to repay the RBC Loan to RBC prior to the termination of the forbearance period. On October 5, 2015, the Company, with the consent of RBC, commenced this proceeding by filing the NOI. Although the stay of proceedings under the BIA does not apply to RBC, RBC has agreed not to exercise its enforcement rights in the proposal proceeding, provided however, that Acculink remains within its cash flow projection and a portion of realizations on the Company's assets in this proceeding are used to permanently pay down the RBC Loan.

PROPOSAL PROCEEDING

24. This proposal proceeding was commenced by the Company to allow it to downsize its operations, liquidate redundant equipment and inventory on hand and collect accounts receivable in order to allow the Company to pay down its loan to RBC and make a proposal to its creditors. The Company is in the process of reviewing its remaining equipment on hand in order to identify any further redundant equipment which it intends to sell.

25. The Company intends to continue to carry on business during the proposal proceeding. However, to ensure that it has sufficient cash to fund its working capital and this proceeding, the Company is downsizing its manufacturing to production of inventory sufficient to supply the Roma group of companies along with a small group of higher margin clients. To that end, the Company has reduced its number of employees from approximately 35 to approximately 20 full time and part time employees.

26. On September 14, 2015, the Company obtained an appraisal of its equipment. A copy of the appraisal is attached hereto as Confidential Exhibit "1". The Company requests that the appraisal be kept confidential until the completion of this proceeding, or further order of the Court, to ensure that the Company's equipment sales are not negatively impacted in this proceeding.

27. The Company has built up high levels of excess inventory which it will be seeking to liquidate in this proceeding. The Company is currently offering its excess inventory to its existing customer base at a discounted price. In addition, the Company is also in the process of soliciting tenders from auctioneers for these assets with the view of maximizing value for its creditors.

SALE OF EQUIPMENT

28. In or around August 2015, the Company identified four of its chain link fence manufacturing machines ("Equipment") as being redundant and retained an equipment broker to locate a purchaser for the Equipment. On or around September 15, 2015, the Company entered into an agreement (the "Agreement") with Arivali Fence LLC ("Arivali") to sell the Equipment pursuant to the terms of an invoice dated September 15, 2015. A copy of the invoice with the purchase price redacted is attached hereto as Exhibit "E". An unredacted copy of the invoice will be filed with the Court on confidential basis as Confidential Exhibit "2".

29. The sale of the Equipment represents a sale out of the ordinary course of business. Accordingly, the Company seeks an order approving the sale of the Equipment to Arivali.

30. The Company received two offers for the Equipment with the offer from Arivali representing the best and highest offer. The purchase price under the Agreement is payable in US dollars, is substantially higher than the appraised value of the Equipment. A deposit in the amount of USD\$50,000 has been paid by Arivali.

31. Arivali has not requested and the Company is not seeking an order vesting the Equipment in Arivali free and clear of all claims and encumbrances. It is the Company's

intention to use the net proceeds from the sale of the Equipment to permanently pay down The RBC Loan in exchange for RBC's discharge of its security in the Equipment.

STAY EXTENSION

32. Under the BIA, the stay of proceedings will expire on November 4, 2015. The Company is acting in good faith and with due diligence in seeking to maximize recovery for its creditors by downsizing its operations and liquidating excess or redundant assets. Once the Company is able to ascertain its recovery from the sale of these assets and has rightsized its operations, it will be in a better position to put together a proposal to its creditors.

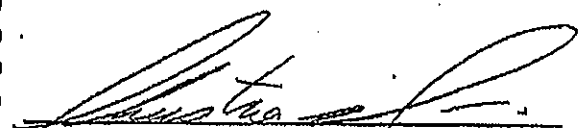
33. In order to advance this proceeding, the Company is seeking an extension of time to file a proposal for 45 days or until December 21, 2015.

34. Without the extension the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. The extension is supported by RBC and the Proposal Trustee. If the extension applied for is granted, the Company would likely be able to make a viable proposal to their creditors following the downsizing of its operations and the sale of its assets.

35. I swear this affidavit in support of the Company's motion for the relief set out in this Affidavit.

SWORN BEFORE ME at the City of
in the Province of Ontario this 30 day of
Anthony Di Marco, a Commissioner, etc. of Ontario,
for Roma Fence Ltd. and their subsidiaries,
associated companies, and affiliates.
Expires August 30, 2018.

A Commissioner, Etc.



CHRISTINA MARRA

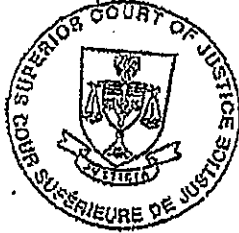
**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF CHRISTINA MARRA**

SWORN BEFORE ME THIS 26

Anthony DAY OF JANUARY, 2016.
a Commissioner, etc., Province of Ontario,
for Roma Fence Ltd. and their subsidiaries,
associated companies, and affiliates.
Expires August 30, 2018.

A Commissioner etc.





Court File No. 32-2043593

ONTARIO .
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE PROVINCE
OF ONTARIO .

THE HONOURABLE MR.) WEDNESDAY, THE 4TH DAY
)
JUSTICE NEWBOULD) OF NOVEMBER 2015

ORDER

THIS MOTION, made by Acoulink Fence & Wire Inc. (the "Company") for an Order:

1. abridging the time for service of the Company's Notice of Motion and Motion Record so that the motion is properly returnable on November 4, 2015;
2. authorizing the Company to sell to Arivall Fence LLC ("Arivall") the equipment described in an invoice dated September 15, 2015 (the "Equipment") attached as Exhibit B to the Affidavit of Christina Marra sworn October 30, 2015 (the "Marra Affidavit") out of the ordinary course of business;
3. sealing the confidential exhibits to the Marra Affidavit; and
4. extending the time for filing a proposal to December 21, 2015,

was heard this day at 330 University Avenue, Toronto, Ontario.

- 2 -

ON READING the Motion Record of the Company, including the Marra Affidavit, and the exhibits thereto, the First Report of KPMG Inc. in its capacity as the Proposal Trustee of the Company (the "Proposal Trustee"), and on hearing the submissions of counsel for the Company, and such other counsel listed on the Counsel Slip, no one else from the service list appearing although duly served as appears from the affidavit of service of Lynn Lee sworn November 2, 2015, filed,

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Company's notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

SALE APPROVAL

2. THIS COURT ORDERS that the Company is hereby authorized and directed, *nunc pro tunc*, to sell the Equipment to Arival pursuant to the terms of the invoice dated September 15, 2015 attached as Exhibit E and Confidential Exhibit 2 to the Marra Affidavit.

CONFIDENTIAL EXHIBIT

3. THIS COURT ORDERS that Confidential Exhibits to the Marra Affidavit be and hereby are sealed pending further order of the Court.

EXTENSION OF TIME TO FILE A PROPOSAL

4. THIS COURT ORDERS that the time within which the Company must file a proposal with the Official Receiver be and is hereby extended to December 21, 2015.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ACCULINK FENCE & WIRE INC.

Court File No. 32-2043593

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at TORONTO

ORDER

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E-mail: maya@chaitons.com

Lawyers for Acculink Fence & Wire Inc.

THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF CHRISTINA MARRA

SWORN BEFORE ME THIS 26

~~DAY OF JANUARY, 2016.~~
Anthony Domenico
a Commissioner, etc., Province of Ontario,
for Roma Fence Ltd. and their subsidiaries,
associated companies, and affiliates.
Expires August 30, 2018.



A Commissioner etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

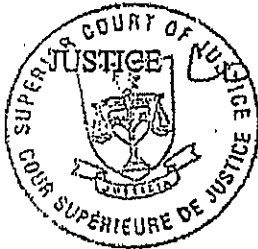
**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ACCULINK FENCE & WIRE INC. OF THE CITY OF BOLTON, IN THE PROVINCE
OF ONTARIO**

THE HONOURABLE

)
)
)

FRIDAY, THE 18th DAY

OF DECEMBER 2015



C. N. W. A. Y

ORDER

THIS MOTION, made by Acculink Fence & Wire Inc. (the "Company") for an Order:

1. abridging the time for service of the Company's Notice of Motion and Motion Record so that the motion is properly returnable on December 18, 2015;
2. authorizing the Company to sell to Arivali Fence LLC ("Arivali") the equipment described in invoices dated November 9 and 11, 2015 (the "Equipment") attached collectively as Exhibit "D" to the Affidavit of Christina Marra sworn December 13, 2015 (the "Marra Affidavit") outside of the ordinary course of business;
3. authorizing the Company to sell its redundant equipment and non-material assets (the "Redundant Equipment") outside of the ordinary course of business, up to a maximum

aggregate sale price of \$100,000, with the approval of the Proposal Trustee and Royal Bank of Canada ("RBC");

4. authorizing the Company to sell its excess inventory (the "Excess Inventory") in the manner described in the Marra Affidavit, with the approval of the Proposal Trustee;

5. sealing the confidential exhibit to the Affidavit of Christina Marra sworn December 13, 2015; and

6. extending the time for filing a proposal to February 4, 2016,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Company, including the Marra Affidavit, and the exhibits thereto, the Second Report of the Proposal Trustee dated December 16, 2015, and on hearing the submissions of counsel for the Company, and such other counsel listed on the Counsel Slip, no one else from the service list appearing although duly served as appears from the affidavit of service of Antoinette De Pinto sworn December 14, 2015, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Company's notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

SALE APPROVAL

2. **THIS COURT ORDERS** that the Company is hereby authorized and directed, *nunc pro tunc*, to sell the Equipment to Arivali pursuant to the terms of the invoices dated November 9,

- 3 -

2015 and November 11, 2015 attached collectively as Exhibit D and Confidential Exhibit 1 to the Marra Affidavit.

3. THIS COURT ORDERS that the Company is hereby authorized to sell the Redundant Equipment outside of the ordinary course of business up to an aggregate sale price of \$100,000, subject to the prior written approval of the Proposal Trustee and RBC in respect of each transaction.

4. THIS COURT ORDERS that the Company is hereby authorized to sell the Excess Inventory outside of the ordinary course of business, subject to the prior written approval of the Proposal Trustee in respect of each transaction.

CONFIDENTIAL EXHIBIT

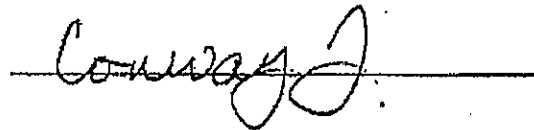
5. THIS COURT ORDERS that the Confidential Exhibit to the Marra Affidavit be and hereby is sealed pending further order of the Court.

EXTENSION OF TIME TO FILE A PROPOSAL

6. THIS COURT ORDERS that the time within which the Company must file a proposal with the Official Receiver be and is hereby extended to February 4, 2016.

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

DEC 10 2015



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ACCULINK FENCE & WIRE INC.

Court File No. 32-2043593

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at TORONTO

ORDER

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Lawyers for Acculink Fence & Wire Inc.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ACCULINK FENCE & WIRE INC.

Court File No. 32-2043593

**ONTARIO
SUPERIOR COURT OF ONTARIO
IN BANKRUPTCY**

Proceedings commenced at TORONTO

MOTION RECORD

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