

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE McEWEN

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FRIDAY, THE 18TH
DAY OF SEPTEMBER, 2020

B E T W E E N:

KRASHNIK INVESTMENTS LIMITED
and GABEL INVESTMENTS LIMITED

Applicants

and

186 OLD KENNEDY DEVELOPMENT INC.

Respondent

ORDER

THIS MOTION, made by **POLLARD & ASSOCIATES INC.**, in its capacity as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 186 Old Kennedy Development Inc. (the “**Debtor**”), appointed as Receiver on March 3, 2020 pursuant to the Order of the Honourable Justice C.A. Gilmore dated January 31, 2020 (the “**Appointment Order**”), for an Order, *inter alia*, approving the activities of the Receiver since the First Report, and authorizing the distribution of sale proceeds to Krashnik Investments Limited and Gabel

Investments Limited (collectively, "**Krashnik**"), was heard today by way of video conference due to the COVID-19 pandemic.

ON READING the Notice of Motion herein and the Second Report of the Receiver dated September 14, 2020 (the "**Second Report**"), and on hearing the submissions of counsel for the Receiver, Krashnik, 2592898 Ontario Inc., 2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc., 2638796 Ontario Inc. and 2646429 Ontario Inc. (collectively the "**259 Group**"), Yi Zhou on behalf of all investors in a third mortgage registered over 186 Old Kennedy Road, Markham, Ontario and 51 Victory Avenue, Markham, Ontario (the "**Old Kennedy Property**") other than Jin Feng (Mia) Zheng and Xinhua (Cindy) Wang, and Jin Feng (Mia) Zheng and Xinhua (Cindy) Wang (collectively, the "**Third Mortgagee**"), and on being advised that 186 Old Kennedy Development Inc. is bankrupt, and no one else appearing for any other person on the service list, although served as evidenced by the affidavit of Karen A. Fox sworn September 14, 2020, and on consent of the Third Mortgagee to the interim distribution of funds to the 259 Group,

1. **THIS COURT ORDERS** that the time for service of this Notice of Motion and Motion Record is abridged and further service of this Notice of Motion and Motion Record are hereby dispensed with, such that this Motion is properly returnable today.

2. **THIS COURT ORDERS** that the Second Report and the activities and conduct of the Receiver since the First Report as outlined in the Second Report, are hereby approved.

3. **THIS COURT ORDERS** that the Interim Statement of Receipts and Disbursements as at September 14, 2020 is hereby approved.

4. **THIS COURT ORDERS** that the Receiver is authorized to distribute proceeds from the sale of the Old Kennedy Property as follows:

- (a) To Krashnik, the first mortgagee of the Old Kennedy Property, the sum of \$25,490,122.44;
- (b) To the 259 Group, the second mortgagee of the Old Kennedy Property, the sum of \$17,712,212.70.

5. **THIS COURT ORDERS** that the Receiver is authorized to distribute such further sums to the 259 Group up to the amount of its second mortgage on consent of the Third Mortgagee.

6. **THIS COURT ORDERS** that the Receiver shall hold the balance of funds from the sale of the Old Kennedy Property pending further Order of this Court.



(Signature of Judge)

B E T W E E N

KRASHNIK INVESTMENTS LIMITED, et al.
Applicants

-and-

186 OLD KENNEDY DEVELOPMENT INC.
Respondent

Court File No. CV-19-627410-00CL

18 Sept 20

Order to go on an unopposed basis as per the draft filed and signed.

The relief sought is fair and reasonable.

The matter will return to deal with the remaining motions on Nov 2/20 @
10am for 90 minutes.



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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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