

Court File No. CV-23-00704623-00CL
Estate File No. 31-459671

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

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

**MOTION RECORD
(Returnable May 22, 2024)**

May 16, 2024

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Lawyers for the Court-Appointed Receiver,
Pollard & Associates Inc.

TO: **SERVICE LIST**

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

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

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- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

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NOTICE OF MOTION

Pollard & Associates Inc., in its capacity as receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of each of 33 Hawarden Crescent Inc. (“**33 Hawarden Inc.**”) and 35 Hawarden Crescent Inc. (“**35 Hawarden Inc.**”, and together with 33 Hawarden, the “**Debtors**”), will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) on May 22, 2024, at 10:00 a.m. or as soon after that time as the motion can be heard, via Zoom.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as Tab 3 to the Motion Record, for the following relief:

- (a) Approving the Receiver's activities as outlined in the Receiver's Second and Final Report, dated May 15, 2024 (the "**Second Report**"), and the activities of its counsel;
- (b) Approving the distribution to Vector Financial Services Limited ("**Vector**"), the first ranking mortgagee in respect of the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario (collectively, the "**Real Property**");
- (c) Approving the fees of the Receiver in the amount of \$179,689.50, plus HST;
- (d) Approving the fees of counsel for the Receiver, Minden Gross LLP ("**Minden**") and Blaney McMurtry LLP ("**Blaney**"), in the amount of \$155,709.99, plus HST;
- (e) Approving the proposed accrual of fees of Blaney in the amount of \$5,000, plus HST;
- (f) Approving the proposed accrual of fees of the Receiver in the amount of \$5,000, plus HST;
- (g) Approving the Interim Statement of Receipts and Disbursements as at May 15, 2024;

- (h) Approving the Proforma Statement of Receipts and Disbursements as at May 15, 2024;
- (i) Approving the discharge of the Receiver upon completion of the remaining administrative matters; and
- (j) Such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

- 2. The Debtors are incorporated under the laws of the Province of Ontario for the purpose of holding the Real Property.
- 3. The Real Property is comprised of two parcels of land consisting of .636 acres or 27,717 square feet fronting on Spadina Road and Hawarden Crescent, Toronto.
- 4. The Debtors purchased the Real Property on August 26, 2022 for the purposes of developing the land. They obtained a first-ranking mortgage in the amount of \$8 million from Vector.

Approval and Vesting Order for the Real Property

- 5. On application of Vector, Pollard & Associates Inc. was appointed Receiver of the Debtors by the Order of Justice Cavanagh, dated October 13, 2023 (the “**Appointment Order**”).

6. The Appointment Order appointed the Receiver over the Real Property and authorized the Receiver to market and sell the Debtors' assets, including the Real Property.
7. The Receiver determined that it was in the best interests of creditors to commence a sales process for the Real Property as opposed to waiting for severance applications to be passed by the Committee of Adjustments.
8. Following a marketing and sales process, the Receiver entered into an Agreement of Purchase and Sale dated February 6, 2024 (the "APS") with Gott Upper Canada Inc., as purchaser (the "**Purchaser**") with respect to the Real Property.
9. The Receiver brought a motion returnable on March 15, 2024 for, among other things, an order approving the sale transaction contemplated in the APS and vesting in the Purchaser the Debtors' right, title and interest in and to the Real Property.
10. The Debtors also brought a motion returnable on March 15, 2024 for an order permitting them to redeem Vector's mortgage on or before March 25, 2024 and discharging the Receiver (the "**Cross-Motion**").
11. On March 19, 2024, the Honourable Justice Black issued an endorsement granting the Approval and Vesting Order in respect of the APS (the "**AVO**") and dismissing the Debtors' Cross-Motion.
12. On March 25, 2024, the Debtors served a Notice of Appeal appealing the AVO and the dismissal of their Cross-Motion (the "**Notice of Appeal**").

Appeal of Approval and Vesting Order and Cross-Motion

13. The Debtors did not perfect the appeal, nor did they bring a motion seeking leave to appeal, an order to adduce fresh evidence or to stay the AVO.

14. The Receiver instructed its counsel to seek directions before a single judge of the Court of Appeal to, among other things, determine whether the Debtors required leave to proceed with their appeal and whether the AVO was stayed as result of the Debtors' appeal.

15. The Court of Appeal advised that the Debtors' appeal was not properly filed with the Court and, therefore, there was no Court of Appeal file number associated with the appeal.

16. On April 30, 2024, counsel for the Receiver wrote to counsel for the Debtors advising that the Receiver was prepared to allow the Debtors until May 7, 2024 to rectify errors with respect to the appeal so that it could be properly lodged before the Court of Appeal, failing which the Receiver would proceed to close the APS approved by the Court. No response was received from the Debtors.

17. The Debtors have not pursued their appeal of the AVO, nor have they provided the Receiver with any evidence that their attempts to refinance the Vector mortgage are viable.

Completion of the APS

18. The AVO was amended by the Court on May 13, 2024 to allow the Purchaser to take ownership of the Real Property in two newly incorporated companies.

19. The APS was completed on May 14, 2024.

20. The Receiver is currently holding \$8,634,325.33 in its trust account following the completion of the APS.

Distribution, Approval of Fees and Discharge

21. The Receiver obtained a legal opinion on the validity and enforceability of the Vector mortgage, which indicated that Vector has valid and enforceable security, subject to the usual qualifications.

22. The Receiver proposes to distribute \$8,246,777.34 to Vector as the first ranking mortgagee on title to the Real Property. The Receiver also proposes to distribute any further funds received by the Receiver to Vector in satisfaction of the indebtedness due and owing from the Debtors to Vector.

23. The Receiver has prepared an Interim Statement of Receipts and Disbursements, as of May 15, 2024 and a Proforma Statement of Receipts and Disbursements as at May 15, 2024.

24. The Receiver and its legal counsel, Minden Gross LLP and Blaney McMurtry LLP, have prepared fee affidavits. The Receiver seeks approval of the fees and disbursements of the Receiver and its counsel and is of the view that these fees and disbursements are reasonable.

25. The principal purpose of the receivership was to market and sell the Real Property, which has now been completed. The Receiver now seeks a discharge upon the filing of a certificate attached as Schedule "A" to the draft Order.

26. Rules 1.04, 2.01(1), 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

27. The *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

28. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

29. The Second and Final Report of the Receiver, dated May 15, 2024, and the appendices attached thereto; and

30. such further and other evidence as counsel may advise and this Honourable Court permit.

May 16, 2024

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Lawyers for the Court-appointed Receiver,
Pollard & Associates Inc.

TO: **SERVICE LIST**

VECTOR FINANCIAL SERVICES LIMITED

and

Court File No. CV-23-00704623-00CL
33 HAWARDEN CRESCENT INC. et al

Applicant

Respondents

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

Proceeding commenced at **Toronto**

NOTICE OF MOTION

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**Lawyers for Court-appointed Receiver, Pollard &
Associates Inc.**

TAB 2

ONTARIO
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B E T W E E N:

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- and -

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Respondent

SECOND AND FINAL REPORT OF THE COURT APPOINTED RECEIVER OF
33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.
("Second and Final Report")

May 15, 2024

INTRODUCTION

1. On October 13, 2023, pursuant to a motion brought by Vector Financial Services Limited ("**Vector**"), Pollard & Associates Inc. (the "**Receiver**") was appointed as receiver of 33 Hawarden Crescent Inc. ("**33 Hawarden Inc.**") and 35 Hawarden Crescent Inc. ("**35 Hawarden Inc.**") (collectively the "**Companies**") by Order of the Honourable Justice Cavanagh dated October 10, 2023 (the "**Appointment Order**") made pursuant to subsection 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 (the "**CJA**"). A copy of the Appointment Order is attached to this report as **Schedule "A"**.

2. The Companies requested time to repay in full the liabilities and obligations owing to Vector as outlined in paragraphs 1 to 3 of the Appointment Order. The Receiver's appointment was delayed to October 25, 2023 provided Vector received \$174,103.75 (the "**Interim Payment**") by no later than 5 p.m. on October 13, 2023 (the "**Interim Payment Date**"). If the Companies did not make the Interim Payment by the Interim Payment Date the Appointment

Order would take effect at 5 p.m. on October 13, 2023. The Receiver was advised by Vector that the Interim Payment was not received.

3. The Appointment Order appointed the Receiver, without security, over all of the Companies' assets, undertakings, and properties acquired for or used in relation to the business carried on by the Companies, including the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario ("**33 Hawarden**") and 35 Hawarden Crescent, Toronto, Ontario ("**35 Hawarden**") owned by the Companies, (collectively, the "**Real Property**").

4. On March 15, 2024, the Receiver brought a motion (the "**March 15 Motion**") for the purpose of:

- (a) Obtaining approval of the sale transaction (the "**Sale Transaction**") contemplated by an Agreement of Purchase and Sale dated February 6, 2024 (the "**APS**") between the Receiver and Gott Upper Canada Inc. ("**Gott**") as purchaser (the "**Purchaser**"), and vesting in the Purchaser the Companies' right, title and interest in and to the Real Property.
- (b) Approving the Receiver's conduct and activities as described in the First Report to Court dated March 1, 2024 (the "**First Report**") and requesting a sealing order to keep confidential schedules "H", "M" and the unredacted APS to the First Report and not part of the public report pending further Order of the Court.

5. On March 7, 2024, the Companies brought a cross-motion seeking, among other things, an order permitting the Companies to redeem Vector's mortgage on or before March 25, 2024 and discharging the Receiver (the "**Cross-Motion**").

6. Pursuant to the endorsement of Justice Wilton-Siegel, dated February 13, 2024, the Receiver's motion for an Approval and Vesting Order was scheduled to be heard on March 15, 2024. A copy of Justice Wilton-Siegel's endorsement is attached to this report as **Schedule "B"**.

7. Prior to the hearing scheduled on March 15, 2024, the Companies advised the Receiver, counsel for Vector and the court of its intention to seek an adjournment of the Receiver's motion to April 12, 2024.

8. The hearing proceeded before the Honourable Justice Black on March 15, 2024.
9. On March 19, 2024, the Honourable Justice Black issued his endorsement with respect to the Receiver's motion and the Companies' cross-motion heard on March 15, 2024. A copy of the Honourable Justice Black's endorsement is attached to this report as **Schedule "C"**.
10. The Honourable Justice Black, among other things,:
 - (a) Approved the purchase and sale transaction contemplated in the APS, the execution of the APS by the Receiver and the vesting in the Purchaser of the Companies' right, title and interest in the Real Property as defined in the APS free and clear of and from any and all security interests (the "**Approval and Vesting Order**"). A copy of the Approval and Vesting Order is attached to this report as **Schedule "D"**;
 - (b) Denied the Companies' adjournment request and seeking of an order permitting the Companies to redeem Vector's mortgage registered on title to the Real Property and discharging the Receiver; and
 - (c) Granted the sealing of the confidential appendices pending further Order of the Court (the "**Sealing Order**"). A copy of the Sealing Order is attached to this report as **Schedule "E"**.
11. On March 25, 2024, the Companies served a Notice of Appeal appealing the Approval and Vesting Order and the decision to deny the Companies' adjournment request and seeking of an order permitting the Companies to redeem Vector's mortgage and discharging the Receiver (the "**Notice of Appeal**"). A copy of the Notice of Appeal is attached to this report as **Schedule "F"**.
12. The purpose of this Second and Final Report is to update the Court on the steps taken by the Receiver in reference to the Notice of Appeal filed by the Companies, to update the Court on the Receiver's conduct and activities since the First Report, to advise the Court of the completion of the APS, to outline the proposed distribution of the sale proceeds received by the Receiver from the completion of the APS, to seek approval of the fees, expenses, and conduct of the

Receiver and its counsel and to obtain the Receiver's discharge. The Receiver seeks an order from the Court:

- (a) Approving the Receiver's activities since the First Report as outlined in this Second and Final Report;
- (b) Approving the distribution to Vector, as the first ranking mortgagee of the Companies as more particularly described in this Second and Final report;
- (c) Approving the fees and expenses of the counsel for the Receiver in the amount of \$155,709.99 plus HST;
- (d) Approving the fees of the Receiver in the amount of \$179,689.50 plus HST;
- (e) Approving the proposed accrual of fees of the Receiver in the amount of \$5,000 plus HST;
- (f) Approving the Interim Statement of Receipts and Disbursements as at May 15, 2024;
- (g) Approving the Proforma Statement of Receipts and Disbursements as at May 15, 2024; and
- (h) Approving the discharge of the Receiver upon completion of various remaining administrative matters.

TERMS OF REFERENCE

13. The information contained in this Second and Final Report is based on unaudited financial information as well as discussions with representatives of the Companies and its advisors. The Receiver has reviewed the information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with the Canadian Auditing Standards ("CAS") pursuant to the *Chartered Professional Accountants Canada Handbook* ("CPA Canada Handbook") and

accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the information.

14. Future oriented financial information referred to in this Second and Final Report was prepared based on discussions with representatives of the Companies. Readers are cautioned that since forecasts are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the forecasts, even if the assumptions materialize, and variations could be significant.

15. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

COMPANY OPERATIONS

16. The Companies acquired and assembled underdeveloped real property for the purpose of building single residential units. The Companies' principal asset is the Real Property.

17. The Real Property is comprised of two parcels of land located at 33 Hawarden and 35 Hawarden, which each contain residential homes. Both residential homes were occupied prior to the Receiver's appointment.

18. 35 Hawarden was occupied by a tenant without a lease, who has no obligation to pay any utilities or rent. Prior to closing the APS, the Receiver advised the tenant that the APS would be completed on May 13, 2024 and the tenant advised the Receiver that he would be vacating the property on or around May 15, 2024 and would leave the key in the lock box.

19. 33 Hawarden is tenanted and the tenant has a month-to-month lease requiring the payment of \$3,000 per month. The tenant provided to the Receiver rental cheques, all of which were returned as NSF. Since the Receiver's appointment, the tenant has not paid any rent. The Receiver has paid the utilities since the Appointment Order.

20. The Real Property consists of .636 acres or 27,717 square feet fronting on Spadina Road and Hawarden Crescent, Toronto.

NOTICE OF APPEAL

21. On March 25, 2024, the Companies issued a Notice of Appeal to the decisions of the Honourable Justice Black as outlined in his Endorsement issued on March 19, 2024. A copy of the Notice of Appeal is attached to this report as Schedule F. The Notice of Appeal states that the Companies have the right to appeal, seeks leave to appeal as an alternative and indicates that the Companies will bring a motion to adduce fresh evidence.

22. The Companies did not perfect the appeal, nor did they deliver a motion seeking leave to appeal, an order to adduce fresh evidence or to stay the Approval and Vesting Order.

23. The Companies have continued to advise the Receiver and Vector of its intention to redeem the Vector mortgage and discharge the Receiver.

24. The Receiver instructed its counsel to seek directions before a single judge of the Court of Appeal regarding the following:

- (a) Whether the Companies can appeal the Approval and Vesting Order and the Cross-Motion as of right, or whether the Companies require leave to appeal;
- (b) If leave to appeal is required, whether leave should be granted;
- (c) If leave to appeal is not required, whether the Approval and Vesting Order is stayed by the Notice of Appeal, and, if stayed, whether the stay should be lifted;
- (d) In the alternative, whether the appeal should be dismissed for delay as the Companies have not perfected the appeal; and
- (e) In the further alternative, an order expediting the appeal to be heard as soon as possible.

25. Counsel for the Receiver, upon completion of the motion material, contacted the Court of Appeal staff for the court file number. To the surprise of counsel for the Receiver, the Court of Appeal office staff advised that the appeal was not properly filed before the Court of Appeal and that the court had not assigned a file number.

26. Upon discovering that the Notice of Appeal had not been correctly filed, counsel for the Receiver advised the Companies and their counsel, on April 30, 2024, of the discovery that the Notice of Appeal was not filed through the correct procedural channels and as a result there is no properly constituted appeal. The Receiver advised that it was prepared to provide the Companies time to bring a motion to a judge of the Court of Appeal to rectify the procedural errors by May 7, 2024 and if no steps were taken by the Companies to pursue the appeal by May 7, 2024, the Receiver would be proceeding to close the APS approved by the court. A copy of the letter dated April 30, 2024 sent to counsel for the Companies is attached to this report as **Schedule "G"**.

27. Neither the Receiver nor its counsel received any further communications in reference to the appeal from the Companies.

COMPLETION OF THE APS

28. Upon receipt of the Approval and Vesting Order, the Receiver notified the Service List of the Approval and Vesting Order authorizing the Receiver to complete the APS.

29. As outlined above, on March 25, 2024 the Receiver received a Notice of Appeal. The Receiver advised Gott and its counsel of the Notice of Appeal and that we would not be able to complete the transaction as contemplated at this time.

30. From March 15, 2024 to May 13, 2024, the Receiver and Gott continued to discuss amendments to the APS to allow for the closing date to be extended during the appeal process. A number of extensions were agreed upon between Gott and the Receiver. Each time the closing date was extended, the Receiver would arrange for the closing date to be extended on the MLS listing to ensure that the purchase price would not be disclosed and the Receiver extended the listing. The Receiver continued to keep Gott up to date on the timing for the Companies to perfect the appeal and the status of the appeal.

31. As is common with sale transactions, various issues arose between the issuance of the Approval and Vesting Order and the closing of the APS that required active involvement of the Receiver and its counsel.

32. On May 8, 2024 the Receiver advised Gott that it was the Receiver's intention to complete the APS on May 13, 2024, the current closing date. Steps were taken to proceed with the closing of the APS on May 13, 2024. On May 10, 2024, counsel for Gott advised that the principal of Gott wished to take ownership of the properties in two newly incorporated companies. The APS did allow for the purchaser to request an assignment to another entity however, it was contemplated that such a request would occur prior to the Receiver obtaining an Approval and Vesting Order. Gott advised that, given the circumstances surrounding the redemption application and then the Notice of Appeal, they did not anticipate such a quick closing. The Receiver directed counsel to obtain an amendment to the Approval and Vesting Order to reflect the corporation which would be taking title to the Real Property. An amended Approval and Vesting Order was obtained on May 13, 2024. A copy of the amended Approval and Vesting Order is attached to this report as **Schedule "H"**.

33. On May 8, 2024, the Receiver advised counsel of the second mortgagee that the Receiver would be completing the APS on May 13, 2024. The Receiver outlined to counsel for the second mortgagee that the Notice of Appeal had not be filed correctly and no appeal had been recorded with the Court of Appeal, the correspondence sent to the counsels for the Companies on April 30, 2024, and the lack of response.

34. The purchaser advised the Receiver that, since the Real Property would be purchased by two separate corporations, they would be allocating the purchase price based upon the size of the properties and the estimated value.

35. The APS was completed on May 14, 2024 and the Receiver executed the requisite Receiver's Certificate as contemplated in the Approval and Vesting Order and delivered the same to the Purchaser. A copy of the Receiver's Certificate is attached to this report as **Schedule "I"**.

PREMISES

36. The Receiver attended on a regular basis to inspect the Real Property and communicate with the tenants as required.

37. During the winter months, garbage had accumulated on the properties as well as small branches and other general winter debris. The Receiver arranged for the lawn to be cut, winter debris, leaves, and garbage to be removed from the properties and the grass to be sprayed with spring weed/fertilizer.

38. The Receiver continued to pay the monthly utilities bills for 33 Hawarden and 35 Hawarden, attempted to collect the rent from the tenant at 33 Hawarden, and advised the tenant of 35 Hawarden of the timing of the completion of the APS. The tenant at 35 Hawarden advised the Receiver that upon completion of the APS he would move from the property.

39. The Receiver provided to the Purchaser a copy of the lease for 33 Hawarden and details of the lack of rent collected from the tenant.

40. The Receiver provided to the Purchaser details of the utilities accounts currently in the name of the Receiver in order for the final reading to occur on closing and new accounts to be opened with the utility companies.

INSURANCE

41. At the time of the receivership, the Companies had insurance in place with Economical through its broker, Bespoke Insurance Brokers Inc. ("**Bespoke Insurance**"). The Receiver reviewed the insurance policy and determined it had adequate coverage for the Real Property and arranged for the Receiver to be added as a named insured.

42. The Receiver determined that the policy with Economical did not have sufficient liability insurance and arranged, through its insurance broker, for liability insurance to be put in place with Chubb Insurance Company of Canada.

43. The Receiver paid the outstanding premium for the insurance coverage with Economical to the expiry date, July 11, 2024. The Receiver has had regular communication with Bespoke Insurance of the timing of the completion of the APS and the requirement to obtain a renewal quote if needed. As a result of the completion of the APS, the Receiver has cancelled the insurance coverage with Economical.

44. The Receiver has also cancelled the insurance coverage with Chubb Insurance Company of Canada.

PROPERTY TAX

45. The Receiver ascertained that the annual property taxes for 2023 for 33 Hawarden were assessed at \$14,671.35 and that the interim taxes for 2024 were \$7,335.68.

46. The Receiver ascertained that the annual property taxes for 2023 for 35 Hawarden were assessed at \$22,226.91 and that the interim taxes for 2024 were \$11,113.46.

47. As part of the closing adjustments, the Receiver authorized its counsel to forward to the City of Toronto the amount owing of \$24,372.24 as per the tax certificate issued by the City of Toronto for 33 Hawarden and \$36,506.51 as per the tax certificate issued by the City of Toronto for 35 Hawarden.

48. The City of Toronto outlined in the tax certificate the amount owing for water for 33 Hawarden in the amount of \$2,579.79 and \$4,478.02 for 35 Hawarden. The Receiver authorized its counsel to forward to the City of Toronto the outstanding water accounts.

49. The Receiver received from the Purchaser as part of the closing adjustments \$1,497.80 to cover the property taxes paid by the Receiver for 33 Hawarden and \$2,269.15 to cover the property taxes paid by the Receiver for 35 Hawarden. A copy of the statement of adjustments is attached to this report as **Schedule "J"**.

50. The City of Toronto requires that the owner of every residential property declare annually the status of the property, occupied or vacant. The Receiver completed the declaration for the City of Toronto confirming that 33 Hawarden and 35 Hawarden are both occupied prior to the deadline of February 29, 2024.

NOTICES

51. The Receiver, upon its appointment, completed from the information available, the requisite Notice of Receiver under subsection 245(1) and the Statement of Receiver under subsection 246(1).

52. The Receiver issued the Statement of Receiver pursuant to subsection 246(2) as required under the BIA on April 12, 2024. A copy of the Statement of Receiver is attached to this report as **Schedule “K”**.

BOOKS AND RECORDS

53. The Receiver had requested financial information from the principals of the Companies. The principals of the Companies did not provide any of the information requested by the Receiver. The Receiver contacted Canada Revenue Agency (“**CRA**”). CRA advised that the Companies had not registered for HST and that the Companies had not registered for a payroll account. CRA opened an HST account for the Companies effective the date of the appointment for the Receiver.

54. The Receiver had requested confirmation that the Companies had filed the Underused Housing Tax Return (Federal) as required for fiscal year 2022. The Receiver is unaware if the return was filed as required.

RECEIVER’S BORROWING

55. The Appointment Order authorized the Receiver to borrow a total principal sum of \$250,000. The Receiver borrowed, by way of Receiver’s Certificates from Vector, at an annual interest rate of 12%, Receiver Certificate #1 \$20,000 on November 10, 2023, Receiver Certificate #2 \$20,000 on December 6, 2023 and Receiver Certificate #3 \$10,000 on February 6, 2024. A copy of Receiver’s Certificates #1, #2 & #3 in the amount of \$20,000, \$20,000 and \$10,000 respectively are attached as **Schedule “L”**.

56. The Receiver has arranged for the funds borrowed under the Receiver’s Certificates to be reimbursed with interest up to and including May 14, 2024. The Receiver has issued payment as required under the terms of the Receiver’s Certificates in the amount of \$52,679.59.

MARKETING AND SALES PROCESS

57. The Receiver engaged the services of Home Life/Bayview Realty Inc. (“**Home Life**”) to assist the Receiver with the sale of the Real Property.

58. The listing agreement with Home Life was executed by the Receiver on December 6, 2023. The terms of the listing agreement provided for 4% commission if another agent is involved in the sale. The commission would be allocated as 1.5% commission to the buyer's agent and 2.5% commission to Home Life's agents.

59. As part of the negotiations with the Purchaser, the Purchaser agreed to pay any and all commission to its agent directly. The commission agreement was amended to reflect the change in the commission to the buyer's agent as zero.

60. In addition, as part of the same negotiations outlined above, the Home Life agents agreed to reduce their commission to 2% to facilitate the acceptance by the Receiver of the APS.

61. The marketing and sales process was reviewed by the Court as part of the March 15, 2024 Motion respecting the issuance of the Approval and Vesting Order.

62. The Receiver has issued payment to Home Life as outlined in the amended agreement in the amount of \$179,000 plus HST.

REDEMPTION ENQUIRIES

63. During the course of the receivership, the principals of the Companies have raised on several occasions the prospect of obtaining refinancing that would retire some or all of the indebtedness owing to the first and second mortgages as well as the expenses of the Receiver.

64. During the March 15, 2024 Motion, the principals of the Companies raised the prospect of redemption first by April 12, 2024 and during the motion advised the court that they amended their request to March 26, 2024. This matter was dealt with as part of the endorsement of the Honourable Justice Black as outlined in the endorsement attached as Schedule C.

65. After the issuance of the endorsement of Justice Black on March 20, 2024, Jason Allen John ("**John**"), one of principals of the Companies, contacted the Receiver to advise that the Companies would be in funds imminently to redeem the mortgage of Vector and provide sufficient funds to cover the expenses of the Receiver. The Receiver directed John to contact the Companies' counsel. The Receiver emailed counsel for the Companies advising of the contact from his client. A copy of the email is attached as **Schedule "M"**.

66. The Receiver contacted counsel to the Companies on March 28, 2024 to inquire whether the Companies were in funds to redeem the Vector mortgage and pay the costs of the receivership. On the same day, Companies' counsel advised that the Companies were working diligently towards finalizing the financing arrangements and would provide a further update on April 2, 2024. A copy of the email between the Receiver and the Companies' counsel is attached to this report as **Schedule "N"**.

67. The Receiver followed up with counsel for the Companies on April 24, 2024. On April 26, 2024, counsel for the Companies wrote to Vector to request a discharge statement and fire insurance made out to the proposed first and second mortgages, stating that they "have fulfilled most of the conditions" of refinance. A copy of the correspondence from the Receiver to counsel for the Companies is attached to this report as **Schedule "O"** and a copy of the correspondence from counsel for the Companies to counsel for Vector is attached to this report as **Schedule "P"**.

68. In each of the communications, the Receiver was advised that the Companies would be in funds to redeem the mortgage of Vector and the expenses of the Receiver shortly.

69. No evidence has ever been shown to the Receiver that such refinancing is viable.

SEVERANCE

70. Prior to the receivership, on August 31, 2023, the Companies' planning consultant, Dales Consulting ("**Dales**"), filed with the Committee of Adjustment ("**COA**"), two applications to sever the Real Property to permit two detached dwellings and five townhouses ("**Severance Applications**"). As part of the proposal plan the current dwellings would be demolished and replaced with two new detached dwellings fronting on Hawarden Crescent.

71. As further set out in the First report, a public hearing was scheduled by the City of Toronto for November 29, 2023 to consider the Severance Application. The Receiver engaged Dales to continue to bring forward the Severance Applications, to prepare the report for the COA, to advise the Receiver on the status of the applications and to attend at the hearing scheduled for November 29, 2023.

72. Several issues arose prior to the hearing of the Severance Applications. The residents within the neighbourhood filed objections letters with the COA and Josh Matlow, Councillor for the ward, encouraged the Companies to collaborate with the neighbours on the proposed variance. The City of Toronto raised issues with the storm sewer traversing the rear of the Real Property and recommended the hearing of the Severance Applications be delayed to address these issues.

73. As a result, the Receiver determined, in consultation with Dales, that the best course of action was to defer the hearing of the Severance Applications.

74. Following the Notice of Appeal, the Receiver contacted Dales with the view to progressing the Severance Applications. In particular, the Receiver requested a budget from Dales to have a meeting with the parties that filed objections with the City of Toronto and to report on the status of the engineering report in respect of the storm sewer traversing the rear of the Real Property.

75. On April 26, 2024, Dales advised the Receiver of the costs of scheduling and conducting a meeting with the neighbours, including those who filed objections to the Severance Applications. Dales advised that he had no additional information in reference to the engineering report at that time. Dales advised the Receiver that after the meeting with the neighbours, the Severance Applications could get back in front of COA in approximately six to eight weeks.

76. Dales also advised the Receiver that the Major Streets Official Plan Amendment and Zoning By-law Amendment was moving forward and was likely to be held on May 9, 2024. The Receiver reviewed the website of the City of Toronto. A notice of public meeting was scheduled to be held by the Planning and Housing Committee on Expanding Housing Options in Neighbourhoods Study (“**EHON**”) Major Streets study. The City-Initiated Office Plan Amendment (OPA 727) introduces policies that enable townhouses and small-scale apartment buildings (up to 6 storeys) to be built city-wide on properties designated “Neighbourhoods” and in Residential Zone category along the major streets, as shown on Map 3 of the Office Plan. Spadina Road would be considered a major street and be subject to the Official Plan Amendment.

77. The City-Initiated Office Plan in general was approved at the COA on May 9, 2024 to enable townhouses and small-scale apartment buildings to be built city-wide on major streets as shown on Map 3 of the Official Plan.

SECURITY REVIEW

78. Counsel for the Receiver completed a review of the security delivered by the Companies in favour of Vector. The Vector Security includes a Charge/Mortgage of Land registered on August 26, 2022, against title to the Real Property in the original principal amount of \$8,000,000 and a General Security Agreement dated August 10, 2022 respecting the assets, property and undertaking of the Companies relating to the Real Property.

79. The Receiver has reviewed the security opinion which indicates that Vector has valid and enforceable security, subject to the usual limitations, qualification, reservations, and assumptions. A copy of this security opinion is attached to this report as **Schedule “Q”**.

80. The parcel registers for the Real Property indicate a charge in the original principal amount of \$1,020,000 registered in favour of Rupinder Bamra (“Bamra”) on February 23, 2023. The Receiver determined that there would be insufficient funds available to the second mortgage holder as a result of the purchase price outlined in the APS and thus did not instruct counsel to review the security delivered by the Companies in favour of Bamra.

81. The Receiver requested that Vector provide to the Receiver a discharge statement as of May 22, 2024. The Receiver has reviewed the mortgage discharge statement provided by Vector including the loan charges and interest charged. A copy of the mortgage discharge statement provided by Vector is attached to this report as **Schedule “R”**.

82. The Receiver is proposing to pay to the first mortgagee, Vector, the sum of \$8,246,777.34 upon Court approval.

FEES AND DISBURSMENTS OF THE RECEIVER

83. The Receiver is seeking approval of its fees in the sum of \$179,689.50 (not including HST) for the period up to and including May 14, 2024 (the **“Receiver’s Fees”**).

84. Attached to this report as **Schedule “S”** is the affidavit of Angela K. Pollard sworn in support of the fees of the Receiver for the period up to and including May 14, 2024. The Receiver believes that the fees charged are fair and reasonable. The hourly billing rates outlined on the summary of work performed, attached to Schedule S, are normal hourly rates charged by the Receiver for services rendered in relation to similar proceedings.

85. The Receiver is seeking approval of the fees and disbursements of its counsel in the sum of \$155,709.99 (not including HST) for the period up to and including May 15, 2024 (“**Counsel Fees**”). Attached to this report as **Schedule “T”** is the sworn Affidavit of Timothy R. Dunn in support of the fees and disbursements of Minden Gross LLP for the period up to an including December 27, 2023 and of Blaney McMurty LLP for the period from February 1, 2024 and up to and including May 15, 2024. The Receiver believes that the fees charged are fair and reasonable.

86. The Receiver has a number of administrative matters which need to be completed prior to receiving its discharge including the following: (i) issuance of subsection 246(3) notices as required under the BIA (ii) payment to Vector (iii) payment of final insurance, utility and water accounts (iv) filing of HST returns for the Receiver’s period (v) finalization of trust accounts (vi) storage of administration records; and (vii) other minor administrative matters.

87. Upon completion of the administrative matters that remain outstanding, the Receiver will issue a certificate with the Court confirming that the Receiver has completed substantially all of its duties as outlined in the Appointment Order.

88. The Receiver estimates that its fees and expenses in order to complete the outstanding administrative matters will be \$5,000 plus HST.

89. The Receiver is requesting that it obtain its discharge.

90. The Receiver’s Interim Statement of Receipts and Disbursements indicates that the Receiver is presently holding \$8,634,325.33 in its trust account as at May 15, 2024. The Receiver’s Interim Statement of Receipts and Disbursements as at May 15, 2024 is attached to this report as **Schedule “U”**.

91. The Receiver's Proforma Final Statement of Receipts and Disbursements outlines the proposed distribution of funds currently held in the Receiver's trust account. The Receiver's Proforma Final Statement of Receipts and Disbursements is attached to this report as **Schedule "V"**.

CONCLUSION

92. For the reasons set out in this Second and Final Report, the Receiver respectfully requests that this Court:

- (a) Approve all of the actions, conduct and activities of the Receiver as set out in this Second and Final Report;
- (b) Approve the distribution to Vector in the amount of \$8,246,777.34;
- (c) Approve the fees and disbursements of counsel for the Receiver in the amount of \$155,709.99 plus HST;
- (d) Approve the fees of the Receiver in the amount of \$179,689.50 plus HST;
- (e) Approve the proposed accrual of fees of the Receiver in the amount of \$5,000 plus HST;
- (f) Approve the Interim Statement of Receipts and Disbursements as at May 15, 2024;
- (g) Approve the Proforma Statement of Receipts and Disbursements as at May 15, 2024; and
- (h) Approve the discharge of the Receiver.

All of which is respectively submitted.

Dated May 15, 2024

POLLARD & ASSOCIATES INC.,
in its capacity as the Court Appointed Receiver of
33 HAWARDEN CRESCENT INC. AND 35 HAWARDEN CRESCENT INC.
and not in its personal capacity

Per:



Angela K. Pollard – President

SCHEDULE A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 10TH
)
JUSTICE CAVANAGH) DAY OF OCTOBER, 2023

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. AND 35 HAWARDEN CRESCENT INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order 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 (the "**CJA**") appointing Pollard & Associates Inc. ("**Pollard**") as receiver (in such capacity the "**Receiver**") without security, of all of the assets, undertakings and properties of each of 33 Hawarden Crescent Inc. ("**33 Hawarden**") and 35 Hawarden Crescent Inc. ("**35 Hawarden**", and together with 33 Hawarden, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including without limitation the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario owned by the Debtors and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the "**Property**") was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the affidavit of Noah Mintz sworn September 1, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Respondents, and those other parties

listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Katherine Yurkovich sworn September 1, 2023 and on reading the consent of Pollard to act as the Receiver,

EFFECTIVE DATE OF RELIEF

1. **THIS COURT ORDERS** that Paragraphs 4 through 33 of this Order, shall not take effect and shall be suspended until 5:00 pm on October 25, 2023 (the “**Effective Date**”). On the Effective Date, this Order shall immediately take effect without any further Order of the Court, unless all indebtedness, liabilities and obligations of the Respondents to the Applicant have been repaid in full by the Effective Date.

2. **THIS COURT ORDERS** if the Applicant receives the amount of \$174,103.75 (the “**Interim Payment**”) by no later than 5:00pm on October 13, 2023 (the “**Interim Payment Date**”), to be applied towards the indebtedness, liabilities and obligations of the Respondents, and all other indebtedness, liabilities and obligations of the Respondents to the Applicant have been repaid in full by the Effective Date, Paragraphs 4 through 33 of this Order shall be deemed to be of no force and effect.

3. **THIS COURT ORDERS** if the Applicant fails to receive the Interim Payment by the Interim Payment Date, then notwithstanding paragraph 1 in this Order, the Effective Date shall be deemed to be 5:00pm on October 13, 2023, and not 5:00 pm on October 25, 2023.

APPOINTMENT

4. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Pollard is hereby appointed Receiver, without security, of the Property.

RECEIVER’S POWERS

5. **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 engage consultants, appraisers, agents, real estate brokers, 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;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors, with respect to the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (e) to settle, extend or compromise any indebtedness owing to the Debtors with respect to the Property;
- (f) 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 either of the Debtors, for any purpose pursuant to this Order;
- (g) 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 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;
- (h) 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;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of this Court, and notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (j) 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;
- (k) 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;
- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (m) to apply for any permits, licences, approvals or permissions in respect of the Property 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 either of the Debtors;
- (n) to cease to perform any contracts of the Debtors with respect to the Property;
- (o) to enter into agreements with any 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 the Property; and
- (p) 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.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. **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 its 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.

7. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, premises leases, leases, rental agreements, offers to lease, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, 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 4 or in paragraph 5 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.

8. **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.

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, 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 either of the Debtors in connection with or relating to the Property, 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 either of the Debtors in connection with or relating to the Property 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 in connection with or related to the Property 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.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all 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 relating to the Property 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**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be 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 the Debtors' behalf, 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.

ACCESS RIGHTS

17. **THIS COURT ORDERS** that the Receiver is authorized to have access to the Property and any buildings, dwellings, or rental units on the Property, and to provide access to the Property to the Receiver's agents, or any prospective purchaser of the Property and / or their agents or any other party.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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

20. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver 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 counsel to the Receiver 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.

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

22. **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, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. **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 \$250,000 (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.

24. **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.

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

26. **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

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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: <http://www.pollardandassociates.ca/engagements/33hawardencrescentincand35hawardencrescentinc>

28. **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 records of the Debtors 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.

29. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

30. **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.

31. **THIS COURT ORDERS** that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtors to make an assignment in bankruptcy and nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

32. **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.

33. **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.

34. **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 from any realizations from the Property with such priority and at such time as this Court may determine.

35. **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.

36. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court.



Digitally signed
by Mr. Justice
Cavanagh

SCHEDULE "A"

LEGAL DESCRIPTION OF REAL PROPERTY

- **PIN 21178-0241 (LT):** PCL 79-1 SEC M502; LT 79 PL M502 TORONTO; S/T LT396436; TORONTO , CITY OF TORONTO
- **PIN 21178-0242 (LT):** PCL 77-1 SEC M502; LT 78 S/S HAWARDEN CRES PL M502 TORONTO; PT LT 77 S/S HAWARDEN CRES PL M502 TORONTO COMM AT THE N E ANGLE OF SAID LT 78; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 60 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE N E ANGLE OF SAID LT 77; THENCE SLY IN A STRAIGHT LINE 246 FT 3 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE S E ANGLE OF SAID LT 77; THENCE ELY ALONG THE SLY LIMIT OF THE SAID LOTS, 60 FT MORE OR LESS TO THE S E ANGLE OF SAID LT 78; THENCE NLY ALONG THE ELY LIMIT OF SAID LT 78; 250 FT MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of all of the assets, undertaking and properties of each of 33 Hawarden Crescent Inc. ("**33 Hawarden**") and 35 Hawarden Crescent Inc. ("**35 Hawarden**", and together with 33 Hawarden, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including without limitation the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario owned by the Debtors and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an application having Court file number ___-CL-_____, 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 _____, 202_.

POLLARD & ASSOCIATES INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Court File No. CV-23-00704623-00CL
33 HAWARDEN CRESCENT INC. AND 35 HAWARDEN
CRESCENT INC.

Respondents

- and -

VECTOR FINANCIAL SERVICES LIMITED

Applicant

APPLICATION UNDER section 243(1) of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of
the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>PROCEEDING COMMENCED AT TORONTO</p> <p>RECEIVERSHIP ORDER</p> <p>GOWLING WLG (CANADA) LLP Barristers & Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 Tel: 416-862-7525 Fax: 416-862-7661</p> <p>Thomas Gertner (LSO# 67756S) Tel: 416-369-4618 Fax: 416-862-7661 Email: thomas.gertner@gowlingwlg.com</p> <p>Katherine Yurkovich (LSO# 80396R) Tel: 416-862-4342 Fax: 416-862-7661 Email: kate.yurkovich@gowlingwlg.com</p> <p>Lawyers for the Applicant</p>	
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SCHEDULE B



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00704623-00CL DATE: February 13, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **Vector Financial Services Ltd., vs. 33 & 35 Hawarden
Crescent Inc.**

BEFORE JUSTICE: **Mr. Justice H. J. Wilton-Siegel**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Thomas Gertner	Vector Financial Services	Thomas.gertner@gowlingwlg.com
Katherine Yurkovich		Kate.yurkovich@gowlingwlg.com

For Defendant, Respondent, Responding Party, Defence:

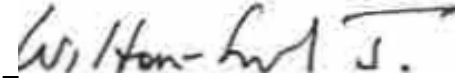
Name of Person Appearing	Name of Party	Contact Info
Steve Graff	33 Hawarden Crescent Inc.	sgraff@airdberlis.com
Obaidul Hoque	35 Hawarden Crescent Inc.	obaidul@owslaw.ca
Adrienne Ho		aho@airdberlis.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Timothy Dunn (Receiver)	Pollard & Associates	tdunn@blaney.com

ENDORSEMENT:

The Receiver's motion for approval of a proposed sale of the property and a proposed cross-motion of the Debtors for redemption of the mortgages on the property are scheduled for March 15, 2024 (3hrs.). Counsel have advised that Steele J. has a conflict in respect of this matter.

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Wilton-Siegel J.

Date: February 13, 2024

SCHEDULE C

CITATION: Vector Financial Services v. 33 Hawarden Crescent, 2024 ONSC 1635
COURT FILE NO.: CV-23-704623-00CL
DATE: 20240319

RE: Vector Financial Services Limited, Applicant

AND:

33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc., Respondents

BEFORE: W.D. Black J.

COUNSEL: *Clifton Prophet*, for Vector Financial Services Ltd.;
Steven Graff, Adrienne Ho and Obaidul Hoque, for 33 Hawarden Crescent Inc.;
Timothy R. Dunn and Alexandra Teodorescu, for Court Appointed Receiver,
Pollard & Associates Inc.;
Sarit Kind, for Westdale Properties;
Christina Bowman and Harry Brar, for Rupinder Bamra;
Angela Pollard, Receiver – Pollard & Associates Inc.

HEARD: March 15, 2024

ENDORSEMENT

Overview

[1] This motion pits a debtor’s right of redemption against a receiver’s ability to close a concluded deal for the sale of property, and requires evaluation of the competing considerations in that setting.

[2] The receiver Pollard & Associates Inc. (the “Receiver”) seeks an approval and vesting order (the “AVO”) relative to an agreement of purchase and sale (“APS”) for the properties at 33 and 35 Hawarden Crescent in the Forest Hill neighborhood of Toronto (the “Properties”). The Receiver’s motion also seeks a sealing order for certain materials, and other related relief.

[3] The Receiver relies on the (uncontested) fact that it conducted a thoroughgoing marketing and sales process for the Properties, and that it negotiated a price for the Properties that is not only appropriate but in fact compares favourably to a recent appraisal.

[4] It points out that the debtors here (the “Debtors” or the “Companies”), while notionally having a right of redemption, have been unsuccessful in amassing sufficient funds to redeem despite having had many months to do so. Even now, the Receiver observes, the Debtors’ request is to delay the closing of the pending sale of the Properties to give the Debtors additional time to put together funding. The Debtors acknowledge that they do not yet have in place sufficient funds to redeem.

[5] The Debtors maintain that their right to redeem is an important one, all but sacrosanct, and that through their ongoing determined efforts they are very close to having sufficient funds available to redeem their interest in the properties.

[6] They also complain that, notwithstanding the Receiver's knowledge of the Debtors' continuing wish to redeem, the Receiver has failed to advise the Debtors of significant milestones and deadlines in the sales process, thereby precluding the Debtors from potentially expediting their assembly of a financial package sufficient to redeem in advance of the execution and closing of the APS.

Denial of Debtors' Request for an Adjournment

[7] I should note that at the outset of the hearing today, the Debtors sought an adjournment of the proceedings.

[8] In an email from Debtors' counsel forwarded to me to alert me that there would be a request for an adjournment, counsel advised that the Debtors were seeking an adjournment of the Receiver's motion and their own cross-motion until April 12, 2024, to allow the debtors to "take steps to redeem the mortgage."

[9] I denied the adjournment request. As I observed to Debtors' counsel, it struck me that pitching the adjournment as necessary to allow the Debtors to redeem was essentially pre-supposing the outcome of the main motion. That is, the Debtors' cross-motion essentially seeks the same relief – time to redeem - as an adjournment would yield.

[10] As I noted in the oral reasons I gave for denying the adjournment, I felt that the more specific reasons posited by the Debtors as reasons to adjourn were for the most part, to varying degrees, duplicative of the Debtors' arguments in support of their cross-motion.

[11] The return date of April 12, 2024 proposed by the Debtors in their request for an adjournment is also well after the closing date in place for the sale of the Properties, and counsel who attended on behalf of the purchaser advised that the purchaser would not be prepared to close the transaction if it is (further) delayed – the closing was already moved from early March to March 26 to accommodate this motion. While that position is not in evidence in the record before me, it was asserted by counsel, and was a risk which, combined with other considerations, militated against an adjournment.

[12] Accordingly, I heard the motion and cross-motion today.

Conclusions

[13] For the reasons set out below, I am granting the Receiver's motion for an AVO relative to the APS so that it can close as scheduled on March 26, 2024. I am dismissing the Debtors' cross-motion seeking a further delay of that closing to give them more time to attempt to redeem.

[14] In my view, applying the relevant competing caselaw to the facts at hand, and performing the balancing of various factors that the authorities require, the Debtors fall short of the kind of

compelling evidence of an imminent ability to redeem that would be required even to consider interfering with a concluded agreement by the Receiver to sell the Properties.

[15] This is particularly so when the Receiver has undertaken an extensive process, involving appropriate consultation, to develop and execute a successful sales and marketing plan for the Properties, and has obtained a price well within the range of apparent market value.

[16] The Receiver's communication with the Debtors about significant deadlines in the sales process was wanting in some respects, but the evidence does not show, on balance, that the Debtors were thwarted, in the result, in their ability to assemble sufficient funds to redeem their debt (which related and continues to relate to other factors). It also does not demonstrate that the Debtors were generally unaware of the ongoing sale process, nor unaware of the need for the Debtors to act expeditiously in order to have any prospect of redemption.

[17] The Debtors' position in effect sought to compel the Receiver (and the Lender under whose security the Receiver was appointed), to risk losing the APS, and to allow interest and other charges to continue to accrue on the basis of the uncertain possibility that the Debtors would yet succeed in attracting sufficient new funding to allow them to redeem.

[18] I find that the Debtors were the proverbial day late and dollar short, notwithstanding that they have had months to redeem. To allow the Debtors to sideswipe the pending closing of the APS would significantly undermine the role of the Receiver in this case, and create uncertainty in future receiverships.

The Debtors' Acquisitions and Financing of the Properties

[19] The Properties are the principal asset of the Debtors. The Debtors acquired the Properties with the intention of development and funded the acquisition by way of a loan from Vector Financial Services Limited ("Vector" or the "Lender") in the principal amount of \$8,000,000.00. The Debtors granted to the Lender a first-ranking mortgage on title to the Properties in that amount, registered on August 26, 2022.

[20] A second mortgage in favour of Rupinder Bamra, counsel for whom was before me at the hearing of this matter, in the amount of \$1,020,000.00 was registered on February 23, 2023.

Initial Appointment of Receiver Delayed to Allow for Redemption

[21] Vector brought its application to appoint the Receiver on October 10, 2023. It is noteworthy that Cavanagh J. deferred the appointment of the Receiver to allow the Debtors an opportunity to redeem the Vector mortgage.

[22] Specifically, His Honour provided that the order (the "Appointment Order") would not come into effect until October 25, 2023, giving the Debtors just over two weeks to redeem, on the condition that the Debtors make an interim payment of \$174,103.75 by 5 p.m. on October 13, 2023.

[23] The Debtors did not make the required interim payment, and so the Appointment Order took effect, appointing the Receiver, without security, over all of the Debtors' assets, undertakings and properties, including the Properties.

Pre-Existing Application for Severance of the Properties

[24] Prior to the Appointment Order, the Debtors' planning consultant, Dales Consulting ("Dales") had filed with the Committee of Adjustment two applications for a severance of the land encompassed by the Properties.

[25] It seems to be a matter of consensus among the parties that a severance, if granted, would unlock considerable value. The recent appraisal of the Properties undertaken for the Receiver, and the marketing materials prepared for the Receiver's effort to sell the Properties, both contemplate the potential to sever the lands, and the appraisal values the Properties both "as is" and "as if" (i.e., "as if" a severance would be granted).

[26] In connection with its appointment, the Receiver learned that a public hearing was scheduled before the Committee of Adjustment on November 29, 2023, to consider the Debtors' severance applications. The Receiver in fact engaged Dales to continue the severance applications, to prepare a report in that regard for the Committee of Adjustment, to attend at the hearing, and to continue to advise the Receiver of the status and progress of the applications.

Objections to Severance and Adjournment of Hearing Before Committee of Adjustment

[27] Prior to the hearing date for the severance applications, the Receiver was advised that residents of the neighborhood had filed nine letters of objection to the proposed severance. It also learned that the City Councillor for the ward in which the Properties were situate had filed correspondence with the Committee of Adjustment admonishing the Debtors to collaborate with the neighbors on the proposed severance.

[28] Then, on November 27, 2023, the City's manager of Development Engineering advised the Committee of Adjustment that there was an existing storm sewer that traverses the rear of the Properties, and that the severance applications did not identify or address how the proposed construction (if a severance were permitted) would impact the existing storm sewer. The manager of Development Engineering recommended that the Committee of Adjustment defer the severance application to an unspecified future date in order for that issue to be addressed.

[29] As a result of these various concerns having been raised, the Receiver determined, in consultation with Dales, to defer the Committee of Adjustment hearing in order to allow for consultation with the Development Engineering department regarding the sewer easement, and to meet with the neighbors who had expressed concerns about the severance proposal. The Committee of Adjustment granted the Receiver's request for an adjournment.

Pre-Existing Agreement to Sell 35 Hawarden Crescent and Termination of Deal

[30] Also prior to the Appointment Order, one of the Debtors, 35 Hawarden Inc., had entered into an agreement of purchase and sale dated September 13, 2023, to sell 35 Hawarden Crescent

to Samantha Litchen, conditional upon severance of the property, for \$3,200,000.00 (the “Litchen APS”).

[31] The Receiver reviewed the Litchen APS with counsel, and concluded that the Litchen APS was not in the best interests of creditors inasmuch as it was conditional on severance approval, both the prospects and timing of which were unknown, and because Vector did not support the release of its security to allow the Litchen APS to be completed. Accordingly, on November 16, 2023, the Receiver terminated the Litchen APS.

Steps Taken to Market and Sell the Property

[32] The Appointment Order authorized the Receiver to market and sell the Properties, including the authority to engage consultants, appraisers, agents and others to assist with the sale process.

[33] In order to obtain an appraisal of the Properties, the Receiver engaged Bona Fide Appraisal Inc. (“Bona Fide”) to appraise the Properties “as is” and “as if” (in the “as if” scenario, it was assumed that the severance applications, if approved, would allow for two detached dwellings and five townhouses).

[34] Bona Fide provided appraisals for both scenarios.

[35] Given the uncertainty about the timing and outcome of the severance applications, the Receiver determined that it was in the best interest of creditors to commence a sales process without awaiting the completion of the severance applications.

[36] The uncontroverted evidence shows that the Receiver, in addition to consulting with Dales, had discussions with both Vector and the second mortgagee Bamra concerning the Receiver’s proposed approach to marketing the Properties, and its decision to list the Properties on the Multiple Listing Service” (“MLS”).

[37] The Receiver requested proposals for listing the property for sale from four agents who had knowledge of the local market and contacts with various developers. Three of those agents submitted proposals, and the Receiver chose two agents from Home Life/Bayview Realty Inc. (the “Agents”) to assist with the sale.

[38] The Receiver entered into a listing agreement with the Agents on December 6, 2023, and the Agents prepared a brochure about the Properties and the potential for development. The Agents also placed “For Sale” signs on the Properties and listed the Properties on MLS on December 8, 2023. The listing included the brochure with details about the Properties, details about the proposed severance applications, and a draft purchase and sale agreement.

[39] The Agents also contacted over 200 residential developers of land in the GTA.

[40] As a result, 128 interested parties contacted the Agents requesting additional details about the Properties and the severance application, and the Receiver and the Agents corresponded with a number of prospective purchasers.

[41] By January of 2024, the Receiver had received seven offers for the Properties. The Receiver reviewed each of these offers with its counsel, and prepared a summary of offers (the "Offer Summary").

[42] The Receiver provided general information to Vector about the offers and advised that it intended to request improved offers from each of the potential purchasers (both as to the amounts of their offers and as to the timing for closing). The Receiver and the Agents continued their discussions with the prospective purchasers, and set a deadline for the delivery of improved offers of February 5, 2024. The Receiver also discussed with the Agents, and received confirmation from the Agents, of a reduction in the commission that the Agents would charge.

[43] As of February 5, 2024, the Receiver had received three offers.

Selection of Purchaser and Deposits Received

[44] After careful review of the offers, the Receiver determined that the offer presented by the purchaser under the APS (the "Purchaser") was the most favourable one overall, and entered into the APS. In connection with the execution of the APS the Purchaser paid a first deposit to the Receiver in the amount of \$500,000.00. The Purchaser has since provided the Receiver, in accordance with the terms of the APS, a second deposit, also in the amount of \$500,000.00 (such that the overall deposit paid by the Purchaser to the Receiver totals \$1,000,000.00).

[45] In order to accommodate the Receiver's motion (the motion before me) for the AVO, the Receiver and the Purchaser have agreed to extend the original closing date under the APS of March 5, 2024, to March 26, 2024.

Debtors' Concern re Sales Process

[46] The Debtors raise concerns in their materials for this hearing that the Purchaser is somehow affiliated with Vector and/or was given confidential information and preferential treatment not provided to other would-be purchasers. However, there is no direct or persuasive evidence to substantiate those allegations, and the Purchaser's principal has provided an affidavit deposing that the allegations are not true.

[47] Moreover, in my view the marketing and sales approach described above seems unassailable, a fact that counsel for the Debtors candidly and appropriately acknowledged before me.

Status and Certain Details of Debtors' Evidence to Raise Funds

[48] In response to the Debtors' request to further delay the closing so as to give the Debtors more time to redeem, the Receiver notes that the Debtors have been attempting to obtain financing to repay the indebtedness due to Vector since June of 2023.

[49] The Receiver also notes that the Debtors' cross-motion contains the first evidence of the Debtors' efforts to source financing to redeem the Vector mortgage and the costs associated with the receivership.

[50] However, the Receiver observes, fairly in my view, that the proposed first mortgage financing on which the Debtors purport to rely is highly conditional, and based on one or more conditions that may prove unachievable.

[51] That is, the first mortgage commitment included in the Debtors' materials is conditional, among other items, on the receipt of a final appraisal confirming an "as is" current value of the Properties of not less than \$11,725,000.00, satisfactory to the proposed lender.

[52] This condition, and perhaps others, appears all but unattainable. While the Bona Fide appraisal is sought to be subject to a sealing Order, such that I should accordingly be circumspect in referring to it, I can say that, as the only evidence before me of the "as is" value of the Properties, the Bona Fide appraisal suggests that it is unlikely that the Debtors' condition requiring an "as is" appraisal of almost \$12 million will be met.

[53] Moreover, the first mortgage commitment to the Debtors was stated to be open for acceptance until February 28, 2024, and there is no evidence that it has been extended. Even assuming that it has been extended, it nonetheless seems a "bridge too far" for the Debtors.

[54] The proposed second mortgage financing referenced by the Debtors also seems uncertain. That financing was said to be open until March 1, 2024, and again there is no specific evidence that the deadline has been extended. Even if it has, the second mortgage financing is subject to a number of conditions, and there is again no evidence that those conditions have been met.

[55] As noted above, while the Debtors assert that the financing for their proposed redemption is "close" to being finalized, even they acknowledge that it is not yet available (and hence their request for more time to redeem).

[56] The Receiver also points out that, even if the Debtors' first and second mortgage financing comes through, the stated amounts of those loans would still leave a shortfall relative to the existing debt, including taxes and fees, of an amount approaching \$900,000.00. In addition, these amounts do not encompass Vector's legal fees, the brokerage fee owing to the Agents, and HST on the Receiver's fees.

[57] The Debtors propose to address the shortfall and additional expenses anticipated in the near term by way of a combination of a new investor, identified on the eve of the hearing, and an injection of \$1 million by the Debtors' directors. In neither case, however, have the Debtors provided evidence concerning the solvency of the new investor or the directors, nor identified specific money available to fund these further cash requirements.

[58] In the circumstances, without doubting the Debtors' abiding earnest intention and desire to redeem, I believe it is fair to characterize the current status of their efforts to refinance as being somewhat uncertain.

Review and Discussion of Relevant Caselaw

A. Soundair

[59] As is typical, the starting point for the analysis of whether or not to approve a transaction proposed by a Receiver is the decision of the Court of Appeal for Ontario in *Royal Bank v. Soundair*, 1991 CanLII 2727.

[60] By way of high-level summary, *Soundair* requires the court to canvass the following touchstones:

- a. Whether the Receiver has made a sufficient effort to get the best price and has not acted improvidently;
- b. The interests of all parties;
- c. The efficacy and integrity of the process by which offers are obtained; and
- d. Whether there has been unfairness in the working out of the process.

[61] I find that the Receiver here, with the assistance of the Agents, ran a robust marketing and sale process that was designed to, and did in fact, obtain the best price for the Properties based on current market conditions.

[62] The Receiver consulted with relevant stakeholders concerning its proposed approach, and the Agents exploited the market extensively by reaching out to over 200 residential developers, resulting in contact and requests for information from 128 interested parties.

[63] This in turn led to the Receiver receiving seven offers for the Properties.

[64] The Receiver negotiated with these prospective purchasers (and negotiated with the Agents to reduce their commission fees) with a view to maximizing the value for the creditors.

[65] Ultimately the Receiver received three improved offers for the Properties, allowing it to conclude that the price obtained and incorporated into the APS was the highest and best offer for the Properties by reference to various parameters, including price, agent commissions, closing date, and absence of conditions (other than court approval).

[66] I find that the Receiver's approach appropriately considered the interests of all impacted parties. In addition to meeting the Receiver's primary objective of maximizing the realization for the benefit of all creditors, the APS also minimizes closing risk and delay, and stops the ongoing accrual of interest and fees on the secured debt (which, the evidence shows, is accruing per diem interest of \$3,142.19 plus default fees of \$31,300 per month, meaning that the debt owing to Vector is growing by more than \$125,000.00 per month exclusive of ongoing legal fees.

[67] As confirmed in *Soundair*, there are important policy considerations weighing in favour of generally according a Receiver's recommendation deference and respect as a matter of business

judgment based on the information available to the Receiver at the time and in the circumstances. As the Court of Appeal for Ontario put it in *Soundair*:

“If the court were to reject the recommendation of the Receiver in any but the most exceptional circumstances, it would materially diminish and weaken the role and function of the Receiver both in perception of receivers and in the perception of any others who might have occasion to deal with them...That would be a consequence susceptible of immensely damaging results to the disposition of assets by court-appointed receivers.”

[68] The upshot of the Debtors’ argument against the weight of this policy guidance in *Soundair* is, in effect, to say that, given the hallowed ground on which the court has placed redemption(s), the fact that the Debtors seek to redeem fits this circumstance into the category of “...the most exceptional circumstances” earmarked within *Soundair* for special treatment.

B. Cases Emphasizing Importance of Right to Redeem

[69] To that end, the Debtors rely on a line of authorities emanating from the decision of the Supreme Court of Canada in *Petranik v Dale*, 1976 CanLII 34 (SCC) in which Chief Justice Laskin said that “the equitable right to redeem is more than a mere equity but is, indeed, an interest in the mortgaged land which is not lightly to be put aside.”

[70] The Debtors argue that the pre-eminent stature of a right to redeem is such that it may prevail even in circumstances in which, as here, there is a motion to approve a sale to a third-party purchaser. They cite the decision of the Supreme Court of British Columbia in *Bank of Montreal v. Hester Creek Estate Winery et al.*, 2004 BCSC 724, in which the court said:

“The integrity of the court process is not compromised by allowing a debtor or its trustee in bankruptcy to redeem the mortgaged property on the eve of an application to approve a sale of the property. Whenever there is a court-ordered-sale process, it is always implicit that the conduct of sale is subject to the debtor being able to pay off the secured creditor before a sale is approved by the court. I am aware of no authority to the effect that the granting of conduct of sale precludes the debtor from redeeming the property. Allowing a redemption of the mortgaged property in these circumstances does not blemish the integrity of the court process but, rather, it represents the court process at work.”

[71] The Court in *Hester Creek* went on to say:

“In my opinion, it will require truly extraordinary circumstances, which do not exist here, for the court to hold that a debtor or its trustee in bankruptcy should be prevented from redeeming mortgaged property upon payment in full of the amount owed to the secured creditor prior to the pronouncement of an order absolute or an order approving a sale.”

[72] This notion in *Hester Creek* of the paramountcy of a right to redeem was adopted and echoed in *Kruger v. Wild Goose Vinters Inc.*, a 2021 decision of the Supreme Court of

British Columbia, 2021 BCSC 1406, in which the court confirmed that “deference is still afforded to a debtor who wishes to redeem.”

C. Argument re Importance of Court-Ordered (or at Least Transparent) Sales Schedule

[73] In asserting their right to redeem, the Debtors also emphasize that, generally speaking, the cases in which courts have rejected a right to redeem have featured either a court-ordered schedule and deadline for offers, or equally transparent processes in which a debtor, notwithstanding their right to redeem, has failed to comply with clear and known timelines.

[74] For example, the Debtors rely on the recent decision of Kimmel J. in *Rose-Isli Corp. v. Smith*, 2023 ONSC 832, in which Her Honour found that, in the face of a court-approved process in respect of which the secured creditor at issue was consulted, and which it did not oppose, and where the secured creditor only sought to override this sale process by right of redemption when it became apparent that it was unable to forward a competitive bid, the right to redeem should not prevail.

[75] The Debtors argue that *Rose-Isli* and other cases on which the Receiver relies are distinguishable from this case in that in those cases, unlike the case at hand, there was a clear, court-approved process and all stakeholders including the party seeking to redeem were given notice of a bid deadline.

[76] The Debtors point out that the Receiver did not seek a court-approved sales process here, nor transparently establish a clear bid deadline. Moreover and more particularly, the Debtors allege that they were not made aware of the timelines and deadlines that the Receiver established for the potential purchasers identified and narrowed down in the sale process here, were not consulted on those matters, and were thereby unfairly excluded from meaningful participation in the process. The Debtors say that this was despite them asking the Receiver at regular intervals for updates on the status of the ongoing efforts to market and sell the Properties.

[77] As noted above, the Receiver’s communication to the Debtors about the relevant timelines was not optimal. It is the case that the Debtors asked from time to time about the timelines in the ongoing sale process, and that the Receiver’s answers were not directly responsive.

[78] On the other hand, it seems apparent that the Debtors were generally aware of the ongoing sale process, and for the need to assemble their financing package expeditiously to have any chance of redeeming.

[79] It is also the case, while only a minor factor at most, that the Debtors had been given a chance to redeem during the period at the outset of the receivership when the Appointment Order was held for a few days before taking effect for the express purpose of accommodating the Debtors’ stated wish to redeem. The Debtors failed to take advantage of that opportunity such that, the Receiver argues, they had effectively lost their entitlement to special accommodation.

[80] As I say, while these events are inarguable, I still find that the Receiver ought to have been more explicit and forthcoming in the information provided in response to the Debtors’ inquiries.

[81] However, I also find that the Debtors were generally aware of the ongoing process, and that the “clock was ticking” relative to any potential redemption.

[82] In addition, and critically, it is not the case that the Debtors attended before me with a comprehensive and complete financing package to allow them to redeem.

D. Importance of Debtors Being Ready and Able to Redeem

[83] It is noteworthy, and an important distinguishing factor in my view, that in the cases on which the Debtors rely in support of the ongoing ability to redeem, even in the face of a pending motion to approve a sale, the redeeming party in each case showed up at the critical juncture ready and able to pay the relevant debt.

[84] For example, in *Hester Creek*, the court notes that, at the underlying application the party seeking to redeem “presented a cheque...payable to the Minister of Finance in a sum sufficient to pay the amounts claimed by [the creditors].” Then, on the appeal which is the subject of the decision on which the Debtors rely, the court confirmed that “ on this appeal, counsel for the Trustee in Bankruptcy presented a cheque payable to the Minister of Finance in the amount of \$4,381,082.45, which was the sum required to pay out the indebtedness and costs claimed by [the secured creditors] as of April 22nd, and advised the court that the Trustee has a total of \$5,250,000.00 in its trust account.”

[85] In *Wild Goose*, while confirming the importance of a right to redeem, the Court found that the debtor in that case was only in a position to redeem some but not all of the relevant security, and that this “distinguishes this case from *Hester Creek*. In *Hester Creek*, all the secured creditors were protected by the redemption. Here they are not.” In those circumstances, the court approved the sale proposed by the Receiver, and denied the debtor’s attempt to redeem.

E. The Handelman Case

[86] Another important example of the court denying an absolute right to redeem in the face of a Receiver’s motion seeking approval of a concluded agreement to sell a property is found in this court’s decision in *B&M Handelman Investments Limited et al v. Mass Properties Inc.* and *Mass Banquet Halls Inc.*, 2009 CanLII 37930.

[87] In that case, Pepall J. (as she then was) dealt with similar circumstances to those in the case before me.

[88] The receiver in *Handelman* was seeking the court’s approval of a sale transaction contemplated by an agreement of purchase and sale.

[89] The appointment of the receiver in that case was delayed at the outset because four adjournments of the application to appoint the receiver were granted by Hoy J. “at the request of the debtor Respondent companies” on the premise of “imminent refinancing that did not materialize.”

[90] As in the case before me, the receiver, together with an agent it appointed, listed the property on MLS. The agent advertised the property widely, sent 49 detailed information packages to prospective purchasers, and ultimately received nine offers to purchase.

[91] The unconditional offer accepted by the Receiver included a deposit of \$500,000.00 and the agreement required court approval and a vesting order.

[92] Among those opposing the Receiver's sale of the property at the hearing before Pepall J. was a 50% owner of the property asserting her right to redeem. That party argued that since the agreement of purchase and sale for the transaction for which the receiver sought approval stated that there is no agreement of purchase of sale until the offer...has been approved by the court" she was "still entitled to redeem."

[93] The receiver noted that it had undertaken discussions with the party in question at points in the months preceding the motion, but that the party had not pursued available options to take ownership of the property. The receiver argued that the sale process would be "undermined if stakeholders were permitted to wait by the sidelines until an offer is accepted before acting to protect their equity."

[94] In denying the 50% owner's purported exercise of her right to redeem, Her Honour noted the receiver's powers to market the property under the order appointing the receiver without interference, and referenced also the stay provisions thereunder. Justice Pepall concluded:

"In the face of these provisions, Ms. Singh does not have an automatic right to redeem. A mockery would be made of the practice and procedures relating to receivership sales if redemption were permitted at this stage of the proceedings. A receiver would spend time and money securing an agreement of purchase and sale that was, as is common place, subject to Court approval, and for the benefit of all stakeholders, only for there to be a redemption by a mortgagee at the last minute. This could act as a potential chill on securing the best offer and be to the overall detriment of stakeholders."

[95] While here it is the Debtors as opposed to a mortgagee asserting a right to redeem, the observations by Pepall J. are nonetheless apposite in the circumstance before me.

[96] I accept that, in general, a mortgage debtor possesses an important right to redeem, and that right should not be set aside lightly.

[97] I also note, however, that in every case to which the Debtors have pointed here, the question of the wherewithal of the debtor to cover all outstanding obligations by the time of the motion to approve a sale of the property has been a critical consideration.

[98] I find that the acknowledged inability of the Debtors to redeem the Properties, up to and beyond the time of the Receiver's motion for the AVO, is fatal to the Debtors' request.

[99] Despite the imperfections of the Receiver's notification to the Debtors of the precise deadlines within the sale process, the Debtors have known for months of the Receiver's intention

to sell the Properties, were aware of the ongoing sale process, had notice of the Receiver's motion for the AVO, and still have been unable to come to court with evidence of anything but highly conditional and uncertain financing prospects, let alone with a final and all-encompassing financial package.

Potential for Closer Call, But Not Here

[100] In my view there could still be an interesting choice in circumstances in which the contest is between a Debtor who attends at a Receiver's motion for approval of a sale with "a cheque" as in the *Hester Creek* case (i.e. with sufficient funds to pay out all relevant creditors) versus a Receiver who, as here, has run a lengthy and comprehensive sale process, involving considerable time and expense, to identify a purchaser who is before the court, has paid a substantial deposit, and clearly has the ability to complete the transaction at issue.

[101] In that circumstance there would in my view be an interesting dilemma between the important equitable right to redeem and the policy considerations about protecting the integrity and predictability of the receivership sale process.

[102] However, that is not the situation before me. The Debtors are simply not in a position, at the time of the Receiver's motion for the AVO, to redeem.

Summary of Conclusions

[103] I find that the Receiver has met the requisite elements of the *Soundair* test.

[104] The marketing and sale process was thoroughgoing and robust, and appears to have resulted in a favourable price.

[105] As discussed, I see no basis on which to conclude that the integrity of the process was in any way compromised.

[106] There is no evidence of any unfairness, and the process and the price obtained serve, in my view, the interests of all parties.

[107] For all of these reasons, I grant the AVO sought by the receiver, and dismiss the Debtors' cross-motion.

Sealing Order Granted

[108] The Receiver also seeks a sealing order relative to the Bona Fide appraisal, the summary of offers it received, and the unredacted APS.

[109] I note that the Debtors do not oppose that relief, and I am persuaded that, on the off-chance that the APS does not close as scheduled on March 26, 2024, disclosure of these details could negatively impact any future realizations.

[110] Accordingly, I am prepared to grant the sealing Order sought, pending the closing of the APS or further order of the court.

A handwritten signature in blue ink, appearing to read "W.D. Black J.", is written over a horizontal line.

W.D. Black J.

Date: March 19, 2024

SCHEDULE D



Court File No. CV-23-704623-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
MR. JUSTICE BLACK)
TUESDAY, THE 19TH DAY
OF MARCH, 2024

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Pollard & Associates Inc. in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (the "**Debtors**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") dated February 6, 2024 (the "**Sale Agreement**"), and appended to the First Report of the Receiver dated March 1, 2024 (the "**First Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the appendices thereto, the Supplementary Report of the Receiver, dated March 11, 2024 and the appendices thereto (the “**Supplementary Report**”), the Second Supplementary Report of the Receiver, dated March 14, 2024 (the “**Second Supplementary Report**”), the Debtors’ Motion Record, dated March 7, 2024, the Responding Motion Record of the Debtors, dated March 11, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 14, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 15, 2024, the Affidavit of Jeffrey Gottesman, sworn March 12, 2024, the Affidavit of Rupinder Bamra (“**Bamra**”), affirmed March 13, 2024, and on hearing the submissions of counsel for the Receiver, counsel for the Debtors, counsel for the Applicant, counsel for the Purchaser, counsel for Bamra, and such other counsel as were present and appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the Lawyer’s Certificate of Service of Alexandra Teodorescu, signed March 12, 2024, and the Affidavit of Service of Janet Good, sworn March 12, 2024, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale 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 to the Purchaser.
2. **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 the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule “B”** hereto 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 Order of the Honourable Justice Cavanagh dated October 10, 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;

and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the City of Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

4. **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.

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

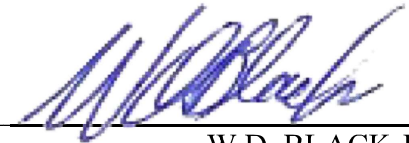
6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, 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.

7. **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.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.



W.D. BLACK J.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-23-00704623-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the "**Court**") dated October 10, 2023, Pollard & Associates Inc. was appointed as the receiver (the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated March 15, 2024, the Court approved the agreement of purchase and sale made as of February 6, 2024 between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") (the "**Sale Agreement**") for the real property municipally known as 33 Hawarden Crescent, Toronto and 35 Hawarden Crescent, Toronto (the "**Purchased Assets**") and provided for the vesting in the Purchaser of the Debtors’ 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 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 Sale 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 Sale 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 Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; 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].

**POLLARD & ASSOCIATES INC., in its
capacity as Receiver of the undertaking,
property and assets of the Debtors, and not in
its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PIN 21178-0241 (LT)

PCL 79-1 SEC M502; LT 79 PL M502 TORONTO; S/T LT396436; TORONTO, CITY OF TORONTO

PIN 21178-0242 (LT)

PCL 77-1 SEC M502; LT 78 S/S HAWARDEN CRES PL M502 TORONTO; PT LT 77 S/S HAWARDEN CRES PL M502 TORONTO COMM AT THE N E ANGLE OF SAID LT 78; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 60 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE N E ANGLE OF SAID LT 77; THENCE SLY IN A STRAIGHT LINE 246 FT 3 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE S E ANGLE OF SAID LT 77; THENCE ELY ALONG THE SLY LIMIT OF THE SAID LOTS, 60 FT MORE OR LESS TO THE S E ANGLE OF SAID LT 78; THENCE NLY ALONG THE ELY LIMIT OF SAID LT 78; 250 FT MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Schedule C – Instruments to be deleted and expunged from title to Real Property

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT6168496	2022/08/26	Charge	\$8,000,000	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6168497	2022/08/26	No Assgn Rent Gen		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6168527	2022/08/26	Restriction - Land		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	
AT6186202	2022/09/20	Notice	\$1	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6285539	2023/02/23	Charge	\$1,020,000	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Rupinder Bamra
AT6285540	2023/02/23	No Assign Rent Gen		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Rupinder Bamra
AT6446296	2023/10/24	Apl Court Order		Ontario Superior Court of Justice	Pollard & Associates Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
LT396436	1945/03/28	Transfer Easement			The Corporation of the Village of Forest Hill

VECTOR FINANCIAL SERVICES LIMITED

and

Court File No. CV-23-704623-00CL
33 HAWARDEN CRESCENT INC. et al

Applicant

Respondents

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

Proceeding commenced at **Toronto**

APPROVAL AND VESTING ORDER

BLANEY MCMURTRY LLP

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

Timothy R. Dunn (LSO #342491)

Tel: (416) 597-4880

Fax: (416) 593-5148

Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)

Tel: (416) 596-4279

Fax: (416) 594-2506

Email: ateodorescu@blaney.com

Lawyers for Court-appointed Receiver,
Pollard & Associates Inc.

SCHEDULE E



Court File No. CV-23-704623-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 19TH
)
JUSTICE W.D. BLACK) DAY OF MARCH, 2024
)

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

ANCILLARY ORDER

THIS MOTION, made by Pollard & Associates Inc. in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (the "**Debtors**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") dated February 6, 2024 (the "**Sale Agreement**"), and appended to the First Report of the Receiver dated March 1, 2024 (the "**First Report**"), vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), approving the Receiver's reports, and sealing certain appendices in the First Report was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the appendices thereto, the Supplementary Report of the Receiver, dated March 11, 2024 and the appendices thereto (the “**Supplementary Report**”), the Second Supplementary Report of the Receiver, dated March 14, 2024 (the “**Second Supplementary Report**”), the Debtors’ Motion Record, dated March 7, 2024, the Responding Motion Record of the Debtors, dated March 11, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 14, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 15, 2024, the Affidavit of Jeffrey Gottesman, sworn March 12, 2024, the Affidavit of Rupinder Bamra (“**Bamra**”), affirmed March 13, 2024, and on hearing the submissions of counsel for the Receiver, counsel for the Debtors, counsel for the Applicant, counsel for the Purchaser, counsel for Bamra, and such other counsel as were present and appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the Lawyer’s Certificate of Service of Alexandra Teodorescu, signed March 12, 2024, and the Affidavit of Service of Janet Good, sworn March 12, 2024, filed:

SERVICE

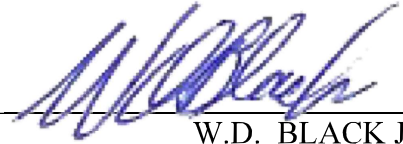
1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service hereof.

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the First Report, the Supplementary Report and the Second Supplementary Report (collectively, the “**Reports**”) and the actions and activities of the Receiver described in the Reports are hereby approved provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING

3. **THIS COURT ORDERS** that the Confidential Appendices (as in defined in the First Report) are hereby sealed until the earlier of either the closing of the Transaction, or upon further Order of the Court.

A handwritten signature in blue ink, appearing to read 'W.D. Black', is written over a horizontal line.

W.D. BLACK J.

Court File No. CV-23-704623-00CL
33 HAWARDEN CRESCENT INC. et al

VECTOR FINANCIAL SERVICES LIMITED

and

Applicant

Respondents

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

Proceeding commenced at **Toronto**

ANCILLARY ORDER

BLANEY MCMURTRY LLP
Barristers & Solicitors
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Toronto ON M5C 3G5

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Fax: (416) 594-2506
Email: ateodorescu@blaney.com

Lawyers for Court-appointed Receiver,
Pollard & Associates Inc.

SCHEDULE F

Court of Appeal File No.: _____

Court File No. CV-23-00704623-00CL

**ONTARIO
COURT OF APPEAL FOR ONTARIO**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant (Respondent)

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents (Appellants)

NOTICE OF APPEAL

THE APPELLANTS APPEAL to the Ontario Court of Appeal from the Order of the Honorable Justice W.D. Black of the Superior Court of Justice (“**Motion Judge**”) made at Toronto, Ontario dated March 19, 2024 (the “**Order**”), together with the Motion Judge’s order denying the Appellants’ request for an adjournment on March 15, 2024 (the “**Adjournment Order**” and together, the Orders).

THE APPELLANTS ASK that the Orders be set aside, and that an Order be granted as follows:

- a) permitting the Appellants to redeem the Vector Mortgage (defined below);
- b) discharging the Receiver;

- c) awarding the Appellants their costs of the appeal and the proceedings below; and
- d) such further and other relief as this Honourable Court may deem just.

THE GROUNDS OF APPEAL:

1. The Appellants, 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively the “**Companies**”), respectively own the real properties located at 33 Hawarden Crescent and 35 Hawarden Crescent, both in Toronto, Ontario (collectively the “**Real Property**”).
2. The Real Property was encumbered with two mortgages (the “**Mortgages**”), the first in favour of Vector Financial Services Inc. (“**Vector**” and the “**Vector Mortgage**”) and the second in favour of Rupinder Bamra (“**Bamra**” and the “**Bamra Mortgage**”).
3. The Companies had also raised various funds from a group of individual investors (the “**Investor Group**”).
4. The Companies sought to develop the Real Property, including by severing the Real Property into several lots, for the purpose of maximizing its value. To that end, the Companies filed a severance application with the City of Toronto on or about August 31, 2023. A hearing before the Committee of Adjustments was scheduled to take place November 29, 2023.
5. On October 25, 2023, Vector obtained an order (the “**Receivership Order**”) appointing Pollard & Associates Inc. as receiver (in such capacity, the “**Receiver**”) over the Companies’ assets, undertakings and property, including the Real Property.
6. Following its appointment, the Receiver did not take steps to further the severance application, despite the potential that it would increase the value of the Real Property.
7. The Companies repeatedly advised the Receiver of their intention to redeem the Vector

Mortgage. The Companies sought information regarding the sales process, including the outside date of any transaction, for the purpose of ensuring that they could redeem prior to any sale of the Real Property. The Receiver failed to provide this information.

8. The Receiver entered into an agreement of purchase and sale (the “**Gott APA**”) with Gott Upper Canada Inc. (“**Gott**”). At the time it entered into the Gott APA, Gott was aware of the Companies’ outstanding intention and effort to redeem the Vector Mortgage.

9. The transaction contemplated by the Gott APA (the “**Gott Transaction**”) will result in insufficient proceeds to repay the Vector Mortgage, and will result in the Bamra Mortgage being discharged without any repayment whatsoever.

10. While the Receiver was marketing the Real Property for sale, the Companies sought to secure financing to support their efforts to redeem. As of the date of this notice of appeal, they have secured financing of over \$10 million from various lenders. The Companies will bring a motion to introduce fresh evidence as to the current status of their ability to redeem the Vector Mortgage.

11. In addition, the Companies secured Bamra’s consent, as second mortgagee, to the Companies’ proposed refinancing.

12. The Receiver brought a motion for an approval and vesting order in respect of the Gott Transaction. The motion was scheduled to be heard on March 15, 2024, and the Gott Transaction was scheduled to close on March 26, 2024

13. The Companies opposed the Receiver’s motion and brought their own cross-motion to (a) redeem the Vector Mortgage, and (b) discharge the Receiver.

14. Prior to the hearing, the Companies made a “with prejudice” offer to adjourn the hearing. The Receiver did not accept this offer.

15. At the hearing on March 15, 2024, the Companies sought an adjournment to, amongst other things, carry out cross-examinations on the affidavit filed by the principal of Gott. The Companies proposed that the hearing be adjourned until April 12, 2024, or in the alternative until March 26, 2024, the proposed closing date of the Gott Transaction.

16. The Motion Judge denied the Companies’ adjournment request on March 15, 2024.

17. On March 19, 2024, the Motion Judge released an endorsement granting the Order, which approved the Gott Transaction and dismissed the Companies’ cross-motion.

18. His Honour erred in fact and/or law or, alternatively, in the exercise of his discretion, when he denied the Companies’ adjournment request, granted the approval and vesting order and dismissed the Companies’ cross-motion. His Honour committed reviewable errors in that he:

- a. Erred in failing to properly consider the Companies’ adjournment request and failed to give sufficient reasons in denying the Companies’ adjournment request;
- b. Erred in failing to properly consider appellate authority, as laid out in *Rose-Isli Corp. v. Smith*, 2023 ONCA 548, regarding the balancing analysis of the right to redeem against a receiver’s sales process;
- c. Erred in failing to give proper weight to the fact that redemption should always be preferred when there is no prejudice or evidence of prejudice to the integrity of the sale process and the purchaser will suffer no damages;

- d.* Ignored, misapprehended or gave insufficient weight to the Companies' evidence regarding the value of the Real Property;
- e.* Ignored, misapprehended or gave insufficient weight to the Companies' ability and/or right to redeem the Real Property;
- f.* Ignored, misapprehended or gave insufficient weight to the Receiver's failure to advise the Companies of the sale milestones, including the potential prejudice caused by such failure to the Companies and Bamra's interest in the Real Property; and
- g.* Erred in his application of the *Soundair* principles, in particular by failing to properly consider (i) the effect of the Receiver's failure to communicate sale milestones; (ii) whether the Receiver made sufficient efforts to obtain the best price, and (iii) the economic interests of Bamra and the Investor Group;

19. The Companies have a right of appeal pursuant to sections 193(a), (b) and (c) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("*BIA*");

20. In the alternative, the Companies seek leave to appeal pursuant to section 193(e) of the *BIA*.

Leave to appeal should be granted in this case because:

- a.* the points raised are of significance to the proceeding itself, in that the Order has denied the Companies' right to redeem the first mortgage on the Real Property thereby preventing the Companies exit from receivership;
- b.* the points raised are of general importance to the practice of bankruptcy/insolvency;
- c.* the proposed appeal is *prima facie* meritorious;

- d. the appeal will not unduly hinder the progress of the receivership proceedings; and
- e. the Order appears to be contrary to law or involves an obvious error, which is highly prejudicial to the Companies, and there is no other remedy.

21. The proposed appeal is not *prima facie* frivolous or vexatious, is not likely to unduly delay the proceedings or to be overcome by them and rendered moot, and is not likely to add unduly or disproportionately to the cost of the proceedings.

22. The Companies will also be bringing a motion to introduce fresh evidence. Such evidence is necessary to deal fairly with the issues raised by the Companies.

THE BASIS OF THE APPELLATE COURT’S JURISDICTION IS:

23. Rule 31(1) of the BIA Rules;

24. In the alternative, the Companies seek leave to appeal, pursuant to Rule 31(2) of the BIA Rules;

25. Sections 183(2) and 193 (a), (b), (c) and (e) of the BIA;

26. Rule 61 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;

27. Section 6(1) and 134 of the *Courts of Justice Act*, R.S.O. 1990, c. C.4; and

28. The Order appealed from is a final order of a Judge of the Superior Court of Justice;

March 25, 2024

Obaidul Hoque (LSO # 67791O)
Direct: 647-794-7079
Fax: 647-794-7039
E-mail: obaidul@owslaw.ca

Lawyer for the Appellants

TO: SERVICE LIST

**33 HAWARDEN CRESCENT INC. and 35
HAWARDEN CRESCENT INC.**

Appellant

VECTOR FINANCIAL SERVICES LIMITED

Respondents

ONTARIO

COURT OF APPEAL FOR ONTARIO

NOTICE OF APPEAL

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LSO #677910

Lawyer for the Appellants

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

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant/Respondent

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents/Appellants

SERVICE LIST

As of March 25, 2024	
BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto ON M5C 3G5 Lawyers for the Court-appointed Receiver, Pollard & Associates Inc.	Timothy R. Dunn (LSO #34249I) (416) 597-4880 tdunn@blaney.com Alexandra Teodorescu (LSO #63889D) (416) 596-4279 ateodorescu@blaney.com
POLLARD & ASSOCIATES INC. 31 Wright St., Richmond Hill, ON L4C 4A2 Court-appointed Receiver	Angela Pollard (905) 884-8191 akpollard@pollardandassoc.ca
GOWLING WLG (CANADA) LLP Barristers and Solicitors	Thomas Gertner (LSO #67756S) (416) 369-4618

<p>Suite 1600, First Canadian Place 100 King Street West, Toronto, ON M5X 1G5</p> <p>Lawyers for the Applicant</p>	<p>thomas.gertner@gowlingwlg.com</p> <p>Katherine Yurkovich (LSO #80396R) (416) 862-4342 kate.yurkovich@gowlingwlg.com</p>
<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>OWS LAW 5200 Yonge Street Toronto, ON M2N 596</p> <p>Lawyers for the Respondents</p>	<p>Steven Graff 416-865-7726 sgraff@airdberlis.com</p> <p>Adrienne Ho 416-637-7980 aho@airdberlis.com</p> <p>Obaidul Hoque 647-619-6207 obaidul@owslaw.ca</p>
<p>BRIDGE LAW Professional Corporation 7015 Tranmere Drive, Unit 13 Mississauga, ON L5S 1T7</p> <p>Lawyers for Rupinder Bamra</p>	<p>Christina Bowman 905-673-7222 cbowman@bridgelawyers.ca</p>
<p>SAMANTHA LITCHEN 8 Ardmore Road Toronto, ON M5P 1V3</p>	<p>sammylitchen@gmail.com</p>
<p>HARVEY KALLES REAL ESTATE LTD. 2145 Avenue Road Toronto, ON M5M 4B2</p>	<p>Jamie Erlick Jamie.erlick@gmail.com</p>
<p>THE AGENCY, BROKERAGE 378 Fairlawn Avenue Toronto, ON M5M 1T8</p>	<p>Benjamin Yellowlees ben.yellowlees@theagencyre.com</p>
<p>WESTDALE PROPERTIES 35 Lesmill Rd. Toronto, ON M3B 2T3</p> <p>Lawyers for the Purchaser</p>	<p>Sarit Kind 416-703-1877 (ext. 1059) saritk@westdaleproperties.com</p>

<p>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge St., Fourth Floor Toronto, ON M5C 2W7</p>	<p>osbservice-bsfservice@ised-isde.gc.ca</p>
<p>DEPARTMENT OF JUSTICE Ontario Regional Office 120 Adelaide Street West Suite 400 Toronto, ON, M5H 1T1</p>	<p>AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</p>
<p>MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Civil Law Division - Legal Services Branch 6-33 King St West Oshawa, Ontario, L1H 8H5</p>	<p>Steven Groeneveld (LSO # 45420I) Tel: 905 431 8380 Fax: 905 436 4510 Email: steven.groeneveld@ontario.ca</p>
<p>MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Collections Branch – Bankruptcy and Insolvency Unit 6-33 King St West Oshawa, Ontario, L1H 8H5</p>	<p>Email: insolvency.unit@ontario.ca Tel.: 1 866 668-8297</p>

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SCHEDULE G

Timothy Dunn
D: 416-597-4880 F: 416-593-5148
TDunn@blaney.com

April 30, 2024

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Steven L. Graff

And

OWS LAW
5200 Yonge Street
Toronto, ON M2N 5P6

Attention: Obaidul Hoque

Dear Sirs:

Re: Vector Financial Services Limited v. 33 Hawarden Crescent Inc. et al

As you know, we are counsel to the court-appointed Receiver in the above-referenced matter.

We write with respect to your Notice of Appeal, which you served on March 25, 2024. It has come to our attention following discussions with the court staff at the Court of Appeal that you have not filed the Notice of Appeal through the correct procedural channels. Accordingly, there is no properly constituted appeal from the Order of Justice Black, dated March 19, 2024 (the “**AVO**”).

In addition, even if the Notice of Appeal had been properly filed with the Court of Appeal, your clients are now outside the 30-day deadline to perfect the appeal.

The Receiver disagrees with the position set out in the Notice of Appeal that the debtors have an appeal as of right under ss. 193(a), (b), and (c) of the *Bankruptcy and Insolvency Act*, and is of the view that the appeal requires leave under s. 193(e). Notably, your clients have failed to file an application for leave to appeal within the 10-day deadline under the *Bankruptcy and Insolvency General Rules*.

The Receiver is prepared to provide your clients until Tuesday, May 7, 2024, to rectify the issues identified above by way of motion to a judge of the Court of Appeal. If your clients intend to pursue the appeal, please be advised that the Receiver will be bringing a motion contemporaneously with your clients' motion to, among other things, dismiss the appeal for delay, and for declaratory relief that there is no appeal as of right or, in the alternative, the stay should be cancelled.

Absent an Order from a judge of the Court of Appeal, the Receiver will be taking steps to complete the Agreement of Purchase and Sale approved by the AVO forthwith.

Yours very truly,

Blaney McMurtry LLP

A handwritten signature in blue ink, appearing to read 'Timothy Dunn', enclosed within a blue oval scribble.

Timothy Dunn
TRD/vh

Cc: A. Teodorescu
Cc: A. Pollard
Cc: T. Gertner

SCHEDULE H

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE 13 TH
)	
JUSTICE W.D. BLACK)	DAY OF MAY, 2024

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

AMENDED APPROVAL AND VESTING ORDER

THIS MOTION, made by Pollard & Associates Inc. in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. ("**33 Hawarden Inc.**") and 35 Hawarden Crescent Inc. ("**35 Hawarden Inc.**") (collectively, the "**Debtors**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") dated February 6, 2024 (the "**Sale Agreement**"), and appended to the First Report of the Receiver dated March 1, 2024 (the "**First Report**"), and vesting in the Purchaser, or as the Purchaser may further direct, the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and the appendices thereto, the Supplementary Report of the Receiver, dated March 11, 2024 and the appendices thereto (the “**Supplementary Report**”), the Second Supplementary Report of the Receiver, dated March 14, 2024 (the “**Second Supplementary Report**”), the Debtors’ Motion Record, dated March 7, 2024, the Responding Motion Record of the Debtors, dated March 11, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 14, 2024, the Supplementary Affidavit of Jason Allen John, sworn March 15, 2024, the Affidavit of Jeffrey Gottesman, sworn March 12, 2024, the Affidavit of Rupinder Bamra (“**Bamra**”), affirmed March 13, 2024, and on hearing the submissions of counsel for the Receiver, counsel for the Debtors, counsel for the Applicant, counsel for the Purchaser, counsel for Bamra, and such other counsel as were present and appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the Lawyer’s Certificate of Service of Alexandra Teodorescu, signed March 12, 2024, and the Affidavit of Service of Janet Good, sworn March 12, 2024, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale 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 to the Purchaser~~ assets and property of 33 Hawarden Inc. to 1000889809 Ontario Inc. (“809 Ontario”) and the assets and property of 35 Hawarden Inc. to 1000889835 Ontario Inc. (“835 Ontario”).

2. **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 the Debtors’ right, title and interest in and to those Purchased Assets described in the Sale Agreement ~~and~~ listed under the heading Firstly on Schedule “B” hereto shall vest absolutely in ~~the Purchaser~~ 809 Ontario and all of the Debtors’ right, title and interest in and to those Purchased Assets described in the Sale Agreement ~~and~~ listed under the heading Secondly on Schedule “B” hereto shall vest absolutely in ~~the Purchaser~~ 835 Ontario, 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 Order of the Honourable Justice Cavanagh dated October 10, 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; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the City of Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter ~~the Purchaser~~ 809 Ontario as the owner of the subject real property identified under the heading Firstly in **Schedule "B"** hereto and to enter 835 Ontario as the owner of the subject real property identified under the heading Secondly in **Schedule "B"** hereto (collectively, the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **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.

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

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

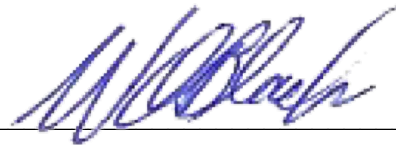
- (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in ~~the Purchaser~~ 809 Ontario and 835 Ontario pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, 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.

7. **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.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.



Schedule A – Form of Receiver’s Certificate

Court File No. CV-23-704623-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the "**Court**") dated October 10, 2023, Pollard & Associates Inc. was appointed as the receiver (the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated March 15, 2024, the Court approved the agreement of purchase and sale made as of February 6, 2024 between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") (the "**Sale Agreement**") for the real property municipally known as 33 Hawarden Crescent, Toronto and 35 Hawarden Crescent, Toronto (the "**Purchased Assets**") and provided for the vesting in ~~the Purchaser~~ 809 Ontario and 835 Ontario of the Debtors’ 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 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 Sale 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 Sale 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 Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; 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].

POLLARD & ASSOCIATES INC., in its capacity as Receiver of the undertaking, property and assets of the Debtors, and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

Firstly:

PIN 21178-0241 (LT)

PCL 79-1 SEC M502; LT 79 PL M502 TORONTO; S/T LT396436; TORONTO, CITY OF TORONTO

Secondly:

PIN 21178-0242 (LT)

PCL 77-1 SEC M502; LT 78 S/S HAWARDEN CRES PL M502 TORONTO; PT LT 77 S/S HAWARDEN CRES PL M502 TORONTO COMM AT THE N E ANGLE OF SAID LT 78; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 60 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE N E ANGLE OF SAID LT 77; THENCE SLY IN A STRAIGHT LINE 246 FT 3 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE S E ANGLE OF SAID LT 77; THENCE ELY ALONG THE SLY LIMIT OF THE SAID LOTS, 60 FT MORE OR LESS TO THE S E ANGLE OF SAID LT 78; THENCE NLY ALONG THE ELY LIMIT OF SAID LT 78; 250 FT MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Schedule C – Instruments to be deleted and expunged from title to Real Property

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT6168496	2022/08/26	Charge	\$8,000,000	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6168497	2022/08/26	No Assgn Rent Gen		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6168527	2022/08/26	Restriction - Land		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	
AT6186202	2022/09/20	Notice	\$1	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Vector Financial Services Limited
AT6285539	2023/02/23	Charge	\$1,020,000	33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Rupinder Bamra
AT6285540	2023/02/23	No Assign Rent Gen		33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.	Rupinder Bamra
AT6446296	2023/10/24	Apl Court Order		Ontario Superior Court of Justice	Pollard & Associates Inc.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

PIN 21178-0241(LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
LT396436	1945/03/28	Transfer Easement			The Corporation of the Village of Forest Hill

VECTOR FINANCIAL SERVICES LIMITED

Applicant

and

Court File No. CV-23-704623-00CL 33
HAWARDEN CRESCENT INC. et al

Respondents

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

Proceeding commenced at **Toronto**

APPROVAL AND VESTING ORDER

BLANEY MCMURTRY LLP

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

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Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)

Tel: (416) 596-4279

Fax: (416) 594-2506

Email: ateodorescu@blaney.com

Lawyers for Court-appointed Receiver,
Pollard & Associates Inc.

SCHEDULE I

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the "**Court**") dated October 10, 2023, Pollard & Associates Inc. was appointed as the receiver (the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated March 15, 2024, the Court approved the agreement of purchase and sale made as of February 6, 2024 between the Receiver, as vendor, and Gott Upper Canada Inc., as purchaser (the "**Purchaser**") (the "**Sale Agreement**") for the real property municipally known as 33 Hawarden Crescent, Toronto and 35 Hawarden Crescent, Toronto (the "**Purchased Assets**") and provided for the vesting in 1000889809 Ontario Inc. and 1000889835 Ontario Inc. of the Debtors' 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 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 Sale 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 Sale 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 Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at Toronto on May 14, 2024.

POLLARD & ASSOCIATES INC., in its capacity as Receiver of the undertaking, property and assets of the Debtors, and not in its personal capacity

Per: _____

Name: Angela K. Pollard

Title: President

I have authority to bind the corporation

SCHEDULE J

STATEMENT OF ADJUSTMENTS

VENDOR: Pollard & Associates, solely in its capacity as Court-appointed receiver of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively, the "Debtors") and on behalf of the Debtors and not in its personal capacity and without any personal corporate liability

PURCHASER: Gott Upper Canada Inc.

PROPERTY: 33 Hawarden Crescent and 35 Hawarden Crescent, Toronto, Ontario

ADJUSTED AS OF: May 13, 2024

	Credit Purchaser	Credit Vendor
<u>SALE PRICE</u>		\$ 8,950,000.00
Credit Vendor:		
<u>DEPOSIT</u>		
First Deposit	\$ 500,000.00	
Second Deposit	\$ 500,000.00	
Credit Purchaser:	\$ 1,000,000.00	
<u>REALTY TAXES - 33 Hawarden Cres</u>		
2024 Interim Taxes	\$ 7,335.68	
2024 Estimated Final Taxes (9.5% increase)	\$ 16,065.14	
Vendor's share for 133 days	\$ 5,837.88	
Vendor Paid	\$ 7,335.68	
Credit Vendor:		\$ 1,497.80
<u>REALTY TAXES - 35 Hawarden Cres</u>		
2024 Interim Taxes	\$ 11,113.46	
2024 Estimated Final Taxes (9.5% increase)	\$ 24,338.48	
Vendor's share for 133 days	\$ 8,844.31	
Vendor Paid	\$ 11,113.46	
Credit Vendor:		\$ 2,269.15
<u>BALANCE DUE ON CLOSING</u>	\$ 7,953,766.95	
payable to Blaney McMurtry LLP, in trust by LVTS wire*		
	\$ 8,953,766.95	\$ 8,953,766.95

E.&O.E.

*balance due on closing to be wire transferred from solicitor's trust account through the Large Value Transfer System ("LVTS")

SCHEDULE K

POLLARD & ASSOCIATES INC.
31 Wright Street,
Richmond Hill, Ontario, L4C 4A2

Statement of the Receiver (Section 246(2))

In the matter of the receivership of the property of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.

Take notice that:

1. On the 13th day of October, 2023, the undersigned became the Court Appointed Receiver of all of the assets, undertakings and properties of 33 Hawarden Crescent Inc., and 35 Hawarden Crescent Inc., (collectively the "**Debtors**" or "**33 and 35 Hawarden**") acquired for, or in relation to the business carried on by the Debtors, including all proceeds thereof the property.
2. Prior to the Receiver's appointment, 35 Hawarden entered into an agreement of purchase and sale, dated September 14, 2023 to sell the property located at 35 Hawarden Crescent, Toronto conditional upon the severance of the property for the amount of \$3,200,000 ("**APS 35**"). The Receiver concluded that in the broader scope of the receivership completion of the APS 35 was not in the best interest of the creditors. The Receiver terminated the APS 35 on November 16, 2023.
3. The Receiver commenced a sale process to sell 33 Hawarden Crescent and 35 Hawarden Crescent (the "**Properties**"). The Receiver entered into a listing agreement and arranged for the Properties to be listed on MLS on December 8, 2023. The Receiver received seven (7) offers for the Properties. The Receiver and the agents negotiated with the potential purchasers the terms and price offered for the Properties. The Receiver requested that the potential purchasers put forward their best offer on February 5, 2024. The Receiver reviewed the three (3) offers for the Properties received on February 5, 2024 and determined that the offer presented by Gott Upper Canada Inc. ("**Gott**") best addressed the concerns of the Receiver (the "**APS**").
4. The Receiver brought a motion to authorize the Receiver to enter into the APS and to obtain a vesting order as well as other related relief. The Debtors brought a cross motion to allow the Debtors to redeem. The Receiver's motion and the Debtor's cross motion were heard on March 15, 2024. A copy of the endorsement of the Honourable Justice W.D. Black is attached as Schedule "**A**".
5. The Debtors issued a notice of appeal on March 25, 2024 to the Order of the Honourable Justice W.D. Black. A copy of the notice of appeal is attached as Schedule "**B**".
6. The Receiver and Gott have amended the closing date in reference to the APS to the current closing date of April 26, 2024.
7. The Receiver's intended plan of action is to proceed to the Court of Appeal.
8. An interim statement of receipts and disbursements is attached as Schedule "**C**".

DATED at Richmond Hill this 12th day of April, 2024

POLLARD & ASSOCIATES INC.

Per:

Angela K. Pollard, CPA, CMA, FCIRP, CFE, ICD.D



Schedule “A”

CITATION: Vector Financial Services v. 33 Hawarden Crescent, 2024 ONSC 1635
COURT FILE NO.: CV-23-704623-00CL
DATE: 20240319

RE: Vector Financial Services Limited, Applicant

AND:

33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc., Respondents

BEFORE: W.D. Black J.

COUNSEL: *Clifton Prophet*, for Vector Financial Services Ltd.;
Steven Graff, Adrienne Ho and Obaidul Hoque, for 33 Hawarden Crescent Inc.;
Timothy R. Dunn and Alexandra Teodorescu, for Court Appointed Receiver,
Pollard & Associates Inc.;
Sarit Kind, for Westdale Properties;
Christina Bowman and Harry Brar, for Rupinder Bamra;
Angela Pollard, Receiver – Pollard & Associates Inc.

HEARD: March 15, 2024

ENDORSEMENT

Overview

[1] This motion pits a debtor's right of redemption against a receiver's ability to close a concluded deal for the sale of property, and requires evaluation of the competing considerations in that setting.

[2] The receiver Pollard & Associates Inc. (the "Receiver") seeks an approval and vesting order (the "AVO") relative to an agreement of purchase and sale ("APS") for the properties at 33 and 35 Hawarden Crescent in the Forest Hill neighborhood of Toronto (the "Properties"). The Receiver's motion also seeks a sealing order for certain materials, and other related relief.

[3] The Receiver relies on the (uncontested) fact that it conducted a thoroughgoing marketing and sales process for the Properties, and that it negotiated a price for the Properties that is not only appropriate but in fact compares favourably to a recent appraisal.

[4] It points out that the debtors here (the "Debtors" or the "Companies"), while notionally having a right of redemption, have been unsuccessful in amassing sufficient funds to redeem despite having had many months to do so. Even now, the Receiver observes, the Debtors' request is to delay the closing of the pending sale of the Properties to give the Debtors additional time to put together funding. The Debtors acknowledge that they do not yet have in place sufficient funds to redeem.

[5] The Debtors maintain that their right to redeem is an important one, all but sacrosanct, and that through their ongoing determined efforts they are very close to having sufficient funds available to redeem their interest in the properties.

[6] They also complain that, notwithstanding the Receiver's knowledge of the Debtors' continuing wish to redeem, the Receiver has failed to advise the Debtors of significant milestones and deadlines in the sales process, thereby precluding the Debtors from potentially expediting their assembly of a financial package sufficient to redeem in advance of the execution and closing of the APS.

Denial of Debtors' Request for an Adjournment

[7] I should note that at the outset of the hearing today, the Debtors sought an adjournment of the proceedings.

[8] In an email from Debtors' counsel forwarded to me to alert me that there would be a request for an adjournment, counsel advised that the Debtors were seeking an adjournment of the Receiver's motion and their own cross-motion until April 12, 2024, to allow the debtors to "take steps to redeem the mortgage."

[9] I denied the adjournment request. As I observed to Debtors' counsel, it struck me that pitching the adjournment as necessary to allow the Debtors to redeem was essentially pre-supposing the outcome of the main motion. That is, the Debtors' cross-motion essentially seeks the same relief – time to redeem - as an adjournment would yield.

[10] As I noted in the oral reasons I gave for denying the adjournment, I felt that the more specific reasons posited by the Debtors as reasons to adjourn were for the most part, to varying degrees, duplicative of the Debtors' arguments in support of their cross-motion.

[11] The return date of April 12, 2024 proposed by the Debtors in their request for an adjournment is also well after the closing date in place for the sale of the Properties, and counsel who attended on behalf of the purchaser advised that the purchaser would not be prepared to close the transaction if it is (further) delayed – the closing was already moved from early March to March 26 to accommodate this motion. While that position is not in evidence in the record before me, it was asserted by counsel, and was a risk which, combined with other considerations, militated against an adjournment.

[12] Accordingly, I heard the motion and cross-motion today.

Conclusions

[13] For the reasons set out below, I am granting the Receiver's motion for an AVO relative to the APS so that it can close as scheduled on March 26, 2024. I am dismissing the Debtors' cross-motion seeking a further delay of that closing to give them more time to attempt to redeem.

[14] In my view, applying the relevant competing caselaw to the facts at hand, and performing the balancing of various factors that the authorities require, the Debtors fall short of the kind of

compelling evidence of an imminent ability to redeem that would be required even to consider interfering with a concluded agreement by the Receiver to sell the Properties.

[15] This is particularly so when the Receiver has undertaken an extensive process, involving appropriate consultation, to develop and execute a successful sales and marketing plan for the Properties, and has obtained a price well within the range of apparent market value.

[16] The Receiver's communication with the Debtors about significant deadlines in the sales process was wanting in some respects, but the evidence does not show, on balance, that the Debtors were thwarted, in the result, in their ability to assemble sufficient funds to redeem their debt (which related and continues to relate to other factors). It also does not demonstrate that the Debtors were generally unaware of the ongoing sale process, nor unaware of the need for the Debtors to act expeditiously in order to have any prospect of redemption.

[17] The Debtors' position in effect sought to compel the Receiver (and the Lender under whose security the Receiver was appointed), to risk losing the APS, and to allow interest and other charges to continue to accrue on the basis of the uncertain possibility that the Debtors would yet succeed in attracting sufficient new funding to allow them to redeem.

[18] I find that the Debtors were the proverbial day late and dollar short, notwithstanding that they have had months to redeem. To allow the Debtors to sideswipe the pending closing of the APS would significantly undermine the role of the Receiver in this case, and create uncertainty in future receiverships.

The Debtors' Acquisitions and Financing of the Properties

[19] The Properties are the principal asset of the Debtors. The Debtors acquired the Properties with the intention of development and funded the acquisition by way of a loan from Vector Financial Services Limited ("Vector" or the "Lender") in the principal amount of \$8,000,000.00. The Debtors granted to the Lender a first-ranking mortgage on title to the Properties in that amount, registered on August 26, 2022.

[20] A second mortgage in favour of Rupinder Bamra, counsel for whom was before me at the hearing of this matter, in the amount of \$1,020,000.00 was registered on February 23, 2023.

Initial Appointment of Receiver Delayed to Allow for Redemption

[21] Vector brought its application to appoint the Receiver on October 10, 2023. It is noteworthy that Cavanagh J. deferred the appointment of the Receiver to allow the Debtors an opportunity to redeem the Vector mortgage.

[22] Specifically, His Honour provided that the order (the "Appointment Order") would not come into effect until October 25, 2023, giving the Debtors just over two weeks to redeem, on the condition that the Debtors make an interim payment of \$174,103.75 by 5 p.m. on October 13, 2023.

[23] The Debtors did not make the required interim payment, and so the Appointment Order took effect, appointing the Receiver, without security, over all of the Debtors' assets, undertakings and properties, including the Properties.

Pre-Existing Application for Severance of the Properties

[24] Prior to the Appointment Order, the Debtors' planning consultant, Dales Consulting ("Dales") had filed with the Committee of Adjustment two applications for a severance of the land encompassed by the Properties.

[25] It seems to be a matter of consensus among the parties that a severance, if granted, would unlock considerable value. The recent appraisal of the Properties undertaken for the Receiver, and the marketing materials prepared for the Receiver's effort to sell the Properties, both contemplate the potential to sever the lands, and the appraisal values the Properties both "as is" and "as if" (i.e., "as if" a severance would be granted).

[26] In connection with its appointment, the Receiver learned that a public hearing was scheduled before the Committee of Adjustment on November 29, 2023, to consider the Debtors' severance applications. The Receiver in fact engaged Dales to continue the severance applications, to prepare a report in that regard for the Committee of Adjustment, to attend at the hearing, and to continue to advise the Receiver of the status and progress of the applications.

Objections to Severance and Adjournment of Hearing Before Committee of Adjustment

[27] Prior to the hearing date for the severance applications, the Receiver was advised that residents of the neighborhood had filed nine letters of objection to the proposed severance. It also learned that the City Councillor for the ward in which the Properties were situate had filed correspondence with the Committee of Adjustment admonishing the Debtors to collaborate with the neighbors on the proposed severance.

[28] Then, on November 27, 2023, the City's manager of Development Engineering advised the Committee of Adjustment that there was an existing storm sewer that traverses the rear of the Properties, and that the severance applications did not identify or address how the proposed construction (if a severance were permitted) would impact the existing storm sewer. The manager of Development Engineering recommended that the Committee of Adjustment defer the severance application to an unspecified future date in order for that issue to be addressed.

[29] As a result of these various concerns having been raised, the Receiver determined, in consultation with Dales, to defer the Committee of Adjustment hearing in order to allow for consultation with the Development Engineering department regarding the sewer easement, and to meet with the neighbors who had expressed concerns about the severance proposal. The Committee of Adjustment granted the Receiver's request for an adjournment.

Pre-Existing Agreement to Sell 35 Hawarden Crescent and Termination of Deal

[30] Also prior to the Appointment Order, one of the Debtors, 35 Hawarden Inc., had entered into an agreement of purchase and sale dated September 13, 2023, to sell 35 Hawarden Crescent

to Samantha Litchen, conditional upon severance of the property, for \$3,200,000.00 (the “Litchen APS”).

[31] The Receiver reviewed the Litchen APS with counsel, and concluded that the Litchen APS was not in the best interests of creditors inasmuch as it was conditional on severance approval, both the prospects and timing of which were unknown, and because Vector did not support the release of its security to allow the Litchen APS to be completed. Accordingly, on November 16, 2023, the Receiver terminated the Litchen APS.

Steps Taken to Market and Sell the Property

[32] The Appointment Order authorized the Receiver to market and sell the Properties, including the authority to engage consultants, appraisers, agents and others to assist with the sale process.

[33] In order to obtain an appraisal of the Properties, the Receiver engaged Bona Fide Appraisal Inc. (“Bona Fide”) to appraise the Properties “as is” and “as if” (in the “as if” scenario, it was assumed that the severance applications, if approved, would allow for two detached dwellings and five townhouses).

[34] Bona Fide provided appraisals for both scenarios.

[35] Given the uncertainty about the timing and outcome of the severance applications, the Receiver determined that it was in the best interest of creditors to commence a sales process without awaiting the completion of the severance applications.

[36] The uncontroverted evidence shows that the Receiver, in addition to consulting with Dales, had discussions with both Vector and the second mortgagee Bamra concerning the Receiver’s proposed approach to marketing the Properties, and its decision to list the Properties on the Multiple Listing Service” (“MLS”).

[37] The Receiver requested proposals for listing the property for sale from four agents who had knowledge of the local market and contacts with various developers. Three of those agents submitted proposals, and the Receiver chose two agents from Home Life/Bayview Realty Inc. (the “Agents”) to assist with the sale.

[38] The Receiver entered into a listing agreement with the Agents on December 6, 2023, and the Agents prepared a brochure about the Properties and the potential for development. The Agents also placed “For Sale” signs on the Properties and listed the Properties on MLS on December 8, 2023. The listing included the brochure with details about the Properties, details about the proposed severance applications, and a draft purchase and sale agreement.

[39] The Agents also contacted over 200 residential developers of land in the GTA.

[40] As a result, 128 interested parties contacted the Agents requesting additional details about the Properties and the severance application, and the Receiver and the Agents corresponded with a number of prospective purchasers.

[41] By January of 2024, the Receiver had received seven offers for the Properties. The Receiver reviewed each of these offers with its counsel, and prepared a summary of offers (the "Offer Summary").

[42] The Receiver provided general information to Vector about the offers and advised that it intended to request improved offers from each of the potential purchasers (both as to the amounts of their offers and as to the timing for closing). The Receiver and the Agents continued their discussions with the prospective purchasers, and set a deadline for the delivery of improved offers of February 5, 2024. The Receiver also discussed with the Agents, and received confirmation from the Agents, of a reduction in the commission that the Agents would charge.

[43] As of February 5, 2024, the Receiver had received three offers.

Selection of Purchaser and Deposits Received

[44] After careful review of the offers, the Receiver determined that the offer presented by the purchaser under the APS (the "Purchaser") was the most favourable one overall, and entered into the APS. In connection with the execution of the APS the Purchaser paid a first deposit to the Receiver in the amount of \$500,000.00. The Purchaser has since provided the Receiver, in accordance with the terms of the APS, a second deposit, also in the amount of \$500,000.00 (such that the overall deposit paid by the Purchaser to the Receiver totals \$1,000,000.00).

[45] In order to accommodate the Receiver's motion (the motion before me) for the AVO, the Receiver and the Purchaser have agreed to extend the original closing date under the APS of March 5, 2024, to March 26, 2024.

Debtors' Concern re Sales Process

[46] The Debtors raise concerns in their materials for this hearing that the Purchaser is somehow affiliated with Vector and/or was given confidential information and preferential treatment not provided to other would-be purchasers. However, there is no direct or persuasive evidence to substantiate those allegations, and the Purchaser's principal has provided an affidavit deposing that the allegations are not true.

[47] Moreover, in my view the marketing and sales approach described above seems unassailable, a fact that counsel for the Debtors candidly and appropriately acknowledged before me.

Status and Certain Details of Debtors' Evidence to Raise Funds

[48] In response to the Debtors' request to further delay the closing so as to give the Debtors more time to redeem, the Receiver notes that the Debtors have been attempting to obtain financing to repay the indebtedness due to Vector since June of 2023.

[49] The Receiver also notes that the Debtors' cross-motion contains the first evidence of the Debtors' efforts to source financing to redeem the Vector mortgage and the costs associated with the receivership.

[50] However, the Receiver observes, fairly in my view, that the proposed first mortgage financing on which the Debtors purport to rely is highly conditional, and based on one or more conditions that may prove unachievable.

[51] That is, the first mortgage commitment included in the Debtors' materials is conditional, among other items, on the receipt of a final appraisal confirming an "as is" current value of the Properties of not less than \$11,725,000.00, satisfactory to the proposed lender.

[52] This condition, and perhaps others, appears all but unattainable. While the Bona Fide appraisal is sought to be subject to a sealing Order, such that I should accordingly be circumspect in referring to it, I can say that, as the only evidence before me of the "as is" value of the Properties, the Bona Fide appraisal suggests that it is unlikely that the Debtors' condition requiring an "as is" appraisal of almost \$12 million will be met.

[53] Moreover, the first mortgage commitment to the Debtors was stated to be open for acceptance until February 28, 2024, and there is no evidence that it has been extended. Even assuming that it has been extended, it nonetheless seems a "bridge too far" for the Debtors.

[54] The proposed second mortgage financing referenced by the Debtors also seems uncertain. That financing was said to be open until March 1, 2024, and again there is no specific evidence that the deadline has been extended. Even if it has, the second mortgage financing is subject to a number of conditions, and there is again no evidence that those conditions have been met.

[55] As noted above, while the Debtors assert that the financing for their proposed redemption is "close" to being finalized, even they acknowledge that it is not yet available (and hence their request for more time to redeem).

[56] The Receiver also points out that, even if the Debtors' first and second mortgage financing comes through, the stated amounts of those loans would still leave a shortfall relative to the existing debt, including taxes and fees, of an amount approaching \$900,000.00. In addition, these amounts do not encompass Vector's legal fees, the brokerage fee owing to the Agents, and HST on the Receiver's fees.

[57] The Debtors propose to address the shortfall and additional expenses anticipated in the near term by way of a combination of a new investor, identified on the eve of the hearing, and an injection of \$1 million by the Debtors' directors. In neither case, however, have the Debtors provided evidence concerning the solvency of the new investor or the directors, nor identified specific money available to fund these further cash requirements.

[58] In the circumstances, without doubting the Debtors' abiding earnest intention and desire to redeem, I believe it is fair to characterize the current status of their efforts to refinance as being somewhat uncertain.

Review and Discussion of Relevant Caselaw

A. Soundair

[59] As is typical, the starting point for the analysis of whether or not to approve a transaction proposed by a Receiver is the decision of the Court of Appeal for Ontario in *Royal Bank v. Soundair*, 1991 CanLII 2727.

[60] By way of high-level summary, *Soundair* requires the court to canvass the following touchstones:

- a. Whether the Receiver has made a sufficient effort to get the best price and has not acted improvidently;
- b. The interests of all parties;
- c. The efficacy and integrity of the process by which offers are obtained; and
- d. Whether there has been unfairness in the working out of the process.

[61] I find that the Receiver here, with the assistance of the Agents, ran a robust marketing and sale process that was designed to, and did in fact, obtain the best price for the Properties based on current market conditions.

[62] The Receiver consulted with relevant stakeholders concerning its proposed approach, and the Agents exploited the market extensively by reaching out to over 200 residential developers, resulting in contact and requests for information from 128 interested parties.

[63] This in turn led to the Receiver receiving seven offers for the Properties.

[64] The Receiver negotiated with these prospective purchasers (and negotiated with the Agents to reduce their commission fees) with a view to maximizing the value for the creditors.

[65] Ultimately the Receiver received three improved offers for the Properties, allowing it to conclude that the price obtained and incorporated into the APS was the highest and best offer for the Properties by reference to various parameters, including price, agent commissions, closing date, and absence of conditions (other than court approval).

[66] I find that the Receiver's approach appropriately considered the interests of all impacted parties. In addition to meeting the Receiver's primary objective of maximizing the realization for the benefit of all creditors, the APS also minimizes closing risk and delay, and stops the ongoing accrual of interest and fees on the secured debt (which, the evidence shows, is accruing per diem interest of \$3,142.19 plus default fees of \$31,300 per month, meaning that the debt owing to Vector is growing by more than \$125,000.00 per month exclusive of ongoing legal fees).

[67] As confirmed in *Soundair*, there are important policy considerations weighing in favour of generally according a Receiver's recommendation deference and respect as a matter of business

judgment based on the information available to the Receiver at the time and in the circumstances. As the Court of Appeal for Ontario put it in *Soundair*:

“If the court were to reject the recommendation of the Receiver in any but the most exceptional circumstances, it would materially diminish and weaken the role and function of the Receiver both in perception of receivers and in the perception of any others who might have occasion to deal with them...That would be a consequence susceptible of immensely damaging results to the disposition of assets by court-appointed receivers.”

[68] The upshot of the Debtors’ argument against the weight of this policy guidance in *Soundair* is, in effect, to say that, given the hallowed ground on which the court has placed redemption(s), the fact that the Debtors seek to redeem fits this circumstance into the category of “...the most exceptional circumstances” earmarked within *Soundair* for special treatment.

B. Cases Emphasizing Importance of Right to Redeem

[69] To that end, the Debtors rely on a line of authorities emanating from the decision of the Supreme Court of Canada in *Petranik v Dale*, 1976 CanLII 34 (SCC) in which Chief Justice Laskin said that “the equitable right to redeem is more than a mere equity but is, indeed, an interest in the mortgaged land which is not lightly to be put aside.”

[70] The Debtors argue that the pre-eminent stature of a right to redeem is such that it may prevail even in circumstances in which, as here, there is a motion to approve a sale to a third-party purchaser. They cite the decision of the Supreme Court of British Columbia in *Bank of Montreal v. Hester Creek Estate Winery et al.*, 2004 BCSC 724, in which the court said:

“The integrity of the court process is not compromised by allowing a debtor or its trustee in bankruptcy to redeem the mortgaged property on the eve of an application to approve a sale of the property. Whenever there is a court-ordered-sale process, it is always implicit that the conduct of sale is subject to the debtor being able to pay off the secured creditor before a sale is approved by the court. I am aware of no authority to the effect that the granting of conduct of sale precludes the debtor from redeeming the property. Allowing a redemption of the mortgaged property in these circumstances does not blemish the integrity of the court process but, rather, it represents the court process at work.”

[71] The Court in *Hester Creek* went on to say:

“In my opinion, it will require truly extraordinary circumstances, which do not exist here, for the court to hold that a debtor or its trustee in bankruptcy should be prevented from redeeming mortgaged property upon payment in full of the amount owed to the secured creditor prior to the pronouncement of an order absolute or an order approving a sale.”

[72] This notion in *Hester Creek* of the paramountcy of a right to redeem was adopted and echoed in *Kruger v. Wild Goose Vinters Inc.*, a 2021 decision of the Supreme Court of

British Columbia, 2021 BCSC 1406, in which the court confirmed that “deference is still afforded to a debtor who wishes to redeem.”

C. Argument re Importance of Court-Ordered (or at Least Transparent) Sales Schedule

[73] In asserting their right to redeem, the Debtors also emphasize that, generally speaking, the cases in which courts have rejected a right to redeem have featured either a court-ordered schedule and deadline for offers, or equally transparent processes in which a debtor, notwithstanding their right to redeem, has failed to comply with clear and known timelines.

[74] For example, the Debtors rely on the recent decision of Kimmel J. in *Rose-Isli Corp. v. Smith*, 2023 ONSC 832, in which Her Honour found that, in the face of a court-approved process in respect of which the secured creditor at issue was consulted, and which it did not oppose, and where the secured creditor only sought to override this sale process by right of redemption when it became apparent that it was unable to forward a competitive bid, the right to redeem should not prevail.

[75] The Debtors argue that *Rose-Isli* and other cases on which the Receiver relies are distinguishable from this case in that in those cases, unlike the case at hand, there was a clear, court-approved process and all stakeholders including the party seeking to redeem were given notice of a bid deadline.

[76] The Debtors point out that the Receiver did not seek a court-approved sales process here, nor transparently establish a clear bid deadline. Moreover and more particularly, the Debtors allege that they were not made aware of the timelines and deadlines that the Receiver established for the potential purchasers identified and narrowed down in the sale process here, were not consulted on those matters, and were thereby unfairly excluded from meaningful participation in the process. The Debtors say that this was despite them asking the Receiver at regular intervals for updates on the status of the ongoing efforts to market and sell the Properties.

[77] As noted above, the Receiver’s communication to the Debtors about the relevant timelines was not optimal. It is the case that the Debtors asked from time to time about the timelines in the ongoing sale process, and that the Receiver’s answers were not directly responsive.

[78] On the other hand, it seems apparent that the Debtors were generally aware of the ongoing sale process, and for the need to assemble their financing package expeditiously to have any chance of redeeming.

[79] It is also the case, while only a minor factor at most, that the Debtors had been given a chance to redeem during the period at the outset of the receivership when the Appointment Order was held for a few days before taking effect for the express purpose of accommodating the Debtors’ stated wish to redeem. The Debtors failed to take advantage of that opportunity such that, the Receiver argues, they had effectively lost their entitlement to special accommodation.

[80] As I say, while these events are inarguable, I still find that the Receiver ought to have been more explicit and forthcoming in the information provided in response to the Debtors’ inquiries.

[81] However, I also find that the Debtors were generally aware of the ongoing process, and that the “clock was ticking” relative to any potential redemption.

[82] In addition, and critically, it is not the case that the Debtors attended before me with a comprehensive and complete financing package to allow them to redeem.

D. Importance of Debtors Being Ready and Able to Redeem

[83] It is noteworthy, and an important distinguishing factor in my view, that in the cases on which the Debtors rely in support of the ongoing ability to redeem, even in the face of a pending motion to approve a sale, the redeeming party in each case showed up at the critical juncture ready and able to pay the relevant debt.

[84] For example, in *Hester Creek*, the court notes that, at the underlying application the party seeking to redeem “presented a cheque...payable to the Minister of Finance in a sum sufficient to pay the amounts claimed by [the creditors].” Then, on the appeal which is the subject of the decision on which the Debtors rely, the court confirmed that “ on this appeal, counsel for the Trustee in Bankruptcy presented a cheque payable to the Minister of Finance in the amount of \$4,381,082.45, which was the sum required to pay out the indebtedness and costs claimed by [the secured creditors] as of April 22nd, and advised the court that the Trustee has a total of \$5,250,000.00 in its trust account.”

[85] In *Wild Goose*, while confirming the importance of a right to redeem, the Court found that the debtor in that case was only in a position to redeem some but not all of the relevant security, and that this “distinguishes this case from *Hester Creek*. In *Hester Creek*, all the secured creditors were protected by the redemption. Here they are not.” In those circumstances, the court approved the sale proposed by the Receiver, and denied the debtor’s attempt to redeem.

E. The Handelman Case

[86] Another important example of the court denying an absolute right to redeem in the face of a Receiver’s motion seeking approval of a concluded agreement to sell a property is found in this court’s decision in *B&M Handelman Investments Limited et al v. Mass Properties Inc. and Mass Banquet Halls Inc.*, 2009 CanLII 37930.

[87] In that case, Pepall J. (as she then was) dealt with similar circumstances to those in the case before me.

[88] The receiver in *Handelman* was seeking the court’s approval of a sale transaction contemplated by an agreement of purchase and sale.

[89] The appointment of the receiver in that case was delayed at the outset because four adjournments of the application to appoint the receiver were granted by Hoy J. “at the request of the debtor Respondent companies” on the premise of “imminent refinancing that did not materialize.”

[90] As in the case before me, the receiver, together with an agent it appointed, listed the property on MLS. The agent advertised the property widely, sent 49 detailed information packages to prospective purchasers, and ultimately received nine offers to purchase.

[91] The unconditional offer accepted by the Receiver included a deposit of \$500,000.00 and the agreement required court approval and a vesting order.

[92] Among those opposing the Receiver's sale of the property at the hearing before Pepall J. was a 50% owner of the property asserting her right to redeem. That party argued that since the agreement of purchase and sale for the transaction for which the receiver sought approval stated that there is no agreement of purchase of sale until the offer...has been approved by the court" she was "still entitled to redeem."

[93] The receiver noted that it had undertaken discussions with the party in question at points in the months preceding the motion, but that the party had not pursued available options to take ownership of the property. The receiver argued that the sale process would be "undermined if stakeholders were permitted to wait by the sidelines until an offer is accepted before acting to protect their equity."

[94] In denying the 50% owner's purported exercise of her right to redeem, Her Honour noted the receiver's powers to market the property under the order appointing the receiver without interference, and referenced also the stay provisions thereunder. Justice Pepall concluded:

"In the face of these provisions, Ms. Singh does not have an automatic right to redeem. A mockery would be made of the practice and procedures relating to receivership sales if redemption were permitted at this stage of the proceedings. A receiver would spend time and money securing an agreement of purchase and sale that was, as is common place, subject to Court approval, and for the benefit of all stakeholders, only for there to be a redemption by a mortgagee at the last minute. This could act as a potential chill on securing the best offer and be to the overall detriment of stakeholders."

[95] While here it is the Debtors as opposed to a mortgagee asserting a right to redeem, the observations by Pepall J. are nonetheless apposite in the circumstance before me.

[96] I accept that, in general, a mortgage debtor possesses an important right to redeem, and that right should not be set aside lightly.

[97] I also note, however, that in every case to which the Debtors have pointed here, the question of the wherewithal of the debtor to cover all outstanding obligations by the time of the motion to approve a sale of the property has been a critical consideration.

[98] I find that the acknowledged inability of the Debtors to redeem the Properties, up to and beyond the time of the Receiver's motion for the AVO, is fatal to the Debtors' request.

[99] Despite the imperfections of the Receiver's notification to the Debtors of the precise deadlines within the sale process, the Debtors have known for months of the Receiver's intention

to sell the Properties, were aware of the ongoing sale process, had notice of the Receiver's motion for the AVO, and still have been unable to come to court with evidence of anything but highly conditional and uncertain financing prospects, let alone with a final and all-encompassing financial package.

Potential for Closer Call, But Not Here

[100] In my view there could still be an interesting choice in circumstances in which the contest is between a Debtor who attends at a Receiver's motion for approval of a sale with "a cheque" as in the *Hester Creek* case (i.e. with sufficient funds to pay out all relevant creditors) versus a Receiver who, as here, has run a lengthy and comprehensive sale process, involving considerable time and expense, to identify a purchaser who is before the court, has paid a substantial deposit, and clearly has the ability to complete the transaction at issue.

[101] In that circumstance there would in my view be an interesting dilemma between the important equitable right to redeem and the policy considerations about protecting the integrity and predictability of the receivership sale process.

[102] However, that is not the situation before me. The Debtors are simply not in a position, at the time of the Receiver's motion for the AVO, to redeem.

Summary of Conclusions

[103] I find that the Receiver has met the requisite elements of the *Soundair* test.

[104] The marketing and sale process was thoroughgoing and robust, and appears to have resulted in a favourable price.

[105] As discussed, I see no basis on which to conclude that the integrity of the process was in any way compromised.

[106] There is no evidence of any unfairness, and the process and the price obtained serve, in my view, the interests of all parties.

[107] For all of these reasons, I grant the AVO sought by the receiver, and dismiss the Debtors' cross-motion.

Sealing Order Granted

[108] The Receiver also seeks a sealing order relative to the Bona Fide appraisal, the summary of offers it received, and the unredacted APS.

[109] I note that the Debtors do not oppose that relief, and I am persuaded that, on the off-chance that the APS does not close as scheduled on March 26, 2024, disclosure of these details could negatively impact any future realizations.

[110] Accordingly, I am prepared to grant the sealing Order sought, pending the closing of the APS or further order of the court.



W.D. Black J.

Date: March 19, 2024

Schedule “B”

Court of Appeal File No.: _____

Court File No. CV-23-00704623-00CL

**ONTARIO
COURT OF APPEAL FOR ONTARIO**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant (Respondent)

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents (Appellants)

NOTICE OF APPEAL

THE APPELLANTS APPEAL to the Ontario Court of Appeal from the Order of the Honorable Justice W.D. Black of the Superior Court of Justice (“**Motion Judge**”) made at Toronto, Ontario dated March 19, 2024 (the “**Order**”), together with the Motion Judge’s order denying the Appellants’ request for an adjournment on March 15, 2024 (the “**Adjournment Order**” and together, the Orders).

THE APPELLANTS ASK that the Orders be set aside, and that an Order be granted as follows:

- a) permitting the Appellants to redeem the Vector Mortgage (defined below);
- b) discharging the Receiver;

- c) awarding the Appellants their costs of the appeal and the proceedings below; and
- d) such further and other relief as this Honourable Court may deem just.

THE GROUNDS OF APPEAL:

1. The Appellants, 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (collectively the “**Companies**”), respectively own the real properties located at 33 Hawarden Crescent and 35 Hawarden Crescent, both in Toronto, Ontario (collectively the “**Real Property**”).
2. The Real Property was encumbered with two mortgages (the “**Mortgages**”), the first in favour of Vector Financial Services Inc. (“**Vector**” and the “**Vector Mortgage**”) and the second in favour of Rupinder Bamra (“**Bamra**” and the “**Bamra Mortgage**”).
3. The Companies had also raised various funds from a group of individual investors (the “**Investor Group**”).
4. The Companies sought to develop the Real Property, including by severing the Real Property into several lots, for the purpose of maximizing its value. To that end, the Companies filed a severance application with the City of Toronto on or about August 31, 2023. A hearing before the Committee of Adjustments was scheduled to take place November 29, 2023.
5. On October 25, 2023, Vector obtained an order (the “**Receivership Order**”) appointing Pollard & Associates Inc. as receiver (in such capacity, the “**Receiver**”) over the Companies’ assets, undertakings and property, including the Real Property.
6. Following its appointment, the Receiver did not take steps to further the severance application, despite the potential that it would increase the value of the Real Property.
7. The Companies repeatedly advised the Receiver of their intention to redeem the Vector

Mortgage. The Companies sought information regarding the sales process, including the outside date of any transaction, for the purpose of ensuring that they could redeem prior to any sale of the Real Property. The Receiver failed to provide this information.

8. The Receiver entered into an agreement of purchase and sale (the “**Gott APA**”) with Gott Upper Canada Inc. (“**Gott**”). At the time it entered into the Gott APA, Gott was aware of the Companies’ outstanding intention and effort to redeem the Vector Mortgage.

9. The transaction contemplated by the Gott APA (the “**Gott Transaction**”) will result in insufficient proceeds to repay the Vector Mortgage, and will result in the Bamra Mortgage being discharged without any repayment whatsoever.

10. While the Receiver was marketing the Real Property for sale, the Companies sought to secure financing to support their efforts to redeem. As of the date of this notice of appeal, they have secured financing of over \$10 million from various lenders. The Companies will bring a motion to introduce fresh evidence as to the current status of their ability to redeem the Vector Mortgage.

11. In addition, the Companies secured Bamra’s consent, as second mortgagee, to the Companies’ proposed refinancing.

12. The Receiver brought a motion for an approval and vesting order in respect of the Gott Transaction. The motion was scheduled to be heard on March 15, 2024, and the Gott Transaction was scheduled to close on March 26, 2024

13. The Companies opposed the Receiver’s motion and brought their own cross-motion to (a) redeem the Vector Mortgage, and (b) discharge the Receiver.

14. Prior to the hearing, the Companies made a “with prejudice” offer to adjourn the hearing. The Receiver did not accept this offer.

15. At the hearing on March 15, 2024, the Companies sought an adjournment to, amongst other things, carry out cross-examinations on the affidavit filed by the principal of Gott. The Companies proposed that the hearing be adjourned until April 12, 2024, or in the alternative until March 26, 2024, the proposed closing date of the Gott Transaction.

16. The Motion Judge denied the Companies’ adjournment request on March 15, 2024.

17. On March 19, 2024, the Motion Judge released an endorsement granting the Order, which approved the Gott Transaction and dismissed the Companies’ cross-motion.

18. His Honour erred in fact and/or law or, alternatively, in the exercise of his discretion, when he denied the Companies’ adjournment request, granted the approval and vesting order and dismissed the Companies’ cross-motion. His Honour committed reviewable errors in that he:

- a. Erred in failing to properly consider the Companies’ adjournment request and failed to give sufficient reasons in denying the Companies’ adjournment request;
- b. Erred in failing to properly consider appellate authority, as laid out in *Rose-Isli Corp. v. Smith*, 2023 ONCA 548, regarding the balancing analysis of the right to redeem against a receiver’s sales process;
- c. Erred in failing to give proper weight to the fact that redemption should always be preferred when there is no prejudice or evidence of prejudice to the integrity of the sale process and the purchaser will suffer no damages;

- d. Ignored, misapprehended or gave insufficient weight to the Companies' evidence regarding the value of the Real Property;
- e. Ignored, misapprehended or gave insufficient weight to the Companies' ability and/or right to redeem the Real Property;
- f. Ignored, misapprehended or gave insufficient weight to the Receiver's failure to advise the Companies of the sale milestones, including the potential prejudice caused by such failure to the Companies and Bamra's interest in the Real Property; and
- g. Erred in his application of the *Soundair* principles, in particular by failing to properly consider (i) the effect of the Receiver's failure to communicate sale milestones; (ii) whether the Receiver made sufficient efforts to obtain the best price, and (iii) the economic interests of Bamra and the Investor Group;

19. The Companies have a right of appeal pursuant to sections 193(a), (b) and (c) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("*BIA*");

20. In the alternative, the Companies seek leave to appeal pursuant to section 193(e) of the *BIA*.

Leave to appeal should be granted in this case because:

- a. the points raised are of significance to the proceeding itself, in that the Order has denied the Companies' right to redeem the first mortgage on the Real Property thereby preventing the Companies exit from receivership;
- b. the points raised are of general importance to the practice of bankruptcy/insolvency;
- c. the proposed appeal is prima facie meritorious;

- d. the appeal will not unduly hinder the progress of the receivership proceedings; and
- e. the Order appears to be contrary to law or involves an obvious error, which is highly prejudicial to the Companies, and there is no other remedy.

21. The proposed appeal is not *prima facie* frivolous or vexatious, is not likely to unduly delay the proceedings or to be overcome by them and rendered moot, and is not likely to add unduly or disproportionately to the cost of the proceedings.

22. The Companies will also be bringing a motion to introduce fresh evidence. Such evidence is necessary to deal fairly with the issues raised by the Companies.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

23. Rule 31(1) of the BIA Rules;

24. In the alternative, the Companies seek leave to appeal, pursuant to Rule 31(2) of the BIA Rules;

25. Sections 183(2) and 193 (a), (b), (c) and (e) of the BIA;

26. Rule 61 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;

27. Section 6(1) and 134 of the *Courts of Justice Act*, R.S.O. 1990, c. C.4; and

28. The Order appealed from is a final order of a Judge of the Superior Court of Justice;

March 25, 2024

Obaidul Hoque (LSO # 67791O)
Direct: 647-794-7079
Fax: 647-794-7039
E-mail: obaidul@owslaw.ca

Lawyer for the Appellants

TO: SERVICE LIST

**33 HAWARDEN CRESCENT INC. and 35
HAWARDEN CRESCENT INC.**

Appellant

VECTOR FINANCIAL SERVICES LIMITED

Respondents

<p>ONTARIO</p> <p>COURT OF APPEAL FOR ONTARIO</p>	<p>NOTICE OF APPEAL</p>	<p>Obaidul Hoque Barrister and Solicitor 5200 Yonge Street Toronto, ON, M2N 5P6 Tel: 647-794-7079 Fax: 647-794-7039</p> <p>Email: obaidual@owslaw.ca</p> <p>LSO #677910</p> <p><i>Lawyer for the Appellants</i></p>
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicant/Respondent

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents/Appellants

SERVICE LIST

As of March 25, 2024	
BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto ON M5C 3G5 Lawyers for the Court-appointed Receiver, Pollard & Associates Inc.	Timothy R. Dunn (LSO #34249I) (416) 597-4880 tdunn@blaney.com Alexandra Teodorescu (LSO #63889D) (416) 596-4279 ateodorescu@blaney.com
POLLARD & ASSOCIATES INC. 31 Wright St., Richmond Hill, ON L4C 4A2 Court-appointed Receiver	Angela Pollard (905) 884-8191 akpollard@pollardandassoc.ca
GOWLING WLG (CANADA) LLP Barristers and Solicitors	Thomas Gertner (LSO #67756S) (416) 369-4618

<p>Suite 1600, First Canadian Place 100 King Street West, Toronto, ON M5X 1G5</p> <p>Lawyers for the Applicant</p>	<p>thomas.gertner@gowlingwlg.com</p> <p>Katherine Yurkovich (LSO #80396R) (416) 862-4342 kate.yurkovich@gowlingwlg.com</p>
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<p>THE AGENCY, BROKERAGE 378 Fairlawn Avenue Toronto, ON M5M 1T8</p>	<p>Benjamin Yellowlees ben.yellowlees@theagencyre.com</p>
<p>WESTDALE PROPERTIES 35 Lesmill Rd. Toronto, ON M3B 2T3</p> <p>Lawyers for the Purchaser</p>	<p>Sarit Kind 416-703-1877 (ext. 1059) saritk@westdaleproperties.com</p>

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DEPARTMENT OF JUSTICE Ontario Regional Office 120 Adelaide Street West Suite 400 Toronto, ON, M5H 1T1	AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Civil Law Division - Legal Services Branch 6-33 King St West Oshawa, Ontario, L1H 8H5	Steven Groeneveld (LSO # 45420I) Tel: 905 431 8380 Fax: 905 436 4510 Email: steven.groeneveld@ontario.ca
MINISTRY OF FINANCE Ministry of the Attorney General (Ontario) Collections Branch – Bankruptcy and Insolvency Unit 6-33 King St West Oshawa, Ontario, L1H 8H5	Email: insolvency.unit@ontario.ca Tel.: 1 866 668-8297

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Schedule “C”

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

April 12, 2024

Receipts	\$	\$
Receivers Certificates		50,000.00
Sale of Real Property - deposit		1,000,000.00
Interest		<u>181.39</u>
Total receipts		<u>\$ 1,050,181.39</u>
Disbursements		
Fees paid to the OSB		75.30
Expenses		
Insurance	10,961.36	
Appraisal fees	7,900.00	
Planning consultant/severance	<u>12,075.00</u>	30,936.36
Property expenses		
Hydro	2,739.06	
Enbridge	3,566.27	
Roof repair	<u>3,740.00</u>	10,045.33
General expenses	3,590.73	
Bank charges	<u>52.50</u>	3,643.23
HST		
Total disbursements		<u>\$ 44,700.22</u>
Total Receipts over Disbursements		<u>\$ 1,005,481.17</u>
Trust Account Balance		<u>\$ 1,005,481.17</u>

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

April 12, 2024

Note:

1. The Receiver issued Receiver's Certificates in the total amount of \$50,000 to Vector Financial Services Limited.
2. The Receiver is holding a deposit as per the APS with Gott Upper Canada Inc. in the amount of \$1,000,000.

SCHEDULE L

RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$20,000.00

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of all of the assets, undertaking and properties of each of 33 Hawarden Crescent Inc. ("**33 Hawarden**") and 35 Hawarden Crescent Inc. ("**35 Hawarden**", and together with 33 Hawarden, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including without limitation the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario owned by the Debtors and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2023 (the "**Order**") made in an application having Court file number CV-23-00704623-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$20,000, being part of the total principal sum of \$250,000 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 10th day of each month] after the date hereof at a notional rate per annum equal to the rate of 12% per cent.

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 10th day of November, 2023.

POLLARD & ASSOCIATES INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name: _____



RECEIVER CERTIFICATE

CERTIFICATE NO. 2

AMOUNT \$20,000.00

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of all of the assets, undertaking and properties of each of 33 Hawarden Crescent Inc. ("**33 Hawarden**") and 35 Hawarden Crescent Inc. ("**35 Hawarden**", and together with 33 Hawarden, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including without limitation the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario owned by the Debtors and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2023 (the "**Order**") made in an application having Court file number CV-23-00704623-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$20,000, being part of the total principal sum of \$250,000 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 10th day of each month] after the date hereof at a notional rate per annum equal to the rate of 12% per cent.

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.

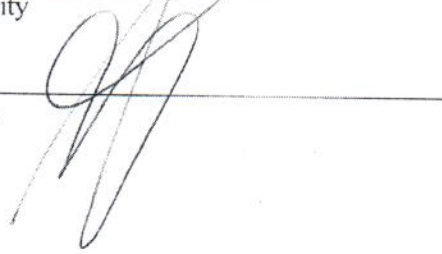
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 6th day of December, 2023.

POLLARD & ASSOCIATES INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name: _____



RECEIVER CERTIFICATE

CERTIFICATE NO. 3

AMOUNT \$10,000.00

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "**Receiver**") of all of the assets, undertaking and properties of each of 33 Hawarden Crescent Inc. ("**33 Hawarden**") and 35 Hawarden Crescent Inc. ("**35 Hawarden**", and together with 33 Hawarden, the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including without limitation the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario owned by the Debtors and legally described in Schedule "A" hereto, including all proceeds and leases thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 10th day of October, 2023 (the "**Order**") made in an application having Court file number CV-23-00704623-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$10,000, being part of the total principal sum of \$250,000 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 6th day of each month after the date hereof at a notional rate per annum equal to the rate of 12% per cent.

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 6th day of February, 2023.

POLLARD & ASSOCIATES INC., solely in its
capacity as Receiver of the Property, and not in its
personal capacity

Per: _____

Name: _____



SCHEDULE M

33 & 35 Hawarden

Angela Pollard <akpollard@pollardandassoc.ca>

Thu 3/21/2024 9:37 AM

To: Steven L. Graff <sgraff@airdberlis.com>

Steven, your client (Jason John) contacted me yesterday to discuss the redemption of the debt owing to Vector, payments to cover the Receivers expenses and that he now has the funds to redeem. I suggested that he should be contacting you directly.

Angela

Angela K. Pollard, CMA, CPA, FCIRP, CFE, ICD.D, LIT
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario, L4C 4A2
905-884-8191

SCHEDULE N

Re: 33 & 35 Hawarden

Obaidul Hoque <obaidul@owslaw.ca>

Thu 3/28/2024 4:38 PM

To: Steven L. Graff <sgraff@airdberlis.com>; Angela Pollard <akpollard@pollardandassoc.ca>

Hi Angela -

Thank you for your email.

The Companies continue to work diligently towards finalizing the financing arrangements.

As you will understand, the Court's decision released on March 19, 2024, has had an adverse impact on the Companies' efforts towards finalizing the new financing arrangements.

The Companies and the new lenders efforts are at an advanced stage, and on course towards a closing imminently.

We expect to provide you with an update on Tuesday with further specifics.

Sincerely,

Obaidul Hoque*

OWS Law

practicing in association, OWS Law is not a partnership

5200 Yonge Street

Toronto, ON, M2N 5P6

Direct: 647-794-7079

Fax: 647-794-7039

***Practicing as Obaidul Hoque Law Professional Corporation**

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From: Steven L. Graff <sgraff@airdberlis.com>

Sent: Thursday, March 28, 2024 10:29 AM

To: Angela Pollard <akpollard@pollardandassoc.ca>

Cc: Obaidul Hoque <obaidul@owslaw.ca>

Subject: RE: 33 & 35 Hawarden

Thanks Angela. I have been engaged on a couple other matters in the last couple of days, but will advise as soon as possible. Thanks.

Steven L. Graff

T 416.865.7726

M 416.894.5090

E sgraff@airdberlis.com

Aird & Berlis LLP

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.

If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Angela Pollard <akpollard@pollardandassoc.ca>

Sent: Thursday, March 28, 2024 9:39 AM

To: Steven L. Graff <sgraff@airdberlis.com>

Cc: Obaidul Hoque <obaidul@owslaw.ca>

Subject: Fw: 33 & 35 Hawarden

Steven

During our court attendance of March 15, 2024, your client advised the court that they would be in funds to redeem the debt owing to Vector Financial Services ("Vector") and cover the expenses of Receiver including the brokerage fee by March 26, 2024.

As you are also aware your client, Jason John, contacted the Receiver directly to advise that he was in funds and wished to redeem the debt of Vector and pay the expenses of the Receiver on March 20, 2024. I directed your client to contact you and advised you of my contact with your client on March 21, 2024.

Can you confirm if your client is currently in funds to redeem the debt owing of Vector and to cover the expenses of the Receiver.

Angela

Angela K. Pollard, CMA, CPA, FCIRP, CFE, ICD.D, LIT
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario, L4C 4A2
905-884-8191

SCHEDULE O

Re: 33 & 35 Hawarden

Angela Pollard <akpollard@pollardandassoc.ca>

Wed 4/24/2024 4:43 PM

To:Obaidul Hoque <obaidul@owslaw.ca>;Steven L. Graff <sgraff@airdberlis.com>

Obaidul

Further to my email of March 28, 2024 and your response the same day can you please provide me with the update. Are your clients in funds to redeem? Angela

Angela K. Pollard, CMA, CPA, FCIRP, CFE, ICD.D, LIT
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario, L4C 4A2
905-884-8191

From: Obaidul Hoque <obaidul@owslaw.ca>

Sent: Thursday, March 28, 2024 4:38 PM

To: Steven L. Graff <sgraff@airdberlis.com>; Angela Pollard <akpollard@pollardandassoc.ca>

Subject: Re: 33 & 35 Hawarden

Hi Angela -

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We expect to provide you with an update on Tuesday with further specifics.

Sincerely,

Obaidul Hoque*

OWS Law
practicing in association, OWS Law is not a partnership
5200 Yonge Street
Toronto, ON, M2N 5P6

Direct:647-794-7079

Fax:647-794-7039

***Practicing as Obaidul Hoque Law Professional Corporation**

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with you by e-mail, please notify me at your earliest convenience. In the absence of such notification, your consent is assumed. Should you choose to allow me to communicate by e-mail, I will not take any additional security measures (such as encryption) unless specifically requested.

From: Steven L. Graff <sgraff@airdberlis.com>
Sent: Thursday, March 28, 2024 10:29 AM
To: Angela Pollard <akpollard@pollardandassoc.ca>
Cc: Obaidul Hoque <obaidul@owslaw.ca>
Subject: RE: 33 & 35 Hawarden

Thanks Angela. I have been engaged on a couple other matters in the last couple of days, but will advise as soon as possible. Thanks.

Steven L. Graff

T 416.865.7726
M 416.894.5090
E sgraff@airdberlis.com

Aird & Berlis LLP

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From: Angela Pollard <akpollard@pollardandassoc.ca>
Sent: Thursday, March 28, 2024 9:39 AM
To: Steven L. Graff <sgraff@airdberlis.com>
Cc: Obaidul Hoque <obaidul@owslaw.ca>
Subject: Fw: 33 & 35 Hawarden

Steven

During our court attendance of March 15, 2024, your client advised the court that they would be in funds to redeem the debt owing to Vector Financial Services ("Vector") and cover the expenses of Receiver including the brokerage fee by March 26, 2024.

As you are also aware your client, Jason John, contacted the Receiver directly to advise that he was in funds and wished to redeem the debt of Vector and pay the expenses of the Receiver on March 20, 2024. I directed your client to contact you and advised you of my contact with your client on March 21, 2024.

Can you confirm if your client is currently in funds to redeem the debt owing of Vector and to cover the expenses of the Receiver.

Angela

Angela K. Pollard, CMA, CPA, FCIRP, CFE, ICD.D, LIT
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario, L4C 4A2
905-884-8191

SCHEDULE P

RE: 33 Hawarden Crescent, Toronto ON and 35 Hawarden Crescent, Toronto ON

Zaheed Moral <zaheed@owslaw.ca>

Fri 4/26/2024 2:29 PM

To: Gertner, Thomas <thomas.gertner@gowlingwlg.com>

Cc: Angela Pollard <akpollard@pollardandassoc.ca>

Hello,

I represent the borrower corporations 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc., in the refinance transaction of the subject properties.

I confirm that I have mortgage instructions from both 1st and 2nd mortgages. We have fulfilled most of the conditions. In order to complete the refinance, we require the following:

- Mortgage discharge statement.
- Fire insurance noting the first mortgagee: KPMAN Consulting Inc. - 47 Rockview Gardens Vaughan, Ontario L4K 2J4
- Fire insurance noting the second mortgagee: Babak Mirian - 23 Gaby Court, Richmond Hill, Ontario L4C 8X2

Kindly provide the above and/or allow us to obtain the fire insurances so we can complete the refinance.

Your cooperation will be greatly appreciated.

Best regards,

Zaheed Moral

Barrister and Solicitor

OWS LAW

5200 Yonge Street, Toronto, ON M2N 5P6

Tel: 647-243-2548

Direct: 647-243-2648

Fax: 647-243-2683

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SCHEDULE Q



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

FILE NUMBER 4134501

October 23, 2023

VIA E-MAIL

POLLARD & ASSOCIATES INC.

31 Wright Street
Richmond Hill, Ontario
L4C 4A2

Attention: Angela Pollard

Dear Sirs:

**Re: Security delivered by 33 Hawarden Crescent Inc. (“33 Inc.”) and 35 Hawarden Crescent Inc. (“35 Inc.” and collectively with 33 Inc., the “Borrowers”) to
Vector Financial Services Limited (the “Secured Party”)**

In accordance with your instructions, we have now completed our review of the Security (as hereinafter defined) delivered to the Secured Party by the Borrowers in connection with credit facilities extended to the Borrowers by the Secured Party.

By this letter, we wish to provide to you our opinion as to the validity and enforceability of the security interests granted by the Borrowers to and in favour of the Secured Party pursuant to the Security (as hereinafter defined) (collectively, the “**Security Interests**” and individually, the “**Security Interest**”) to secure the indebtedness owing by the Borrowers to the Secured Party.

Our opinions, findings and conclusions are based upon and subject to the assumptions and specific qualifications as hereinafter expressed, including, but not limited to, those expressed in Section D of this letter.

A. SECURITY

In connection with this opinion, we have reviewed:

1. a photocopy of a General Security Agreement dated August 10, 2022, respecting assets, property and undertaking of the Borrower relating to the Real Property (as hereinafter defined) executed and delivered by the Borrowers to and in favour of the Secured Party;
2. a Charge/Mortgage of Land in the original principal amount of \$8,000,000 registered on August 26, 2022, as Instrument No. AT6168496, as amended (the “**Mortgage**”) by the Secured Party against title to the real property owned by the Borrowers and known municipally as 33 Hawarden Crescent, Toronto, PIN 21178-0241 (LT) (“**33 Hawarden**”) and 35 Hawarden Crescent, Toronto, PIN 21178-0242 (LT) (“**35 Hawarden**”) (collectively, the “**Real Property**”); and
3. a General Assignment executed and delivered by the Borrowers to and in favour of the Secured Party dated August 10, 2022, and in respect of which a Notice of Assignment of Rents was registered against title to 33 Hawarden and 35 Hawarden by the Secured Party on August 26, 2022, as Instrument No. AT6168497.

(hereinafter collectively referred to as the “**Security**”).

B. SEARCHES

We have performed the usual searches, particulars of which are detailed below:

1. Corporate and Other Searches

Attached as **Schedules “A1” and “A2”** are summaries of the corporate and other searches conducted by our firm against each of 33 Inc. and 35 Inc. respectively as at the dates set out therein. Such schedules indicate, among other things: (i) the proper legal name; (ii) the corporate status; (iv) the directors and officers; (v) the registered office and mailing address; and (vi) the date and jurisdiction of incorporation of each of 33 Inc. and 35 Inc.

2. Searches Pursuant to the *Personal Property Security Act (Ontario)* (the “PPSA”)

We obtained certified print-outs pursuant to the provisions of the PPSA against each of 33 Inc. and 35 Inc. effective as at October 15, 2023. Attached as **Schedules “B1” and Schedule “B2”** are summaries of these print-outs. Each summary describes, among other things, the file currency date of the search, particulars of each registration and, in the columns marked “**Collateral Description**” and “**Miscellaneous**”, we have noted any other information apparent from the financing statements and financing change statements registered.

Our PPSA search against 33 Inc. indicates that a registration under the PPSA was made by the Secured Party in respect of the Security on August 25, 2022, under Reference File No.

786128544 (the “**33 Inc. Registration**”). The 33 Inc. Registration is in respect of collateral classifications noted as “Inventory”, “Equipment”, “Accounts” and “Other”.

Our PPSA search against 35 Inc. indicates that a registration under the PPSA was made by the Secured Party in respect of the Security on August 25, 2022, under Reference File No. 786128544 (the “**35 Inc. Registration**”). The 35 Inc. Registration is in respect of collateral classifications noted as “Inventory”, “Equipment”, “Accounts” and “Other”.

3. Title Search

We have obtained a copy of the parcel register for each of 33 Hawarden and 35 Hawarden as at October 16, 2023 (collectively, the “**Parcel Registers**”).

The Parcel Registers indicate that the Mortgage was registered against the Real Property in favour of the Secured Party in first position and that the Borrowers are the registered owners of the Real Property.

Attached as **Schedules “C1”** and “**C2**” are copies of the parcel pages for each of 33 Hawarden and 35 Hawarden respectively.

C. OPINIONS

Based solely on the foregoing, and subject to the limitations and qualifications as set out in this letter, we are of the opinion that the Security Interests created by the Security constitute legal, valid and binding obligations of the Borrowers in favour of the Secured Party, enforceable by the Secured Party in accordance with their terms.

D. LIMITATIONS AND QUALIFICATIONS OF OPINION

The foregoing opinions are subject to the following limitations, qualifications, reservations and assumptions:

1. the foregoing opinions are confined to statements of fact or matters set forth herein as existing as of the date of this opinion letter;
2. in examining and reviewing the Security, we have assumed the genuineness of the signatures and the conformity to the original of the document submitted to us as a photocopy or electronic copy and that all documents were fully completed prior to signature. To the extent that any of the Security does not require signatures, we assume that the electronic registration of such documents against title to the Real Property was effected in accordance with the instructions and to the knowledge of each of the parties affected by each such registration;
3. we have relied upon certificates of public officers as to matters of fact not stated herein to have been assumed or independently verified or established by us;

4. we have assumed the completeness, accuracy and currency of the indexes and filing systems maintained at the public offices where we have searched or enquired or have caused such searches or enquiries to be conducted and that the results of our searches and enquiries continue to be complete, accurate and current as of the date hereof;
5. we have not been provided with the Minute Book, Records, or By-laws of the Borrowers nor any documentation with respect thereto. Accordingly, we have assumed that 33 Inc. and 35 Inc. were corporations duly incorporated and organized and validly subsisting under the laws of the Province of Ontario at the time that the Security was executed and that each of 33 Inc. and 35 Inc. had all necessary corporate power and authority to execute and deliver the Security;
6. we have assumed that the Security was executed and delivered in accordance with corporate authorizations current at the time of execution of same and the execution and delivery of the Security on behalf of the Borrowers was authorized by all necessary resolutions and other corporate actions;
7. we have assumed that the Security was executed on the dates indicated therein;
8. we have assumed that monies or other valuable consideration was advanced or given by the Secured Party to the Borrowers and that monies are, in fact, still owing by the Borrowers to the Secured Party with respect to such advances;
9. we have assumed that the Security Interests were intended by the Borrowers and the Secured Party to attach and have attached in accordance with the provisions of the PPSA;
10. we have assumed that the Security was unconditionally delivered by the Borrowers to the Secured Party;
11. we have assumed that the Security has not been assigned, released, discharged or otherwise impaired, either in whole or in part;
12. we have assumed that any financing statements and financing change statements registered respecting the Security were completed in compliance with the PPSA and the Regulations with respect thereto and copies thereof were delivered to the Borrowers in accordance with the provisions of the PPSA;
13. we express no opinion as to the right, title or interest of the Borrowers in any real or personal property including the Real Property;
14. we have assumed that the Borrowers do not have a legal defence for, without limitation, absence of legal capacity, fraud by or to the knowledge of the Secured Party, misrepresentation, undue influence or duress;
15. to the extent that the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) applies to the Security, and notwithstanding any other federal and/or provincial law, the rights of

unpaid suppliers and their interest in certain goods supplied by them to a person prior to bankruptcy may rank ahead of the Security Interests in the goods supplied;

16. the binding effect and the enforceability of the Security Interests or any judgment arising out of or in connection therewith (and the priority of any rights arising thereunder) may be limited by any applicable bankruptcy, re-organization, winding up, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights generally (including, without limitation, the *Assignments and Preferences Act* (Ontario), the *Fraudulent Conveyances Act* (Ontario) and the BIA), and is subject to general principles of equity, including the equitable or statutory powers of the Courts of Ontario and Canada to stay proceedings before them, to stay the execution of judgments and to grant relief against forfeiture;
17. no opinion is expressed with respect to the priority of the Security Interests as against any other security interests granted by the Borrowers to other secured parties (including, without limitation, purchase money security interests), liens (including, without limitation, construction liens and any holdbacks required to be maintained pursuant to the *Construction Lien Act* (Ontario)) or trust claims of any other creditors of the Borrowers and, in particular, to the existence or priority of any interest not registered or not required to be registered under any applicable legislation, whether or not referred to herein (e.g. Crown claims);
18. we express no opinion as to zoning, nor as to any title defects, irregularities, easements, encroachments, rights of way and the like as would be revealed by an up-to-date plan of survey of the Real Property;
19. title of the Borrowers to the Real Property is subject to, among other things:
 - (a) all reservations, limitations, provisos and conditions expressed in any original grant from the Crown;
 - (b) any rights of expropriation, access or use, or any other similar right, conferred to or reserved by any statute of Canada or Ontario;
 - (c) the right of any person to possession of any part of the Real Property;
 - (d) any statutory liens or levies;
 - (e) any governmental, provincial or municipal by-laws, laws, regulations or ordinances;
 - (f) any undetermined or inchoate liens and charges incidental to current construction or current operations which have not been filed or registered in accordance with applicable law or of which written notice has not at the time been duly given in

- accordance with applicable law or which relate to obligations not yet due or delinquent;
- (g) any unregistered easements, rights of way or other unregistered interests or claims not disclosed by registered title; and
 - (h) any unregistered leases of the Real Property which do not require registration;
20. the enforceability of the Mortgage may be subject to the terms of any instruments or encumbrances registered on title to the Real Property in priority to the Mortgage;
21. no opinion is expressed as to whether a security interest was created in the following property:
- (a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;
 - (b) permits, quotas or licenses which are held by or issued to the Borrowers; and
 - (c) federal crown debts.
22. no opinion is expressed regarding any provision in the Security which purports to relieve a person from a liability or duty otherwise owed or to require compliance regardless of law;
23. no opinion is expressed as to the effect of those provisions of the Security which purport to allow the severance of invalid, illegal or unenforceable provisions or restricting their effect;
24. enforcement of the rights to indemnity, contribution and waiver of contribution may be limited or voided by applicable law and may not be ordered by a court on grounds of public policy;
25. the enforceability of the Security is subject to the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find that any provision of the Security will be unenforceable as an attempt to vary or exclude a limitation period under that statute;
26. we express no opinion as to the enforceability of any provision of the Security:
- (a) which purports to waive all defences which might be available to, or constitute a discharge of the liability of the Borrowers;

- (b) to the extent it purports to exculpate, or provide indemnity to, the Secured Party, its agents or any receiver or receiver - manager appointed by it from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; or
 - (c) which states that amendments or waivers of or with respect to the Security that are not in writing will not be effective;
27. to the extent that the Security purports to extend the benefit thereof to persons who are not parties to the Security, those persons may be unable to enforce that benefit;
28. we have made no searches under various applicable statutes, including the *Copyright Act* (Canada), the *Patent Act* (Canada) and the *Trade-marks Act* (Canada), to confirm whether the Secured Party has made registrations that may be necessary to perfect its security interests, if any, in intellectual property of the Borrowers;
29. we are qualified to practice law in the Province of Ontario only and, accordingly, express no opinion herein as to the laws of any jurisdiction other than the Province of Ontario and the laws of Canada applicable herein.

With respect to our assumptions referred to above, we would suggest that, at the very least, you: (i) satisfy yourself that all monies or other valuable consideration referred to in paragraph 8 above were actually advanced or given by the Secured Party to the Borrowers; and (ii) satisfy yourself that the Borrowers are still indebted to the Secured Party and the amount of such indebtedness.

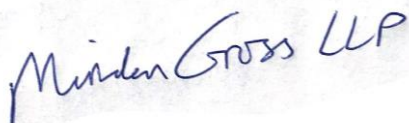
E. MISCELLANEOUS

The opinions expressed herein are provided solely for the benefit of Pollard & Associates Inc., in its capacity as court-appointed receiver and manager of the assets, properties and undertakings of the Borrowers and may not be used or relied upon by any other person in connection with this or any other matter.

We appreciate the opportunity to be of service to you with respect to this matter and would be pleased to answer any questions or address any concerns which you may have in relation thereto.

Yours truly,

MINDEN GROSS LLP

A handwritten signature in blue ink that reads "Minden Gross LLP". The signature is written in a cursive, slightly slanted style.

SCHEDULE "A1"
Corporate Search Summary
33 Hawarden Crescent Inc.

Corporate Profile Report (as of October 19, 2023)	Corporate Name:	33 Hawarden Crescent Inc.
	Former Corporate Name:	1000192780 Ontario Inc.
	Current Business Name(s):	N/A
	Expired Business Name(s):	N/A
	Jurisdiction:	Ontario
	Date of Incorporation:	May 2, 2022
	Corporate Status:	Active
	Directors:	Ymmar Brown, Tyrone Grey, Jason John
	Officers:	Ymmar Brown (Secretary) Tyrone Grey (President) Jason John (Secretary, Treasurer)
Bankruptcy/Insolvency Searches	Superintendent of Bankruptcy – Clear (as of October 19, 2023) Superior Court of Justice - Clear (as of October 16, 2023)	
Bank Act Search (s.427)	Clear (October 16, 2023)	
Federal Court of Canada – Tax Liens	Clear (as of October 18, 2023)	
Sheriff Execution Search	Clear (as of October 16, 2023)	
PPSA	See Attached	

SCHEDULE "A2"
Corporate Search Summary
35 Hawarden Crescent Inc.

Corporate Profile Report (as of October 19, 2023)	Corporate Name:	35 Hawarden Crescent Inc.
	Former Corporate Name:	N/A
	Current Business Name(s):	N/A
	Expired Business Name(s):	N/A
	Jurisdiction:	Ontario
	Date of Incorporation:	July 15, 2022
	Corporate Status:	Active
	Directors:	Ymmar Brown, Tyrone Grey, Jason John
	Officers:	Ymmar Brown (Secretary) Tyrone Grey (President) Jason John (Secretary, Treasurer)
Bankruptcy/Insolvency Searches	Superintendent of Bankruptcy – Clear (as of October 19, 2023) Superior Court of Justice - Clear (as of October 16, 2023)	
Bank Act Search (s.427)	Clear (as of October 16, 2023)	
Federal Court of Canada – Tax Liens	Clear (as of October 18, 2023)	
Sheriff Execution Search	Clear (as of October 16, 2023)	
PPSA	See Attached	

SCHEDULE "B1"
Personal Property Security Act (Ontario)
 Search Summary

Business Debtor: 33 Hawarden Crescent Inc.

File Currency Date: October 15, 2023

Secured Party	Secured Party Address	Business Debtor	File No.	Registration No.	Registration Period	Collateral Classification	Collateral Description	Miscellaneous
Vector Financial Services Limited	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7	33 Hawarden Crescent Inc. 35 Hawarden Crescent Inc.	786128544	20220825 1335 9234 4403	4	I,E,A,O	All of the debtor's present and after-acquired personal property located at, on, or about the lands and premises municipally known as 33 and 35 Hawarden Crescent, Toronto, Ontario, or used or acquired in connection with or primarily related to the business of the debtor conducted on or	

Secured Party	Secured Party Address	Business Debtor	File No.	Registration No.	Registration Period	Collateral Classification	Collateral Description	Miscellaneous
							with respect to such lands and premises.	

*Collateral: CG - Consumer Goods, I - Inventory, E - Equipment, A - Accounts, O - Other, MVI - Motor Vehicle Included

SCHEDULE "B2"
Personal Property Security Act (Ontario)
 Search Summary

Business Debtor: 35 Hawarden Crescent Inc.

File Currency Date: October 15, 2023

Secured Party	Secured Party Address	Business Debtor	File No.	Registration No.	Registration Period	Collateral Classification	Collateral Description	Miscellaneous
Vector Financial Services Limited	245 Eglinton Avenue East, Suite 400 Toronto, ON M4P 3B7	33 Hawarden Crescent Inc. 35 Hawarden Crescent Inc.	786128544	20220825 1335 9234 4403	4	I,E,A,O	All of the debtor's present and after-acquired personal property located at, on, or about the lands and premises municipally known as 33 and 35 Hawarden Crescent, Toronto, Ontario, or used or acquired in connection with or primarily related to the business of the debtor conducted on or	

Secured Party	Secured Party Address	Business Debtor	File No.	Registration No.	Registration Period	Collateral Classification	Collateral Description	Miscellaneous
							with respect to such lands and premises.	

*Collateral: CG - Consumer Goods, I - Inventory, E - Equipment, A - Accounts, O - Other, MVI - Motor Vehicle Included

SCHEDULE "C1"
Parcel Register

33 Hawarden Crescent, Toronto
PIN 21178-0241 (LT)

See attached 3 pages

LAND
REGISTRY
OFFICE #66

21178-0241 (LT)

PAGE 1 OF 3

PREPARED FOR karen001

ON 2023/10/16 AT 15:09:29

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 79-1 SEC M502; LT 79 PL M502 TORONTO; S/T LT396436; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2001/04/23

OWNERS' NAMES
33 HAWARDEN CRESCENT INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/04/20 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
LT396436	1945/03/28	TRANSFER EASEMENT			THE CORPORATION OF THE VILLAGE OF FOREST HILL	C
C881096	1994/03/03	CHARGE		*** COMPLETELY DELETED ***	NATIONAL BANK OF CANADA	
E81914	1997/05/16	CHARGE		*** COMPLETELY DELETED ***	NATIONAL BANK OF CANADA	
D600128	1998/04/09	TRANSFER		*** COMPLETELY DELETED ***	1064400 ONTARIO INC.	
AT4516524	2017/03/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
REMARKS: C881096.						
AT4516528	2017/03/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
REMARKS: E81914.						
AT4543039	2017/04/21	TRANSFER		*** COMPLETELY DELETED *** 1064400 ONTARIO INC.	SOUTH-WEST CORNER CAPITAL CORP.	
AT4543040	2017/04/21	CHARGE		*** COMPLETELY DELETED *** SOUTH-WEST CORNER CAPITAL CORP.	CANADIAN IMPERIAL BANK OF COMMERCE	
AT4662246	2017/08/23	NOTICE		*** COMPLETELY DELETED *** SOUTH-WEST CORNER CAPITAL CORP.	CANADIAN IMPERIAL BANK OF COMMERCE	
REMARKS: AT4543040						
AT5771314	2021/06/17	TRANSFER		*** COMPLETELY DELETED *** SOUTH-WEST CORNER CAPITAL CORP.	LUMINASIA BUILDER GROUP INC.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD	
		<i>REMARKS: PLANNING ACT STATEMENTS.</i>					
AT5794095	2021/07/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE			
		<i>REMARKS: AT4543040.</i>					
AT6168494	2022/08/26	TRANSFER	\$5,000,000	LUMINASIA BUILDER GROUP INC.	33 HAWARDEN CRESCENT INC.	C	
		<i>REMARKS: PLANNING ACT STATEMENTS.</i>					
AT6168496	2022/08/26	CHARGE	\$8,000,000	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C	
AT6168497	2022/08/26	NO ASSGN RENT GEN		33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C	
		<i>REMARKS: ASSIGNS AT6168496</i>					
AT6168498	2022/08/26	CHARGE		*** COMPLETELY DELETED *** 35 HAWARDEN CRESCENT INC. 33 HAWARDEN CRESCENT INC.	ORION CAP INC. 9852794 CANADA INC. RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM		
AT6168499	2022/08/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 35 HAWARDEN CRESCENT INC. 33 HAWARDEN CRESCENT INC.	ORION CAP INC. RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM 9852794 CANADA INC.		
		<i>REMARKS: ASSIGNS AT6168498</i>					
AT6168527	2022/08/26	RESTRICTION-LAND		33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.		C	
		<i>REMARKS: PROHIBITING ANY FURTHER CHARGE OF SUCH LANDS WITHOUT THE PRIOR CONSENT OF VECTOR FINANCIAL SERVICES LIMITED.</i>					
AT6186202	2022/09/20	NOTICE	\$1	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C	
		<i>REMARKS: AMENDS AT6168496 AND AT6168527</i>					
AT6285539	2023/02/23	CHARGE	\$1,020,000	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	BAMRA, RUPINDER	C	
AT6285540	2023/02/23	NO ASSGN RENT GEN		33 HAWARDEN CRESCENT INC.	BAMRA, RUPINDER	C	

LAND
REGISTRY
OFFICE #66

21178-0241 (LT)

PREPARED FOR karen001
ON 2023/10/16 AT 15:09:29

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6285772	2023/02/24	DISCH OF CHARGE		35 HAWARDEN CRESCENT INC. *** COMPLETELY DELETED *** ORION CAP INC. 9852794 CANADA INC. RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM		
		REMARKS: AT6168498.				
		REMARKS: ASSIGNS AT6285539				

SCHEDULE "C2"
Parcel Register

35 Hawarden Crescent, Toronto
PIN 21178-0241 (LT)

See attached 2 pages

LAND
REGISTRY
OFFICE #66

21178-0242 (LT)

PAGE 1 OF 2

PREPARED FOR karen001

ON 2023/10/16 AT 15:11:29

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PCL 77-1 SEC M502; LT 78 S/S HAWARDEN CRES PL M502 TORONTO; PT LT 77 S/S HAWARDEN CRES PL M502 TORONTO COMM AT THE N E ANGLE OF SAID LT 78; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 60 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE N E ANGLE OF SAID LT 77; THENCE SLY IN A STRAIGHT LINE 246 FT 3 INCHES MORE OR LESS TO A POINT IN THE SLY LIMIT OF SAID LT 77, DISTANT 10 FT WLY THEREON FROM THE S E ANGLE OF SAID LT 77; THENCE ELY ALONG THE SLY LIMIT OF THE SAID LOTS, 60 FT MORE OR LESS TO THE S E ANGLE OF SAID LT 78; THENCE NLY ALONG THE ELY LIMIT OF SAID LT 78; 250 FT MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2001/04/23

OWNERS' NAMES
35 HAWARDEN CRESCENT INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/04/20 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
LT511470	1952/02/05	TRANSFER		*** COMPLETELY DELETED ***	MITZ, HILDA	
AT493401	2004/05/25	TRANSFER		*** COMPLETELY DELETED *** MITZ, HILDA	MITZ, HILDA MITZ, JEFFREY	
AT5455894	2020/06/19	APL OF SURV-LAND		*** COMPLETELY DELETED *** MITZ, HILDA	MITZ, JEFFREY	
AT5771324	2021/06/17	TRANSFER		*** COMPLETELY DELETED *** MITZ, JEFFREY	MARISALAND BUILDERS INC.	
REMARKS: PLANNING ACT STATEMENTS.						
AT6168495	2022/08/26	TRANSFER	\$6,300,000	MARISALAND BUILDERS INC.	35 HAWARDEN CRESCENT INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
AT6168496	2022/08/26	CHARGE	\$8,000,000	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C
AT6168497	2022/08/26	NO ASSGN RENT GEN		33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C
REMARKS: ASSIGNS AT6168496						
AT6168498	2022/08/26	CHARGE		*** COMPLETELY DELETED *** 35 HAWARDEN CRESCENT INC. 33 HAWARDEN CRESCENT INC.	ORION CAP INC. 9852794 CANADA INC.	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
 REGISTRY
 OFFICE #66

21178-0242 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT6168499	2022/08/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 35 HAWARDEN CRESCENT INC. 33 HAWARDEN CRESCENT INC.	RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM ORION CAP INC. RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM 9852794 CANADA INC.	
		<i>REMARKS: ASSIGNS AT6168498</i>				
AT6168527	2022/08/26	RESTRICTION-LAND		33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.		C
		<i>REMARKS: PROHIBITING ANY FURTHER CHARGE OF SUCH LANDS WITHOUT THE PRIOR CONSENT OF VECTOR FINANCIAL SERVICES LIMITED.</i>				
AT6186202	2022/09/20	NOTICE	\$1	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	VECTOR FINANCIAL SERVICES LIMITED	C
		<i>REMARKS: AMENDS AT6168496 AND AT6168527</i>				
AT6285539	2023/02/23	CHARGE	\$1,020,000	33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	BAMRA, RUPINDER	C
AT6285540	2023/02/23	NO ASSGN RENT GEN		33 HAWARDEN CRESCENT INC. 35 HAWARDEN CRESCENT INC.	BAMRA, RUPINDER	C
		<i>REMARKS: ASSIGNS AT6285539</i>				
AT6285772	2023/02/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** ORION CAP INC. 9852794 CANADA INC. RAI, RAJWANT KHUKH, BALDEV PARHAR, SATNAM		
		<i>REMARKS: AT6168498.</i>				

SCHEDULE R

MORTGAGE PAYOUT STATEMENT

May 13, 2024

33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.

312-75 Queens Wharf Road
 Toronto, ON
 Attention: Jason Allen John

RE : **1st Mortgage Loan on 33-35 Hawarden Crescent, Toronto**
Reference No. : **BC22-31**

This statement shall be null and void and the Lender shall not be required to discharge the mortgage security if this statement is not acknowledged by the Borrower upon Payout.

The following summarizes the amounts required to pay out the loan on the above-noted property:

Payout Date	May 22, 2024
Principal Balance	\$8,000,000.00
Interest Charges at 16.500% per annum to May 22, 2024	\$1,119,361.91
Loan Charges *For additional details see itemization attached	\$378,060.31
Less Credit for Trust Balance as of date of this statement	(\$979.42)
TOTAL AMOUNT PAYABLE	\$9,496,442.80

HST# 10550 1209RT0001
 E. & O.E.

These figures are subject to change with any subsequent transactions and do not include any legal fees. We reserve the right to amend this Statement should any changes occur that would increase the total amount payable. **Please note that this Statement expires on May 31, 2024**, after which this Statement shall become null and void and additional charges may apply in accordance with the terms of your mortgage.

A per diem interest amount of **\$4,154.95** will be due for each additional day past **May 22, 2024**. Funds received after 1:00 pm EST on the proposed discharge date will be subject to an additional per diem charge as noted herein until paid. If the proposed discharge date is a Friday, funds received after 1:00 pm EST will be subject to additional interest until the next business day.

Payment must be made by wire transfer only to **VECTOR FINANCIAL SERVICES LIMITED** or their solicitors as directed.

Yours truly,
VECTOR FINANCIAL
 Per:

Mitchell Oelbaum
 President
 Mortgage Agent Lic. M13001562

**SCHEDULE OF LOAN CHARGES ACCOMPANYING
THE MORTGAGE PAYOUT STATEMENT**

Borrower : **33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.**
Property : **1st Mortgage Loan on 33-35 Hawarden Crescent, Toronto**
Reference No. : **BC22-31**

Date	Description	Amount
05/12/2023	NSF Payment Charge	\$1,100.00
06/14/2023	NSF Payment Charge	\$1,100.00
06/16/2023	Teranet(05/10/2023) Vector Inv 23094	\$70.38
06/20/2023	Mortgage Discharge Statement	\$395.50
06/20/2023	Annual Review Fee 2023	\$565.00
06/20/2023	Bank Processing Fee	\$500.00
06/20/2023	Wire Fee	\$17.00
06/29/2023	Forbearance Fee	\$40,000.00
08/14/2023	NSF Payment Charge	\$1,100.00
08/15/2023	Intech Inv 58884 dated 08/02/2023	\$536.75
08/24/2023	Default Admin Fee Aug 2023	\$5,650.00
09/11/2023	Default Admin Fee Sept 2023	\$11,300.00
10/02/2023	Mortgage Discharge Statement	\$395.50
10/11/2023	Default Admin Fee Oct 2023	\$11,300.00
11/11/2023	Default Admin Fee Nov 2023	\$11,300.00
12/11/2023	Default Administration Fee Dec 2023	\$11,300.00
12/11/2023	Special Servicing Fee Dec 2023	\$20,000.00
01/10/2024	Default Administration Fee Jan 2024	\$11,300.00
01/10/2024	Special Servicing Fee Jan 2024	\$20,000.00
02/10/2024	Gowling WLG (Canada) LLP INV20201957	\$50,429.71
02/11/2024	Special Servicing Fee Feb 2024	\$20,000.00
02/11/2024	Default Administration Fee Feb 2024	\$11,300.00
03/11/2024	Special Servicing Fee Mar 2024	\$20,000.00
03/11/2024	Default Administration Fee Mar 2024	\$11,300.00
04/26/2024	Special Servicing Fee Apr 2024	\$20,000.00
04/26/2024	Default Administration Fee Apr 2024	\$11,300.00
05/11/2024	Special Servicing Fee May 2024	\$20,000.00
05/11/2024	Default Administration Fee May 2024	\$11,300.00
05/15/2024	Gowling WLG (Canada) LLP Work till May 15	\$54,500.47
Total Loan Charges		\$378,060.31

HST# 10550 1209RT0001
E. & O.E.

ACKNOWLEDGEMENT OF MORTGAGE PAYOUT STATEMENT

Borrower : 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc.
Property : 1st Mortgage Loan on 33-35 Hawarden Crescent, Toronto
Reference No. : BC22-31

The undersigned, on behalf of the Borrower, hereby acknowledges and approves the amounts owing to the Lender as set out in the attached mortgage payout statement issued on May 13, 2024.

Acknowledged on this _____ day of _____, 2024.

Per:



SCHEDULE S

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

A F F I D A V I T

I, Angela K. Pollard, of the City of Richmond Hill, in the Province of Ontario, make oath and say:

1. I am the President of Pollard & Associates Inc., the Court Appointed Receiver (the "Receiver") of the assets, undertakings and properties of 33 Hawarden Crescent Inc., and 35 Hawarden Crescent Inc., (the "Companies") and as such have personal knowledge of the matters hereinafter deposed to, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Receiver has prepared a summary of the work performed in connection with its appointment as Receiver detailing its services rendered up to and including May 14, 2024. Attached hereto and marked as Schedule "A" to this Affidavit is a copy of the summary of the work performed.
3. A total of 306.6 hours have been spent for a total fee of \$199,655.00 plus HST of \$25,955.15 for a total of \$225,610.15.

4. The total time spent including May 14, 2024 was as follows:

TOTAL TIME:

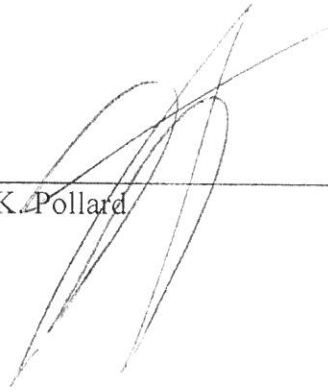
Name	Hours	Rate	Value
Angela K. Pollard	260.9 hrs	650.00 -700.00 \$	180,330.00
Jennifer La Rosa	4.2 hrs	550.00	2,310.00
Michael La Rosa	41.5 hrs	400.00-425.00	17,015.00
	306.6 hrs		\$ 199,655.00
HST			\$ 25,955.15
TOTAL			\$ 225,610.15

The Receiver has agreed to reduce its fees to assist Vector by 10% and therefore the remuneration requested by the Receiver totals \$179,689.50 plus HST of \$23,359.64 for a total of \$203,049.14.

- 5. The Receiver’s fees for the period from May 15, 2024 up to and including the completion of the file will be billed at the Receiver’s standard rates in effect. On the basis that there will be no opposition in this matter, and barring unforeseen circumstances, I estimate that those fees will not exceed \$5,000 plus HST.
- 6. This Affidavit is made in support of a Motion by the Receiver to, inter alia, approve the Receipts and Disbursements of the Receiver and its accounts.

Sworn before me at the)
)
 City of Richmond Hill,)
)
 In the Province of Ontario,)
)
 this 15th day of May, 2024)

 Angela K. Pollard



A Commissioner, etc.


 MICHAEL JAMES LA ROSA, A COMMISSIONER, ETC.,
 PROVINCE OF ONTARIO,
 FOR POLLARD & ASSOCIATES INC.
 EXPIRES OCTOBER 9, 2024.

SCHEDULE A

Date	Description	Time	Amount \$	Person
5-Sep-23	review application record and endorsement	0.5	325.00	akp
10-Oct-23	review email from Oelbaum re appointment and responding, review of draft receivership order, review of documents from Gowlings	0.5	325.00	akp
12-Oct-23	discussion with counsel	0.2	130.00	akp
13-Oct-23	email with counsel for the company re information re receivership, email from Gowlings, email from Thomas re order and timing of receivership	0.4	260.00	akp
16-Oct-23	review email from Gertner to Moral re appointment, discussion with counsel	0.6	390.00	akp
17-Oct-23	phone call with tenant re: visitation of property, details re tenant at 35 and obtaining contact information,	0.8	320.00	ml
17-Oct-23	discussion with Soberano re property, email with Soberano, email with Russell re information, discussion re tenant, preparation of receivers notices and filing with the OSB, email with counsel for the company with list of information required, discussion with counsel	1.6	1,040.00	akp
18-Oct-23	email with counsel for companies re tenant - Lopes and lack of response, concern re smoke detectors, discussion with Russell, discussion with Soberano re interest in the property	0.3	195.00	akp
18-Oct-23	visitation of property	2.8	1,120.00	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
19-Oct-23	certificate of appointment from OSB, discussion with OSB, email to Oelbaum re severance, aps, and tenants, email with counsel for the companies, email from Oelbaum re aps, email from macCuspic re information from file, emails from/with counsel for the companies re insurance policy, discussion with counsel	3.2	2,080.00	akp
19-Oct-23	memo re: visitation	0.2	80.00	ml
20-Oct-23	email with party interested in property, email to counsel for the companies, discussion with counsel	0.4	260.00	akp
20-Oct-23	website posting re: court appointment	1.2	480.00	ml
21-Oct-23	email with counsel	0.2	130.00	akp
22-Oct-23	email with imperial capital limited re property	0.2	130.00	akp
23-Oct-23	email with Pearlstein, emails with the insurance company re status of insurance, copy of the policy and payments, email with companies counsel re information, emails with appraiser re quote, timing and interest, email from counsel re security opinion, email from Polevoy re purchase property, execute documents re registration on title	2.6	1,690.00	akp
24-Oct-23	requesting Pearlstein re appointment and register on title, providing information requested from Pearlstein and execute documents, email with John re financial information and contact tenant at 33, email with counsel for the companies	1.1	715.00	akp
25-Oct-23	email to Enbridge re opening accounts in name of receiver, dealing with accounts for Toronto hydro and arranging the change over	1.5	600.00	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
25-Oct-23	email from John re Toronto hydro bills and requesting copies of leases, discussion with John re tenants, email to John re financial issues and replacement of smoke detectors, request information re utilities,	1.2	780.00	akp
26-Oct-23	meeting with real estate agents, email with bank re requirement to open account	1.2	480.00	ml
26-Oct-23	email with bank re account, email with potential agent re current listings on the market and the status of various listings in the area, discussion with counsel	0.9	585.00	akp
27-Oct-23	Canadian tire carbon monoxide purchases	0.8	320.00	ml
27-Oct-23	Visitation of property	1.8	720.00	ml
27-Oct-23	emails with Jason John re inspection re property and attempting to gain access to tenanted property, , email with Yellowless re his knowledge of the properties and providing a copy of the waiver re severance issue, email with Yellowless requesting APS, discussion with tenant re CO2 detectors	1.4	910.00	akp
30-Oct-23	phone call unanswered to tenant re: Toronto hydro account, f/u with Enbridge and hydro	0.4	160.00	ml
30-Oct-23	email with appraiser re site plan and providing information, discussion with appraiser re timing and process, email with yellowless advising re severance and providing listing proposal, discussion with yellowless	0.7	455.00	akp
31-Oct-23	email with FCA re insurance, email with bespoke re coverage,	0.2	130.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
2-Nov-23	email with insurance broker, email with prospective agents, email with utilities, discussion with counsel	0.9	585.00	akp
3-Nov-23	email with appraiser, email with vector, discussion with appraiser re quote and work to be completed, email to Vector re update, insurance update re liability coverage	1.1	715.00	akp
5-Nov-23	email re receivers certificate, email with insurance company re changes,	0.2	130.00	akp
6-Nov-23	email re insurance company, email and discussions with Green re property listing	0.5	325.00	akp
7-Nov-23	email with insurance company re update, email re utilities	0.4	260.00	akp
7-Nov-23	visitation of property	1.5	600.00	ml
9-Nov-23	email with potential listing agents and work completed in the area, update with vector, discussion with counsel	1.1	715.00	akp
10-Nov-23	funds from vector, issue receivers certificate, email with bank re wire, correspondence with counsel re termination of APS	0.8	520.00	akp
11-Nov-23	email with counsels and vector re severance allocation and conditional APS, review severance application details and hearing November 29, 2023	1.8	1,170.00	akp
12-Nov-23	email from counsel re terminating APS for 35 and review of correspondence,	0.4	260.00	akp
13-Nov-23	prepare draft APS, review APS pre receivership, discussion with Vector	1.5	975.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
14-Nov-23	email with John, call to tenant, email with appraiser, review proposal and scope of work required,	0.9	585.00	akp
14-Nov-23	phone call with Reliance to change billing into name of Trustee	1.2	480.00	ml
14-Nov-23	Ltr to reliance to change billing into name of Trustee	0.2	80.00	ml
15-Nov-23	f/u re insurance policy, email with Dales, emails with Enbridge issues, email with appraiser, email with Tyrone, discussion with Dales and Tyrone re severance application, confirmation re co-2 and smoke detectors from Tyrone, email to Tyrone re tenant, email to Dales re update, email to Jason John, discussion with counsel	1.3	845.00	akp
16-Nov-23	email from insurance re adding named insurer, review policy and application,	0.6	390.00	akp
17-Nov-23	email re insurance company, conference call with Dales and Tyrone re severance, correspondence with counsel. Discussion with counsel	1.7	1,105.00	akp
20-Nov-23	visitation of property for appraisal, banking	2.5	1,000.00	ml
20-Nov-23	email with Tyrone re tenant, email with counsel, review letter to Erlick re terminated APS, discussion with counsel, dealing with APS termination, discussion with parties re termination	1.3	845.00	akp
21-Nov-23	memo re: visitation	0.2	80.00	ml
21-Nov-23	discussion with Dales and review of email to the city re application	0.5	325.00	akp
23-Nov-23	discussion with counsel	0.3	195.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
23-Nov-23	email from Grossman re proposal re listing, discussion with Richard and email re proposal	0.5	200.00	ml
24-Nov-23	emails with yellowless re deposit return re APS,	0.3	195.00	akp
27-Nov-23	review of November 24th City of Toronto Engineering Report	0.3	120.00	ml
27-Nov-23	Discussion with counsel re severance, email re agents proposal, email re instruction provided to Dales to counsels, review memo from Dales,	1.9	1,235.00	akp
28-Nov-23	discussion with counsel, review proposals from agents, email from Dales re deferral request, review correspondence from City of Toronto re Supplemental package, review letter for deferral,	2.2	1,430.00	akp
29-Nov-24	email from Dales re counsellor deferral request, review proposals, email with Bowman,	0.6	390.00	akp
29-Nov-24	banking	0.2	85.00	ml
30-Nov-23	review of severance issue, discussion with counsel	0.5	325.00	akp
1-Dec-23	review proposals from agents, discussion with vector,	0.4	260.00	akp
4-Dec-23	discuss with counsel the draft APS	0.2	130.00	akp
5-Dec-24	emails with bespoke re insurance, discussion with broker re non payment of account and cancellation of policy, making necessary arrangements, arrangements, discussion with Vector, discussion with counsel, discussion with tenant re rent and listing	1.9	1,235.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
5-Dec-23	Banking re: Toronto Hydro Payments. Banking	1.2	480.00	ml
6-Dec-23	Tenant Acknowledgement agreement	0.5	200.00	ml
6-Dec-23	discussion with counsel re procedures to redeem and payments to agents, request documents, dealing with agents, email with Vector re funds,	0.9	585.00	akp
7-Dec-23	email from insurance broker re property	0.2	130.00	akp
8-Dec-23	review listing of properties and discussion with agents	0.4	260.00	akp
8-Dec-23	banking	0.2	80.00	ml
9-Dec-23	correspondence from Graff re potential refinancing, discussion with appraiser, email with counsel	1.0	650.00	akp
9-Dec-23	banking	0.2	85.00	ml
11-Dec-23	discussion with potential purchaser, review appraisal	0.9	585.00	akp
11-Dec-23	discussion with tenant re: tenant acknowledgement agreement	0.3	120.00	ml
11-Dec-23	arrangements with tenant for visitation with roofer	1.0	400.00	ml
11-Dec-23	discussion with counsel, discussion with Ari re interest, discussion with Graff	0.8	520.00	akp
12-Dec-23	phone call with tenant re: keys rent and TAA	0.1	40.00	ml
12-Dec-23	discussion with counsel, roof repairs and agent agreement, discussion with agent, email with tenant re payment, key & consent form	0.7	455.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
12-Dec-23	visitation of property with roofer	2.0	800.00	ml
13-Dec-23	review of roof repair options	0.5	200.00	ml
13-Dec-23	discussion with tenant re: roof repair arrangements	0.2	80.00	ml
13-Dec-23	discussion with counsel, review document	0.4	260.00	akp
14-Dec-23	electrical check for roofer	0.3	120.00	ml
15-Dec-23	visitation of property for roof repair	1.5	600.00	ml
19-Dec-23	discussion with counsel re various issues	0.3	195.00	akp
20-Dec-23	email with Roofer re HST,	0.1	65.00	akp
21-Dec-23	email from Graff	0.1	65.00	akp
29-Dec-23	email from counsel, email with roofer with invoice re work done	0.3	195.00	akp
29-Dec-23	banking	0.2	85.00	ml
31-Dec-23	review updated information from agents	0.4	260.00	akp
2-Jan-24	email with Graff re terminated APS,	0.2	140.00	akp
2-Jan-24	banking	0.2	85.00	ml
3-Jan-24	emails with agent	0.2	140.00	akp
4-Jan-24	emails with agents re listing, and review interest to date, review offers, email with insurance company,	0.7	490.00	akp
8-Jan-24	discussion with Dales, email with Oelbaum re update debt, discussion with Sunny, email with Dales, email with Mitchell, discussion with Ari re offers and his position re the property,	1.1	770.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
8-Jan-24	banking	0.2	85.00	ml
9-Jan-24	email with bank, email with list of properties for sale, emails with agents and updates, discuss offer received with agent, discussion with purchaser and provide agent contacts, review email re various parties interest, discussion Dales Consulting	1.3	910.00	akp
9-Jan-24	coordinated pickup of rent cheques and mail with tenant	0.2	85.00	ml
10-Jan-14	discussion with Campbell re process, expenses, vesting order and offer	1.1	770.00	akp
11-Jan-24	visitation of property for rent and mail pickup, banking	1.5	637.50	ml
15-Jan-24	email with Bowman	0.2	140.00	akp
16-Jan-24	email with potential purchaser re offer the amount and his reasons for offer, emails with agents	0.7	490.00	akp
17-Jan-24	emails with Dales re accounts and future work costs	0.4	280.00	akp
18-Jan-24	email with counsel re terminated APS,	0.2	140.00	akp
19-Jan-24	emails and discussions with agents re offers received, discussion with purchasers, email from Dales asking for update re offers, providing aps for purchasers to change, dealing with timing of offers with agents, responding to various questions re tenants and vacant possession, email with agents re deposit cheques	3.4	2,380.00	akp
20-Jan-24	review information summary from agents, review offers	1.2	840.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
21-Jan-24	email with agents re offers, preparing summary re offers	1.8	1,260.00	akp
22-Jan-24	meeting with agents	0.7	297.50	ml
22-Jan-24	email with dales, execute transfer letter, meeting with agents,	0.8	560.00	akp
23-Jan-24	discussion and email with Bowman, review invoice from Dales, emails with Dales, discussion with agents	1.2	840.00	akp
24-Jan-24	dealing with agents and offers, review improved offers and discussions with agents as to timing of receipt of any further offers today	1.6	1,120.00	akp
26-Jan-24	email with Ho, review revised offer, discussion with agents, email with agents re purchasers,	0.9	630.00	akp
29-Jan-24	banking	0.2	85.00	ml
29-Jan-24	review offer from potential purchaser, discussion with purchaser re terms of offer, discussion with purchaser, discussion with purchaser re HST issue, discussion with Vector	2.6	1,820.00	akp
30-Jan-24	email with Mintz, discussion with potential purchaser and financing, discussions with Vector, email from agents with contact information,	2.3	1,610.00	akp
31-Jan-24	discussion with agents, discussions with potential purchasers re offers, discussion with Vector	1.1	770.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
1-Feb-24	Discussions with counsel re redemption issues, review correspondence, termination of the aps, discussion with potential purchasers, discussions with agents, review correspondence re updated offers and instructions to agents,	3.7	2,590.00	akp
2-Feb-24	attend at property, provide information to agents	2.1	892.50	ml
2-Feb-24	call with real estate agents, discussion Vector, discussion with various potential purchasers re property and offers, review email from Ho re redemption, discussion and review of emails with agents, dealing with reduction in commission	3.5	2,450.00	akp
3-Feb-24	review offers received to date, email with counsel,	1.1	770.00	akp
4-Feb-24	emails with counsel and Gowlings, email from agents, discussion with agents re new offers timing, review summary of parties expressing interest in property	0.7	490.00	akp
5-Feb-24	review tax arrears and none reporting of underuse housing for CRA, property taxes re city of Toronto vacancy requirement, discussion with counsel, prepare summary re offers, discussion with counsel offers received, discussion with purchasers, discussions with agents, timing of acceptance of offer, review offer from potential purchaser, discussion with counsel, emails and discussions with agents re offers, review email from Ho and Gowlings, discussion with Thomas, discussion with Vector	5.3	3,710.00	akp
5-Feb-24	call with city of Toronto re property tax arrears, obtain tax information and information required for reporting,	3.1	1,317.50	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
6-Feb-24	discussion with counsel, re review blackline APS, dealing with finalization of terms, redemption issue, discussion with purchaser, changes required to APS, discussion with counsel for second mortgage holder, discussion with vector and counsel for vector, discussions with other offers re reason for none acceptance, discussion with counsel re timing of approval, email with Graff and Ho re acceptance of offers, execute final APS, discussion with purchasers counsel, review agents correspondence re property sold conditional, email from Hoque re retention as counsel for the companies, requesting payout schedules, receiver certificates, advising Hoque of entering into APS as new counsel, email from second mortgage counsel, provide fully executed APS to counsel for purchaser and wiring instructions, email with Thomas re case conference, correspondence from agents, discussion with Vector, discussions with purchaser, discussions with others parties who provided an offer, email to Bowman	7.8	5,460.00	akp
7-Feb-24	correspondence with graff, correspondence from second counsel, attend meeting with new counsel for the borrower and counsel for second mortgage holder re redemption issues, discussion with counsel re case conference, discussion re underuse housing tax issues, discussion with vector, obtain receivers certificate funds, email with Hoque, email with counsel and Gowlings	4.1	2,870.00	akp
8-Feb-24	correspondence from insurance company	0.1	70.00	akp
9-Feb-24	banking	0.2	85.00	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
9-Feb-24	discussion with counsel re case conference, and timing of report to court, discussion with agents re summaries , providing redacted APS to Graff, review email from Ho,	2.3	1,610.00	akp
10-Feb-24	email from counsel	0.1	70.00	akp
12-Feb-24	banking	0.2	85.00	ml
12-Feb-24	discussion with counsel re case conference	0.2	140.00	akp
13-Feb-24	correspondence with counsel re costs to date of legal fees, attend case conference re timetable, discussion re interest and costs associated with delay, discussion with vector, correspondence with Dales	2.8	1,960.00	akp
14-Feb-24	review endorsement	0.1	70.00	akp
15-Feb-24	discussion with counsel	0.2	140.00	akp
19-Feb-24	prepare draft report to court	6.4	4,480.00	akp
20-Feb-24	report to court, discussion with counsel, review correspondence from counsel to vector and graff, review litigation schedule correspondence, review correspondence re sale of other properties in area, review endorsement and email from counsel to Graff, review summary from agents	3.6	2,520.00	akp
21-Feb-24	schedules for report, filing housing tax returns, discussion with counsel, discussion with agents re timing, discussion with purchasers counsel	3.3	2,310.00	akp
21-Feb-24	visit to property	1.2	510.00	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
22-Feb-24	discussion with counsel redemption issue, review correspondence from counsel, discussion with terminated APS, discussion with purchaser counsel re deposit and closing date, preparing draft report to court	6.1	4,270.00	akp
22-Feb-24	review of draft report to court and provide comments	1.2	660.00	jl
23-Feb-24	correspondence and discussions with counsel, discussion re timing of closing and procedures to close APS, email with vector re second deposit, obtain second deposit, correspondence from purchasers counsel	1.8	1,260.00	akp
26-Feb-24	update report to court and schedules, discussion with counsel, emails with insurance brokers re status of property	1.9	1,330.00	akp
27-Feb-24	discussion with counsel, correspondence to counsel, changes to report and forwarding to counsel, review correspondence from counsel re redemption issue, review comments from counsel,	2.6	1,820.00	akp
27-Feb-24	review report to court, provide comments and changes	1.5	825.00	jl
28-Feb-24	update report of receiver, comments from counsel re report, emails with counsel, email with agents re extending the listing agreement and closing date to March 20, 2024	3.8	2,660.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
29-Feb-24	discussion with counsel material and changes, update service list to include various parties, review emails from counsel, review motion and changes required, review correspondence to counsel for purchaser providing AVO, emails to Gowlings, discussions with counsel, update the sales summary for court, updating report to court and schedules, email with agents re closing dates amendments, review counsel comments re report	5.9	4,130.00	akp
1-Mar-24	review material re motion material, discussion with counsel re court, review correspondence from counsel, discussion with counsel re sealing order, email from counsel for the purchaser, dealing with report to court, discussion with Vector re distribution, review email from Gowlings re distribution	3.6	2,520.00	akp
4-Mar-24	discussion with counsel and review correspondence, discussion with counsel for purchaser and purchaser, discussion motion record and redemption issue, correspondence with counsel re service, discussion with counsel re service list, emails from counsel re redacted APS,	2.6	1,820.00	akp
5-Mar-24	banking	0.2	85.00	ml
5-Mar-24	discussion with purchaser re court approval	0.4	280.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
6-Mar-24	discussion with counsel re motion, discussion re distribution motion and discharge, discussion of outstanding issues with counsel, review correspondence, discussion with Thomas re timing of distribution, email with insurance broker, advising Thomas of timing re distribution, email with Gowlings re obtaining a distribution with approval of APS, outlining the proposed distribution	3.5	2,450.00	akp
6-Mar-24	visit to property	1.0	425.00	ml
7-Mar-24	discussion and review issues re redemption, review various correspondence with counsel , review motion record respondents, looking into court date for distribution first week of April, discussion with Vector re distribution date,	3.6	2,520.00	akp
8-Mar-24	discussion with counsel re motion, discussion with counsel re fees, discussion with counsel suppl report, emails with counsel, email and discussion with agents re reduction listing commission and co-operating agent documents	3.2	2,240.00	akp
10-Mar-24	preparing supplementary report draft, email with counsel	4.2	2,940.00	akp
11-Mar-24	review correspondence with counsel, prepare supplementary report re various issues, review material correspondence, discussion re next steps, discussion with counsel re AVO, how to proceed re redemption issue, discussion with Thomas, email re service of the report, email with counsel re report and schedule D, review discharge statement from Vector, email from Gowlings re caselines/judge	6.8	4,760.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
12-Mar-24	discussion with counsel re second mortgage offer to increase purchase price and obtain property , discussion with counsel for the second mortgage re offer, correspondence with counsel and sale process, review material, review affidavit of purchaser, discussion with purchaser,	2.1	1,470.00	akp
13-Mar-24	discussion with counsel, discussion with purchaser counsel, dealing with closing date and timing of closing, discussion with purchaser, review various correspondence re refinancing and redemption, review email from counsel for Vector, provide comments to counsel, email re closing date extension, discussion with agents,	5.4	3,780.00	akp
13-Mar-24	visit to property	1.0	425.00	ml
14-Mar-24	discussion and correspondence with counsel, discussion and review of parties prepare to finance, request corporate searches, review documents, correspondence with counsel for vector, discussion with counsel re adjournment request and procedures, discussion with counsel for purchaser, prepare supplementary report, review email from Clifton, email from Graff, email from Hoque, review email from Graff re adjournment and funds, review companies supplementary report	5.6	3,920.00	akp
15-Mar-24	attendance in court, review file, discussion with purchasers counsel, discussion with agents re extension re closing, review invoice from counsel, review additional supplementary affidavit	7.2	5,040.00	akp
18-Mar-24	review material to close transaction	0.7	490.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
19-Mar-24	review endorsements, discussion with agents re timing, discussion with counsel re possible appeal and timeframe, discussion with purchaser	1.9	1,330.00	akp
20-Mar-24	correspondence with agents, discussion with Jason John that they are in funds, review email from counsel, discussion with the purchaser re Jason John contacts, email and discussions with counsel for the purchaser	1.2	840.00	akp
20-Mar-24	visit to property	1.0	425.00	ml
21-Mar-24	discussion with counsel, invoice re agents, discussion with agent re closing dates, email to Graff re client contacting receiver and directions given	1.1	770.00	akp
22-Mar-24	email with counsel to vacate date, obtaining earliest new date	0.3	210.00	akp
23-Mar-24	email with counsel	0.2	140.00	akp
25-Mar-24	discussion with counsel re timing and review correspondence, review notice of appeal, discussion re stay, review correspondence from Gowlings looking for early date re distribution, email to gowlings re vacating dates and response, email from Gowlings, email from court, discussion with purchaser	2.2	1,540.00	akp
26-Mar-24	review correspondence to counsel for second mortgage, correspondence with counsel and discussion re quash appeal and hearing timing, review correspondence with borrowers counsel, review certificate respecting evidence re appeal, email with agents, discussion with vector, email from counsel,	1.8	1,260.00	akp
27-Mar-24	visit to property	1.0	425.00	ml

SCHEDULE A

Date	Description	Time	Amount \$	Person
27-Mar-24	discussion re various options to proceed, meeting with counsel,	1.2	840.00	akp
28-Mar-24	review correspondence with counsel for Vector, meeting with counsel re appeal issues, discussion options to extend closing, review correspondence with purchasers counsel, discussion re motion for directions, review correspondence from counsel re various options available re the appeal, email to/from Graff, email to Dales re meetings etc. review updates from agents re recent inquires re the property,	2.8	1,960.00	akp
29-Mar-24	email to counsel	0.2	140.00	akp
1-Apr-24	review correspondence between counsel, discussion with counsel re cost motion, discussion with purchaser, timing of scheduling motion, review correspondence from Vector, discussion with counsel re engineering issue raised by city, discussion with Dales	1.6	1,120.00	akp
2-Apr-24	discussion with counsel re extension closing date	0.2	140.00	akp
3-Apr-24	correspondence to counsel re closing date, advising Gowlings of extension re closing, discussion and email with agent to extend closing date, discussion with counsel for the purchaser re extension,	1.4	980.00	akp
5-Apr-24	review correspondence with Vector, discussion with counsel re court date, discussion with counsel re refinancing updates, email to Dales, discussion with counsel to vacate date, email to Hoque re no update, review correspondence from counsel, email from insurance company,	2.2	1,540.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
8-Apr-24	banking	0.2	85.00	ml
8-Apr-24	correspondence with counsel re timing of redemption by borrowers, discussion with counsel, request renewal re insurance, advising broker no change, information from Dales,	1.2	840.00	akp
9-Apr-24	discussion with counsel	0.5	350.00	akp
12-Apr-24	review correspondence re redemption status and appeal, prepare notice 246(2) notice and R&D, dealing with extension with agents and review of extension, email with Vector re extension, email with purchaser counsel re extension, emails with agents	2.8	1,960.00	akp
14-Apr-24	email with counsel	0.1	70.00	akp
15-Apr-24	emails with counsel re 245(2) notice, appeal timing, email to Bowman re 246(2) notice	0.9	630.00	akp
16-Apr-24	discussion with counsel for second mortgage holder re status and understanding notice	0.6	420.00	akp
17-Apr-24	discussion with counsel	0.2	140.00	akp
18-Apr-24	discussion with counsel re second mortgage issues, discussion with counsel for second mortgage,	0.6	420.00	akp
20-Apr-24	visit to property	1.0	425.00	ml
22-Apr-24	email re lawn care	0.2	140.00	akp
23-Apr-24	correspondence with counsel re perfection of appeal and timing, discussion with counsel re extension closing and appeal timeframe, email with counsel, review orders received,	1.1	770.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
24-Apr-24	discussion with counsel re changes to second report, review correspondence, discussion with counsel for the purchaser, review email from insurance broker, email with Dales, email to Hoque re financing arrangements	1.6	1,120.00	akp
24-Apr-24	banking	0.2	85.00	ml
25-Apr-24	discussion with counsel re next steps, review correspondence from counsel, email from counsel re discussions with Gowlings, review correspondence from gowlings, update on purchaser extension, email to agent re changes for conditional period, discussion and email with counsel for the purchaser, discussion with purchaser re closing, email with insurance broker	1.3	910.00	akp
26-Apr-24	emails with counsel, status of refinancing, email from moral, arrange for extension of closing, discussion with agents, execute documents, discussion with counsel	1.6	1,120.00	akp
29-Apr-24	discussion with counsel re refinancing, status of court application, provide comments re material from counsel, email and discussion s with Dales, email with Vector re Major streets study, review report, review various maps re neighbourhoods, email from Gowlings,	2.6	1,820.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
30-Apr-24	review correspondence from counsel re notice of appeal, discussion with counsel re how to proceed, review material and provide comments to counsel, review correspondence from counsel re vector's counsel, discussion re errors in appeal, discussion re next steps, meeting with counsels, review report and provide comments, discussion with Dales re agenda re bi law changes and the effects, review correspondence from Dales, review material re bi law changes on city website, email to Vector	4.6	3,220.00	akp
1-May-24	discussion with counsel	0.2	140.00	akp
2-May-24	email with counsels re issues re costs and recovery, timing of closing and distribution, review emails from counsels, review correspondence from Vectors counsel, discussion with counsel re termination of receivership,	1.2	840.00	akp
3-May-24	providing listing agreements as requested to Gowlings, review counsel statement of accounts, email with gowlings, arranging lawn care, email with counsel re outstanding taxes and providing the information, email to Thomas re costs incurred by receiver, obtain legals information, review expenses outstanding, review correspondence from Gowlings, discussion with counsel re appeal, review email from counsel, discussion re settlement issues with counsel,	1.7	1,190.00	akp
6-May-24	review tax certificates, discussion with counsel,	0.6	420.00	akp
7-May-24	email re lawn care, discussion with counsel, review correspondence from counsel	0.7	490.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
8-May-24	discussion with Ms. Bowman re closing the transaction and various issues re the appeal, email with purchaser counsel re the utilities accounts, forward copy of lease the counsel for purchaser, review statement of adjustment from counsel, discussion with counsel, provide tax certificates to counsel, review lawn care status, discussion with counsel re next steps, meeting with counsel(s) re distribution and discharge motion	1.8	1,260.00	akp
8-May-24	txt with tenant	0.4	170.00	ml
9-May-24	f/u with landscaper, discussion with agent re status of the property inside at 35, review pictures, email with Dales re account, discussion with Dales, dealing with closing issues re HST, discussion with Warren, discussion with counsel, discussion with counsel re amended AVO	4.6	3,220.00	akp
10-May-24	email with Warren re applications and avo, email with counsel, email to Dales re outstanding account, review statement and property taxes, discussion with Vector, discussion with Gowlings, email from Moral and review of the same, correspondence with counsel re AVO amendment, email with Oelbaum re timing of closing re corporation change, request discharge statement from Vector and receivers certificate statement, follow up re court and status of closing, discussion with purchasers counsel, review various options to deal with purchaser new corporation, dealing with allocation issue	4.5	3,150.00	akp
11-May-24	email to agents to extend conditional period and review documents re extension, discussion with agents, prepare draft report to court, advising agents of timing re closing	5.4	3,780.00	akp

SCHEDULE A

Date	Description	Time	Amount \$	Person
12-May-24	prepare draft report to court	7.6	5,320.00	akp
13-May-24	email with vector, review email from counsel re refinancing, discussion with vector, discussion with counsel re amended AVO, timing of receipt, closing transaction, prepare schedules for report, email with tenant re sale of property	6.2	4,340.00	akp
13-May-24	review report to court, provide changes	1.5	825.00	jl
14-May-24	dealing with closing documents, emails to counsel, report to court	2.9	2,030.00	akp
14-May-24	txt with tenant re moving	0.2	85.00	ml
	Total	<u>306.6</u>	<u>199,655.00</u>	

Court File No. CV-23-0070462300-00CL
Estate No. 31- 459671

ONTARIO
SUPERIOR COURT OF JUSTICE

VECTOR FINANCIAL SERVICES
LIMITED

-and-

33 HAWARDEN CRESCENT INC. and 35
HAWARDEN CRESCENT INC.

COURT APPOINTED RECEIVER

AFFIDAVIT

POLLARD & ASSOCIATES INC.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2

Tel (905) 884-8191

Fax (905) 884-4310

akpollard@pollardandassoc.ca

SCHEDULE T

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

**AFFIDAVIT OF TIMOTHY R. DUNN
(Sworn May 16, 2024)**

I, TIMOTHY R. DUNN, of the Town of Erin, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer with the law firm Blaney McMurtry LLP (“**Blaney**”) and was a lawyer with the law firm Minden Gross LLP (“**Minden Gross**”), counsel for Pollard & Associates Inc., in its capacity as receiver (in such capacity, the “**Receiver**”), of the assets, undertakings and properties of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (the “**Debtors**”). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where my evidence is based upon information and belief, I have stated the source of my information and believe it to be true.

2. Attached hereto as **Exhibit “A”** are true copies of each account issued by Minden Gross for the period commencing August 29, 2023, through to December 19, 2023, with respect to the fees and disbursements incurred by Minden Gross.

3. Attached hereto and marked as **Exhibit "B"** is a true copy of the account issued by Blaney for the period commencing February 1, 2024, to May 15, 2024, with respect to the fees and disbursements incurred by Blaney.

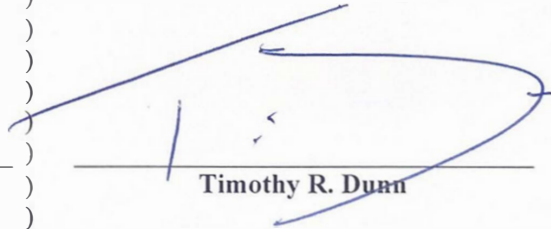
4. I anticipate that Blaney will further incur fees and disbursements in the amount of \$5,000, plus HST, pending the discharge of the Receiver.

5. I make this Affidavit in support of an Order, *inter alia*, approving the fees and disbursements of Minden Gross and Blaney as counsel for Receiver, and for no improper purpose.

SWORN REMOTELY BEFORE ME BY
Timothy R. Dunn at the City of Toronto, in
Province of Ontario, and I being of the City of
Toronto, in the Province of Ontario, on this 16th
day of May 2024, in accordance with O.Reg.
431/20 Administering Oath or Declaration
Remotely.



A Commissioner for Taking Affidavits
Alexandra Teodorescu



Timothy R. Dunn

This is Exhibit "A" referred to in the Affidavit of Timothy R. Dunn, sworn by
Timothy R. Dunn of the Town of Erin, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
May 16, 2024



A Commissioner for Taking Affidavits



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
 145 KING STREET WEST, SUITE 2200
 TORONTO, ON, CANADA M5H 4G2
 TEL 416.362.3711 FAX 416.864.9223
 WWW.MINDENGROSS.COM

In Account With
 Date 4-Dec-2023
 Invoice Number 3028887
 GST/HST Reg. # 11943 7556 RT
 File Number 4134501

PERSONAL AND CONFIDENTIAL

Pollard & Associates Inc.
 31 Wright Street
 Richmond Hill, ON L4C 4A2
 Attn: Angela K. Pollard

RE: Receivership of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc

For professional services:

		Currency: CAD
Our Fees		10,822.50
GST/HST:		1,406.93
Total Fees and GST/HST:		<u>12,229.43</u>
Disbursements	762.82	
GST/HST on taxable disbursements:	59.88	
Total disbursements and GST/HST:	<u>822.70</u>	822.70
Total Amount Due		<u><u>\$13,052.13</u></u>



Invoice Date: 4-Dec-2023
Invoice Number: 3028887
Matter Number: 4134501

Time Detail

<u>Date</u>	<u>Name</u>	<u>Description</u>
08/29/2023	Dunn, Timothy	Correspondence with prospective receiver re October 11 motion to appoint receiver;
08/31/2023	Dunn, Timothy	Correspondence with proposal receiver and review draft Order;
09/05/2023	Dunn, Timothy	Consider Application Record re appointment of receiver; endorsement of Justice Cavanaugh;
09/29/2023	Dunn, Timothy	Consider Factum of counsel for Vector;
10/10/2023	Dunn, Timothy	Correspondence re appointment motion; correspondence with counsel for Vector;
10/12/2023	Dunn, Timothy	Discussion with receiver;
10/13/2023	Dunn, Timothy	Various correspondence with counsel for Vector and trustee re confirmation of appointment;
10/16/2023	Fox, Karen A.	Receive instructions, internal communications with Vita; pulling parcel abstracts re 33 and 35 Hawarden Cres., Toronto and provide to Vita/T. Dunn;
10/16/2023	Dunn, Timothy	Review security and consider security opinion; correspondence from counsel for Vector re next steps; correspondence with trustee re required document production from borrower; review corporate searches;
10/17/2023	Dunn, Timothy	Correspondence re insurance and tenant issues;
10/18/2023	Dunn, Timothy	Consider lease for 33 Hawarden; various correspondence re site visit and lease information; discussion with trustee re lease issues and next steps;
10/19/2023	Dunn, Timothy	Discussion with trustee re APA apparently entered into by debtor after receiver; correspondence with trustee re next steps with service applicant;
10/20/2023	Dunn, Timothy	Consider Notice of Receiver and various court documents;
10/21/2023	Dunn, Timothy	Correspondence with trustee re registering Order on title; consider Order and correspondence re registration of same on title to both properties;
10/23/2023	Pearlstein, Steven	email from T. Dunn with instructions; review Order;
10/23/2023	Pearlstein, Steven	prepare and forward Application to register Order along with supporting documents;
10/23/2023	Dunn, Timothy	Correspondence with receiver re security opinion; discussion with S. Pearlstein;
10/24/2023	Pearlstein, Steven	receive signed Application to register Order; sign and register Order in Teraview;
10/24/2023	Dunn, Timothy	Correspondence with receiver re registration of Appointment Order;
10/26/2023	Dunn, Timothy	Discussion with receiver;
11/02/2023	Dunn, Timothy	Discussion with trustee re appraisal and next steps; discussion with trustee re tenants;
11/09/2023	Dunn, Timothy	Discussion with receiver re next steps on sale process;
11/10/2023	Dunn, Timothy	Correspondence with receiver re termination of APS entered into before receivership;
11/12/2023	Dunn, Timothy	Review file re APS entered into prior to receivership; correspondence re proposed severance application;
11/13/2023	Dunn, Timothy	Consider issues associated with terminating contracts; correspondence with receiver re same;
11/13/2023	Grosdanis, Holly	Conducting research on a receiver's authority to disclaim a contract for T. Dunn.
11/14/2023	Grosdanis, Holly	Drafting memo on a receiver's authority to disclaim a contract for T. Dunn.



Invoice Date: 4-Dec-2023
 Invoice Number: 3028887
 Matter Number: 4134501

<u>Date</u>	<u>Name</u>	<u>Description</u>
11/15/2023	Dunn, Timothy	Discussion with trustee re termination of sale contract and consider next steps;
11/16/2023	Dunn, Timothy	Consider Appointment Order, APS in favour of S. Litchen; prepare termination letter etc.; correspondence with receiver re same; various correspondence re object to termination of APA;
11/17/2023	Dunn, Timothy	Correspondence with receiver; consider APA termination issues; discussion with receiver;
11/19/2023	Dunn, Timothy	Consider approach of J. Erlick to termination and prepare letter re same;
11/20/2023	Dunn, Timothy	Revise letter to J. Erlick and correspondence with receiver; correspondence with receiver re opposition expressed by agent for purchaser to termination of the APS;
11/21/2023	Dunn, Timothy	Correspondence with receiver re APA termination;
11/23/2023	Dunn, Timothy	Discussion with receiver;

Timekeeper Summary

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Dunn, Timothy	Partner	9.50	760.44	7,224.21
Fox, Karen A.	Clerk	0.30	282.13	84.64
Grosdanis, Holly	Articling Student	6.00	265.00	1,590.00
Pearlstein, Steven	Partner	2.50	769.46	1,923.65
Total		18.30		\$10,822.50

Cost Summary

<u>Description</u>	<u>Amount</u>
Agent Service/Filing/Reg Fees - Non Taxable	220.18
Deliveries	43.07
Miscellaneous	44.26
Photocopy/Document Impression	0.50
Register Document General - Non Taxable	82.00
Search Bankruptcy - Superintendent of Bankruptcy	44.26
Search Corporate	162.30
Search Executions	44.26
Search Sec. 427 of Bank Act	44.26
Subsearch Disbursements	77.73
Total	\$762.82



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
 145 KING STREET WEST, SUITE 2200
 TORONTO, ON, CANADA M5H 4G2
 TEL 416.362.3711 FAX 416.864.9223
 WWW.MINDENGROSS.COM

Pollard & Associates Inc.
 31 Wright Street
 Richmond Hill, ON L4C 4A2
 Attn: Angela K. Pollard

In Account With
 Date 4-Dec-2023
 Invoice Number 3028887
 GST/HST Reg. # 11943 7556 RT
 File Number 4134501

REMITTANCE COPY

Receivership of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Balance Due</u>
<u>Current Invoice</u>		
12/04/2023	3028887	\$13,052.13
Balance Due		\$13,052.13

REMITTANCE ADVICE

<u>Canadian Dollar Wire Payments:</u>	<u>Canadian Dollar EFT Payments:</u>	<u>Cheque Payments:</u>
Royal Bank of Canada 200 Bay Street Toronto, Ontario, M5J 2J2 Bank No: 003 Transit No: 06012 Account No: 060121022276 SWIFT Code: ROYCCAT2 Beneficiary: Minden Gross LLP	Royal Bank of Canada 200 Bay Street Toronto, Ontario, M5J 2J2 Bank No: 003 Transit No: 06012 Account No: 1022276 Beneficiary: Minden Gross LLP	Minden Gross LLP Barristers & Solicitors ACCOUNTS RECEIVABLE 145 King Street West, Suite 2200 Toronto, ON, Canada, M5H 4G2 <i>Please return remittance advice(s) with cheque</i>
<i>Please email Wire/EFT payment details to payments@mindengross.com referencing invoice number(s) being paid</i>		
Interac E-transfer Payments: Using Online Banking App or Website		
Payee Name: Minden Gross LLP Email: payments@mindengross.com <i>Please include the invoice number(s) in the e-transfer notes</i>		
<i>For inquiries or copy of invoices, please contact: Payments (416) 369-4328 / E-mail: payments@mindengross.com</i>		

ACCOUNTS DUE WHEN RENDERED ALL AMOUNTS OVERDUE 30 DAYS OR MORE WILL BEAR INTEREST AT THE RATE OF 1.3% PER ANNUM AS PROVIDED FOR IN SECTION 128 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, PURSUANT TO THE SOLICITORS ACT



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
WWW.MINDENGROSS.COM

In Account With
Date 27-Dec-2023
Invoice Number 3029559
GST/HST Reg. # 11943 7556 RT
File Number 4134501

PERSONAL AND CONFIDENTIAL

Pollard & Associates Inc.
31 Wright Street
Richmond Hill, ON L4C 4A2
Attn: Angela K. Pollard

RE: Receivership of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc

For professional services:

	Currency: CAD
Our Fees	2,175.00
GST/HST:	282.75
Total Fees and GST/HST:	<hr/> 2,457.75
Total Amount Due	<hr/> \$2,457.75 <hr/>



Invoice Date: 27-Dec-2023
Invoice Number: 3029559
Matter Number: 4134501

Time Detail

<u>Date</u>	<u>Name</u>	<u>Description</u>
11/27/2023	Dunn, Timothy	Consider Consent to Sever issues and correspondence re same; correspondence with counsel for CIBC;
11/28/2023	Dunn, Timothy	Discussion with receiver re severance issues;
11/30/2023	Dunn, Timothy	Discussion with receiver;
12/04/2023	Dunn, Timothy	Discussion with trustee re APA form;
12/06/2023	Dunn, Timothy	Discussion with receiver re potential payout; correspondence re deposit return issues; correspondence with agent/trustee re deposit issues and possible court challenge to APS termination;
12/09/2023	Dunn, Timothy	Correspondence received from counsel for borrowers re potential refinancing;
12/11/2023	Dunn, Timothy	Discussion with trustee re next steps and need agent clause re fee on deal break;
12/12/2023	Dunn, Timothy	Discussion with trustee; discussion re roof repair required on property; prepare agent agreement and correspondence with trustee re same;
12/13/2023	Dunn, Timothy	Consider Agent Agreement;
12/19/2023	Dunn, Timothy	Discussion with trustee re tenant issues and agent agreement;

Timekeeper Summary

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Dunn, Timothy	Partner	2.90	750.00	2,175.00
Total		2.90		\$2,175.00



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
 145 KING STREET WEST, SUITE 2200
 TORONTO, ON, CANADA M5H 4G2
 TEL 416.362.3711 FAX 416.864.9223
 WWW.MINDENGROSS.COM

Pollard & Associates Inc.
 31 Wright Street
 Richmond Hill, ON L4C 4A2
 Attn: Angela K. Pollard

In Account With
 Date 27-Dec-2023
 Invoice Number 3029559
 GST/HST Reg. # 11943 7556 RT
 File Number 4134501

REMITTANCE COPY

Receivership of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Balance Due</u>
<u>Current Invoice</u>		
12/27/2023	3029559	\$2,457.75
Balance Due		\$2,457.75

REMITTANCE ADVICE

<u>Canadian Dollar Wire Payments:</u>	<u>Canadian Dollar EFT Payments:</u>	<u>Cheque Payments:</u>
Royal Bank of Canada 200 Bay Street Toronto, Ontario, M5J 2J2 Bank No: 003 Transit No: 06012 Account No: 060121022276 SWIFT Code: ROYCCAT2 Beneficiary: Minden Gross LLP	Royal Bank of Canada 200 Bay Street Toronto, Ontario, M5J 2J2 Bank No: 003 Transit No: 06012 Account No: 1022276 Beneficiary: Minden Gross LLP	Minden Gross LLP Barristers & Solicitors ACCOUNTS RECEIVABLE 145 King Street West, Suite 2200 Toronto, ON, Canada, M5H 4G2 <i>Please return remittance advice(s) with cheque</i>
<i>Please email Wire/EFT payment details to payments@mindengross.com referencing invoice number(s) being paid</i>		
<u>Interac E-transfer Payments:</u> Using Online Banking App or Website		
Payee Name: Minden Gross LLP Email: payments@mindengross.com <i>Please include the invoice number(s) in the e-transfer notes</i>		
<i>For inquiries or copy of invoices, please contact: Payments (416) 369-4328 / E-mail: payments@mindengross.com</i>		

ACCOUNTS DUE WHEN RENDERED ALL AMOUNTS OVERDUE 30 DAYS OR MORE WILL BEAR INTEREST AT THE RATE OF 1 3% PER ANNUM AS PROVIDED FOR IN SECTION 128 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, PURSUANT TO THE SOLICITORS ACT

This is Exhibit “B” referred to in the Affidavit of Timothy R. Dunn, sworn by
Timothy R. Dunn of the Town of Erin, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
May 16, 2024



A Commissioner for Taking Affidavits

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
Pollard & Associates Inc.
31 Wright Street
Richmond Hill ON L4C 4A2

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

Attention: Ms. Angela Pollard

**RE: Receivership of 33 Hawarden Crescent Inc.
and 35 Hawarden Crescent Inc.**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended February 29, 2024 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 1, 2024	TDunn	0.40	Correspondence and discussion with receiver re counsel for borrowers indicates that the borrowers intend to redeem - no evidence of financing has been provided;
February 1, 2024	TDunn	0.60	Correspondence re broker failure to amend MLS listing narrative to reflect properties for sale; discussion with receiver re same and status of offers; correspondence with re borrower attempts to refinance mortgage debt;
February 1, 2024	TDunn	0.40	Discussion with receiver re offers on properties; termination of original APS between borrowers and pre-receivership purchaser not being recognized by real estate agents;
February 1, 2024	TDunn	0.40	Discussion with receiver re sale process and offers received;
February 1, 2024	TDunn	0.60	Various correspondence with receiver re refusal of real estate agents to recognize termination of APS and potential adverse affect on sale process; requirement to amend MLS system listing to reflect properties for sale and discussion with receiver re severance and

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			next steps with sale;
February 5, 2024	TDunn	0.30	Discussion with receiver and review new revised offers to purchase;
February 5, 2024	TDunn	0.50	Discussion with receiver re analysis of offers received;
February 5, 2024	TDunn	0.40	Discussion with receiver and review offers received;
February 6, 2024	TDunn	0.40	Discussion with receiver re no evidence available that borrowers have the financial ability to repay all indebtedness; meet with counsel for borrowers re redemption issue;
February 6, 2024	TDunn	0.30	Correspondence with receiver and counsel for Vector re position being taken by S. Graff as counsel for borrowers on "right of redemption" and various correspondence re same;
February 6, 2024	TDunn	0.50	Discussion with Alex re logistics for court approval and background to matter; discussion with receiver re approval issues;
February 6, 2024	TDunn	0.20	Correspondence with receiver and counsel for Vector re form of APS;
February 6, 2024	TDunn	0.20	Correspondence with receiver and counsel for Vector re sale agreement executed and court approval to be sought;
February 6, 2024	TDunn	0.70	Correspondence and discussion with receiver re revised offers etc. and review same;
February 7, 2024	TDunn	0.20	Correspondence re case conference;
February 7, 2024	TDunn	0.40	Correspondence with S. Graff re status of Aird and Berlis as counsel after receiving correspondence from another counsel purporting to represent the borrowers; correspondence with counsel for Vector re need for case conference to address redemption issue; various correspondence re same;
February 7, 2024	TDunn	0.50	Attend meeting with receiver, new counsel for borrowers and counsel for second ranking mortgagee to discuss the attempt of the borders to redeem - no evidence of financing

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			provided;
February 7, 2024	TDunn	0.50	Various correspondence and discussions with receiver and counsel for various stakeholders re case conference; consider under use tax issues and discuss with receiver;
February 7, 2024	TDunn	0.40	Correspondence with court, counsel for Vector and receiver re case conference required and logistics of same to settle timetable that will not delay approval hearing and closing; meet with Alex re same and various correspondence for case conference scheduling;
February 8, 2024	TDunn	0.20	Correspondence with A. Teodorescu re case conference issues;
February 9, 2024	AT	1.50	Call with client re service of materials and case conference; discussions with T Dunn re same; emails with counsel for secured creditor re case conference; correspondence with Court and company re same;
February 9, 2024	TDunn	0.30	Correspondence with various parties and receiver re case conference and consider next steps;
February 9, 2024	TDunn	0.40	Correspondence re information required from borrowers and issues for discussion at case conference; discussion with receiver re filing required for under use housing tax issue and consider issues for discussion at case conference;
February 12, 2024	TDunn	0.30	Correspondence with counsel for borrowers and discussion with receiver re case conference;
February 13, 2024	TDunn	0.20	Correspondence with receiver re next steps and correspondence with counsel for borrowers re estimated costs of receivership;
February 13, 2024	TDunn	1.00	Prepare for and attend case conference before Justice Wilton-Siegel with counsel for Vector, borrowers and second mortgagee; discussion with receiver re timetable for delivery of motion material for sale approval;

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 13, 2024	TDunn	0.10	Correspondence with A. Teodorescu re motion material preparation;
February 14, 2024	TDunn	0.10	Consider endorsement of Justice Wilton-Siegel;
February 15, 2024	TDunn	0.20	Meet with receiver re next steps;
February 20, 2024	AT	0.20	Correspondence with T Dunn re redemption and next steps; reviewed correspondence from companies;
February 20, 2024	TDunn	0.20	Correspondence with counsel for Vector re schedule for delivery of motion materials and follow-up email to S. Graff et al re same;
February 20, 2024	TDunn	0.20	Correspondence with S. Graff and O. Hogue re litigation schedule;
February 20, 2024	TDunn	0.10	Correspondence with A. Teodorescu re next steps;
February 20, 2024	TDunn	0.20	Discussion with receiver re report and next steps;
February 20, 2024	TDunn	0.10	Correspondence re other properties for sale in the neighborhood;
February 20, 2024	TDunn	0.20	Discussion with receiver re unoccupied residential property tax issues;
February 20, 2024	TDunn	0.20	Discussion with A. Teodorescu re motion materials for approval of sale;
February 21, 2024	AT	0.30	Correspondence with T Dunn re neighbouring property for sale; reviewed correspondence re AVO motion;
February 22, 2024	AT	2.80	Research re redemption and sale approval; call with T Dunn re schedule and company counsel response; correspondence with client re same; correspondence with student re research assignment on redemption;
February 22, 2024	TDunn	0.10	Follow-up correspondence with O. Hogue re promised material;
February 22, 2024	TDunn	0.40	Correspondence with counsel for borrowers and Vector re schedule for material delivery; correspondence re terminated APS and timing

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-5-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			for receiver report etc;
February 22, 2024	TDunn	0.20	Various correspondence re further deposit delivery and amendment to closing date for sale transaction;
February 23, 2024	AT	3.90	Drafted Notice of Motion; reviewed Receiver's report; Reviewed file from T Dunn; email to T Dunn re same;
February 23, 2024	TDunn	0.40	Correspondence re receiver report and appendices re same; correspondence with receiver re extension of closing date;
February 23, 2024	TDunn	0.10	Correspondence re materials to be served by counsel for borrowers;
February 23, 2024	TDunn	0.10	Correspondence with receiver and M. Oelbaum re confirmation of receipt of second deposit;
February 23, 2024	TDunn	0.20	Correspondence with A. Teodorescu re report revisions and next steps with motion materials;
February 23, 2024	HC	0.30	Conducting title search.
February 25, 2024	GBans	2.30	Research on the right to redeem a mortgage in the context of a receivership application process;
February 26, 2024	AT	0.10	33/35 Hawarden
February 26, 2024	AT	0.50	Call with T Dunn to discuss feedback on report;
February 26, 2024	TDunn	0.70	Consider receiver's draft report; discuss comments received from A. Teodorescu and issues for discussion with receiver; discussion with receiver and consider next steps;
February 26, 2024	TDunn	0.20	Correspondence re comments on report and review draft notice of motion;
February 26, 2024	GBans	6.50	Cont'd research on the right to redeem a mortgage in the context of a receivership application process;
February 27, 2024	AT	1.70	Worked on preparing AVO materials; correspondence with client and T Dunn re same;

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-6-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 27, 2024	TDunn	0.20	Discussion with receiver re revisions to report;
February 27, 2024	TDunn	0.20	Correspondence with receiver re redemption issue;
February 27, 2024	TDunn	0.10	Correspondence with A. Teodorescu re next steps;
February 27, 2024	GBans	4.40	Draft research memo on the right to redemption in the context of a receivership application process;
February 28, 2024	AT	3.40	Drafted materials for approval and vesting motion; correspondence with T Dunn and client re same;
February 28, 2024	GBans	2.70	Revise redemption research memo, summarize cases to distinguish which cases have court approved sales process, and create chart;
February 29, 2024	AT	0.90	2024-02-28 - First Report (AT Comments)
February 29, 2024	AT	0.10	RE: 33 & 35 Hawarden
February 29, 2024	AT	5.90	Revisions to Receiver's Report; drafted and revised AVO; drafted and revised Ancillary Order; revisions to Notice of Motion; discussions with client and T Dunn re same; drafted Service List; instructions to assistant re service; reviewed PPSA searches; reviewed parcel registers; emails with Gowling and counsel for purchaser re AVO materials;
February 29, 2024	AT	0.10	2024-02-29 - AVO
February 29, 2024	AT	0.20	2024-02-28 - First Report (AT Comments)
February 29, 2024	AT	0.10	2024-02-29 - Ancillary Order
February 29, 2024	AT	0.10	RE: 33/35 Hawarden
February 29, 2024	TDunn	0.50	Consider draft materials; research on redemption issues and revisions to report;
February 29, 2024	TDunn	0.40	Discussion with A. Teodorescu re AVO and revisions to motion materials; creation of service list and consider scope of relief to be sought and form of ancillary order;

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-7-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 29, 2024	TDunn	0.10	Consider draft Ancillary Order;
February 29, 2024	APoir	0.40	Receipt, review and respond to email from A. Teodorescu; obtain copies of PPSA reports and provide copies of same to A. Teodorescu;

OUR FEE HEREIN:	\$26,330.00
FEE HST:	\$3,422.90

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Alexandra Teodorescu	Partner	21.80	\$515.00	\$11,227.00
Timothy R. Dunn	Partner	15.80	\$850.00	\$13,430.00
Hiuy Chan	Clerk	0.30	\$310.00	\$93.00
Amanda Poirier	Clerk	0.40	\$200.00	\$80.00
Gurwinder Bansal	Student	15.90	\$185.00	\$2,941.50

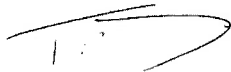
<u>Disbursements</u>	<u>Amount</u>
Filing Fees* - Non-Taxable	\$24.00
Computer Searches - R.E. (Teraview) * -	\$22.15
Cyberbahn Agent Service Fee	\$50.90
Computer Searches - R.E. (Teraview)	\$37.65

TOTAL DISBURSEMENTS:	\$134.70
*HST is not charged	
DISBURSEMENT HST:	<u>\$11.51</u>

TOTAL FEES AND DISBURSEMENTS:	\$26,464.70
TOTAL HST:	<u>\$3,434.41</u>

TOTAL AMOUNT DUE:	<u>\$29,899.11</u>
-------------------	--------------------

BLANEY McMURTRY LLP



Timothy R. Dunn
E. & O.E

Date
February 29, 2024

Invoice No.
789228

File No.
205620-0001

-8-

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

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number is quoted on all forms of payment.**
Contact email clientservices@blaney.com

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
Pollard & Associates Inc.
31 Wright Street
Richmond Hill ON L4C 4A2

Date
April 30, 2024

Invoice No.
792760

File No.
205620-0001

Attention: Ms. Angela Pollard

**RE: Receivership of 33 Hawarden Crescent Inc.
and 35 Hawarden Crescent Inc.**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended April 30, 2024 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 29, 2024	AT	0.10	2024-02-29 - AVO
February 29, 2024	AT	0.20	2024-02-28 - First Report (AT Comments)
February 29, 2024	AT	0.10	2024-02-29 - Ancillary Order
February 29, 2024	AT	0.10	RE: 33/35 Hawarden
February 29, 2024	AT	0.10	2024-02-29 - AVO
February 29, 2024	AT	0.20	2024-02-28 - First Report (AT Comments)
February 29, 2024	AT	0.10	2024-02-29 - Ancillary Order
February 29, 2024	AT	0.10	RE: 33/35 Hawarden
March 1, 2024	AT	1.00	2024-03-01 - Blackline AVO against Model Order
March 1, 2024	AT	0.70	2024-03-01 - Motion Record Cover and Index
March 1, 2024	AT	0.10	Court File No: CV-23-00704623-00CL - Vector Financial Services Limited v. 33 Hawarden Crescent Inc. et al
March 1, 2024	AT	0.10	33/35 Hawarden
March 1, 2024	AT	0.10	2024-02-29 - Service List

Date
April 30, 2024

Invoice No.
792760

File No.
205620-0001

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 1, 2024	AT	0.10	RE: 33/35 Hawarden
March 1, 2024	AT	0.70	Worked on prepared motion materials; instructions to assistant re same;
March 1, 2024	TDunn	0.40	Consider revisions to court documents; discussion with receiver re same;
March 1, 2024	TDunn	0.10	Correspondence with counsel for borrowers re late filing of borrower materials;
March 1, 2024	TDunn	0.30	Correspondence with counsel for Vector re distribution timing and discussion with receiver re same;
March 1, 2024	TDunn	0.20	Discussion with A. Teodorescu re sealing protocol and outstanding issues;
March 1, 2024	TDunn	0.20	Various correspondence with counsel for purchaser, Vector re service of receiver's motion materials and need materials from purchaser;
March 1, 2024	HC	0.40	Reviewed documents.
March 4, 2024	AT	1.80	Call with client re revised motion record; revisions to motion record and service list; research re redemption case; service of revised motion record;
March 4, 2024	TDunn	0.20	Correspondence with receiver and A. Teodorescu re service issues;
March 4, 2024	TDunn	0.10	Correspondence with counsel for borrower re timing for his delayed service of material;
March 4, 2024	TDunn	0.10	Correspondence re redacted APS;
March 4, 2024	TDunn	0.10	Correspondence with receiver re service list additions etc;
March 4, 2024	GBans	1.40	Research on redemption;
March 5, 2024	AT	0.30	Correspondence re scheduling distribution motion;
March 6, 2024	AT	0.80	Correspondence with Gowlings re distribution motion scheduling; call with client re same; instructions to assistant re same; instructions to I Ferraira re factum;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 6, 2024	IFerr	0.60	Reviewing motion materials re: vesting order; begin preparing factum;
March 6, 2024	TDunn	0.40	Discussion with A. Teodorescu re distribution motion; discussion with receiver re same;
March 6, 2024	TDunn	0.10	Correspondence with counsel for Vector re approval and timing for distribution;
March 6, 2024	TDunn	0.10	Correspondence with receiver re distribution timing if no materials filed by borrowers counsel by March 8;
March 6, 2024	TDunn	0.20	Various correspondence re Vector and timing for distribution motion;
March 6, 2024	TDunn	0.20	Discussion with receiver re outstanding issues;
March 7, 2024	AT	0.30	Correspondence with client re scheduling distribution motion; correspondence with T Dunn re same;
March 7, 2024	IFerr	3.20	Continue reviewing motion materials and first report of receiver; drafting factum;
March 7, 2024	TDunn	0.70	Various correspondence and consider motion record of borrowers re redemption request;
March 7, 2024	TDunn	0.40	Various correspondence with receiver and discussion re response to motion materials filed by borrower re redemption;
March 8, 2024	JMW	0.20	Review correspondence from Tim Dunn
March 8, 2024	AT	0.80	Correspondence with Court re scheduling of distribution motion; reviewed motion record of respondents; call with client re same;
March 8, 2024	IFerr	2.10	Continue drafting factum; call with A. Teodorescu re: draft factum;
March 8, 2024	TDunn	0.10	Correspondence re court confirmation of distribution motion date before Justice Steele;
March 8, 2024	TDunn	0.10	Correspondence with receiver re fee accruals;
March 8, 2024	TDunn	0.20	Correspondence with counsel for Vector re response to borrower's redemption motion;
March 8, 2024	TDunn	0.20	Discussion with receiver re Supplementary Report;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 8, 2024	TDunn	0.20	Correspondence re closing logistics of real property sale;
March 8, 2024	TDunn	0.10	Correspondence with receiver re fees accrued to date;
March 10, 2024	AT	2.50	Worked on factum for motion; email to client re Caselines;
March 11, 2024	AT	4.20	2024-03-11 - Supp Report (AT Comments)
March 11, 2024	AT	1.00	Supplementary report to the first report - draft - 3838109
March 11, 2024	AT	2.40	Correspondence with Court re attendance and sealed materials; correspondence with Vector re attendance; worked on supplementary report with client; worked on factum; correspondence with T Dunn and client re same;
March 11, 2024	TDunn	0.20	Discussion with A. Teodorescu re Hogue motion for redemption and receiver's Supplementary Report;
March 11, 2024	TDunn	0.30	Discussion with receiver re Supplementary Report and correspondence re same;
March 11, 2024	TDunn	0.20	Correspondence with counsel for Vector re conflict with Justice Steele being assigned to hear motion;
March 11, 2024	TDunn	0.40	Discussion with receiver re next steps; correspondence with counsel for Vector;
March 11, 2024	TDunn	0.20	Correspondence with receiver re service issues;
March 11, 2024	TDunn	0.50	Review responding Motion Record of borrowers and discussion with receiver re same;
March 11, 2024	TDunn	0.10	Correspondence with A. Teodorescu re Supplementary Report filing;
March 11, 2024	TDunn	0.30	Discussion with receiver re proposed form of order for AVO effective on March 25 unless repayment;
March 12, 2024	AT	0.10	2024-03-11 - Responding Motion Record

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Cover and Index
March 12, 2024	AT	10.40	2024-03-12 - Factum notes on cases
March 12, 2024	IFerr	2.20	Reviewing factum and preparing citations and hyperlinks; preparing Schedules A and B to factum;
March 12, 2024	TDunn	0.30	Discussion with receiver re approach by second mortgagee to offer \$50k more than accepted offer and receiver response that integrity of process must be maintained;
March 12, 2024	TDunn	0.20	Discussion with counsel for Vector re position on materials filed by borrowers;
March 12, 2024	TDunn	0.10	Telephone call to T. Gertner;
March 12, 2024	TDunn	0.20	Correspondence re filing of confidential exhibits with the court;
March 12, 2024	TDunn	0.20	Correspondence with receiver re counsel for purchaser will be attending sale approval motion and filing material;
March 12, 2024	TDunn	0.50	Review case law;
March 12, 2024	TDunn	1.20	Review and revise Factum; consider Respondents Responding Motion Record;
March 12, 2024	TDunn	0.40	Receive and review Affidavit of J. Gottesman and associated exhibits and consider issues for raising at motion; correspondence with receiver re same;
March 12, 2024	TDunn	0.10	Meet with J. Warren re outstanding property taxes and next steps with sale;
March 12, 2024	GBans	6.40	Review factum and research to draft section B of factum;
March 13, 2024	AT	6.30	Revisions to factum per T Dunn comments; discussions with T Dunn and client re factum; correspondence with S Kind; meeting with T Dunn to prepare for motion; finalized and served factum;
March 13, 2024	TDunn	0.70	Revise Factum and consider case authorities; correspondence with receiver re extension of closing date to March 26, 2024;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 13, 2024	TDunn	0.10	Correspondence from counsel for 2nd mortgagee re client prepared to subordinate to proposed new mortgagees to assist borrowers with their refinancing plans;
March 13, 2024	TDunn	0.10	Correspondence with receiver re position of second mortgagee;
March 13, 2024	TDunn	0.60	Review and revise Factum; Review court materials;
March 13, 2024	TDunn	0.80	Meet with A. Teodorescu to review and revise materials and review relevant case law in support of motion;
March 14, 2024	AT	10.10	Correspondence with S Kind re motion; correspondence with C Prophet re confidential appendices; prepared for motion; reviewed all court materials; meeting and discussions with T Dunn re preparation for motion; correspondence with S Graff re adjournment request; correspondence with client re same; ran corporate searches on financing entities from respondents; prepared additional materials for receiver;
March 14, 2024	TDunn	0.10	Correspondence with counsel for Vector;
March 14, 2024	TDunn	0.30	Various correspondence with counsel for borrowers, Vector and receiver re adjournment request and opposition by receiver and Vector to same;
March 14, 2024	TDunn	0.20	Discussion with receiver re opposition to adjournment request and next steps;
March 14, 2024	TDunn	0.60	Discussion with counsel for Vector, borrowers re proposed adjournment and position of parties re same; discussion with A. Teodorescu re corporate profile re KPMAN and impending dissolution;
March 14, 2024	TDunn	0.20	Correspondence with counsel for borrowers re formal request for redemption;
March 14, 2024	TDunn	3.20	Prepare for motion to approve sale and vest property and opposition to motion of borrowers to permit redemption; various correspondence re Second Supplementary Report of receiver

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 14, 2024	JK	0.20	and prepare for contested adjournment; Conducted Federal and Ontario Corporate searches on KPMAN Enterprises Inc.; conducted Corporate search on Doji Construction Services Inc.;
March 15, 2024	AT	5.30	Prepared for and argued redemption and approval motion; reviewed materials filed by respondents;
March 15, 2024	TDunn	4.50	Prepare for and attend motion for approval of sale transaction and vesting of property and oppose motion by borrowers to redeem vector mortgage;
March 18, 2024	AT	0.10	Reviewed email to J Warren re sale;
March 18, 2024	TDunn	0.10	Correspondence with J. Warren re update on sale approval motion and next steps;
March 19, 2024	JMW	0.10	Review correspondence from Timothy Dunn
March 19, 2024	AT	0.50	Reviewed decision; discussions with T Dunn re same;
March 19, 2024	TDunn	0.50	Consider decision of Justice Black re AVO; discussion with receiver re same;
March 19, 2024	TDunn	0.30	Discussion with receiver re potential appeal and ramifications of same;
March 19, 2024	TDunn	0.20	Correspondence with receiver re closing date for sale transaction and appeal period issue;
March 19, 2024	TDunn	0.30	Discussion with receiver re timing for closing given potential appeal and correspondence with counsel for purchaser;
March 19, 2024	TDunn	0.30	Correspondence re purchase transaction and issuance of orders in accordance with endorsement of Black J;
March 19, 2024	TDunn	0.10	Correspondence with counsel for purchaser;
March 20, 2024	AT	0.70	Revised Orders; email to all counsel re Orders; calls with T Dunn re same; instructions to assistant re taking out Orders;
March 21, 2024	AT	0.40	Attending to filing of Orders;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 21, 2024	TDunn	0.40	Correspondence re orders to be issued; Discussion with receiver re borrower indicating that funds are now available to redeem; correspondence re same;
March 22, 2024	AT	0.10	Email to Court re Orders;
March 22, 2024	TDunn	0.10	Discussion re Orders are with Justice Black for issuance;
March 25, 2024	JMW	0.10	Review correspondence from Alexandra Teodorescu
March 25, 2024	AT	1.40	Correspondence re filing confidential materials; reviewed Notice of Appeal; discussions with T Dunn re same; correspondence with Court and other parties re distribution motion; instructions to student re research on motion to quash and/or expedite appeal;
March 25, 2024	TDunn	0.20	Correspondence re court date for distribution motion ; correspondence with court re confidential appendices;
March 25, 2024	TDunn	0.30	Discussion with receiver re distribution timing; various correspondence re same and with counsel for Vector;
March 25, 2024	TDunn	0.50	Consider Notice of Appeal and correspondence re same; discussions re options available to the receiver;
March 25, 2024	TDunn	0.20	Consider motion to quash appeal and expedite hearing;
March 25, 2024	NdAma	2.70	Research on appeal rights for Approval and Vesting Orders and Motion to Quash;
March 26, 2024	AT	2.70	Correspondence with Court re matter cannot proceed before Justice Steele; emails re scheduling of April 12th attendance; reviewed research re motion to quash appeal; instructions re Order taken out from Court; research re how to proceed to deal with appeal from AVO; email to T Dunn re same;
March 26, 2024	TDunn	0.30	Correspondence with counsel for 2nd mortgagee re appeal has delayed closing of purchased transaction; correspondence re

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 26, 2024	TDunn	0.30	filling of confidential appendices; Correspondence with receiver re option of bringing motion to quash appeal and expedite hearing; Discussion with receiver re same;
March 26, 2024	TDunn	0.20	Discussion with receiver re position of Vector on appeal options;
March 26, 2024	TDunn	0.60	Consider test for opposing leave to appeal and quashing of appeal and consider case law re same and options for receiver and meet with A. Teodorescu re strategy;
March 26, 2024	TDunn	0.20	Correspondence with counsel for borrowers re Certificate Respecting Evidence and correspondence with receiver re same;
March 27, 2024	AT	1.60	Call with discuss ways of dealing with appeal; follow up on research for appeal; drafted email to T Dunn and client re options for discussion; email to T Gertner re same; reviewed case provided by T Gertner;
March 27, 2024	TDunn	0.20	Correspondence with counsel for Vector and receiver re potential options to respond to appeal by borrowers;
March 27, 2024	TDunn	0.70	Consider case law re appeal response options; prepare for and attend meeting with receiver and A. Teodorescu re same
March 27, 2024	TDunn	0.10	Consider timing for expedited appeal with Court of Appeal;
March 28, 2024	AT	0.90	Call with Vector's counsel re next steps in appeal route; email to T Gertner re same;
March 28, 2024	TDunn	0.10	Correspondence with counsel for Vector and receiver re issues flowing from appeal;
March 28, 2024	TDunn	0.60	Prepare for and meet with receiver and counsel for Vector re appeal issues and subsequent meet with receiver re next steps in receivership;
March 28, 2024	TDunn	0.40	Various and multiple correspondence with receiver and counsel for Vector re leave to appeal issue; options available to receiver and issue of whether purchaser will extend the time

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			to close;
March 28, 2024	TDunn	0.20	Correspondence with counsel for purchaser;
March 28, 2024	TDunn	0.20	Correspondence re potential motion for directions and to expedite appeal;
April 1, 2024	AT	0.10	Reviewed emails from T Dunn to T Gertner re costs of motion for directions;
April 1, 2024	TDunn	0.20	Discussion with A. Teodorescu and receiver re potential cost of motion for directions etc;
April 1, 2024	TDunn	0.10	Telephone call to S. Kind, counsel for purchaser;
April 1, 2024	TDunn	0.20	Discussion with receiver re motion for directions and scheduling and costs motion issues;
April 1, 2024	TDunn	0.10	Correspondence with counsel for Vector re motion for directions and receiver's position on case conference to discuss costs with Justice Black;;
April 1, 2024	TDunn	0.20	Correspondence with counsel for Vector re status of refinancing efforts and discussion with receiver re status of easement issues;
April 2, 2024	TDunn	0.20	Discussion with counsel for purchaser re appeal issues;
April 2, 2024	TDunn	0.20	Discussion with receiver re extension of purchase agreement closing date;
April 3, 2024	AT	0.20	Reviewed correspondence from client and purchaser re APS;
April 3, 2024	TDunn	0.10	Correspondence re extension of closing date to April 12, 2024;
April 3, 2024	TDunn	0.10	Correspondence with counsel for purchaser re closing date extension;
April 5, 2024	AT	0.10	Email correspondence with client, counsel for Vector and T Dunn re vacating court date;
April 5, 2024	TDunn	0.20	Discussion with counsel for Vector re next steps and whether reserved time on April 12 can be used or released;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 5, 2024	TDunn	0.20	Discussion with receiver re follow-up with counsel for borrowers on refinancing status;
April 5, 2024	TDunn	0.20	Correspondence with counsel for Vector re vacating court time on April 10;
April 8, 2024	TDunn	0.30	Various correspondence re counsel for borrower has advised that redemption is imminent and correspondence with counsel for Vector re same;
April 8, 2024	TDunn	0.30	Discussion with receiver re potential steps to redeem;
April 8, 2024	TDunn	0.40	Discussion with A. Teodorescu re vacating time; Attend meeting with receiver. counsel for Vector re status of redemption; Correspondence re motion to expedite appeal;
April 8, 2024	TDunn	0.20	Discussion with receiver re same;
April 8, 2024	TDunn	0.10	Correspondence with S. Overgaard;
April 9, 2024	AT	0.30	Call with T Dunn re update from call with Gowlings; email to T Gertner re call;
April 9, 2024	TDunn	0.50	Discussion with counsel for borrower re extension of time to close purchase agreement and next steps; discussion re motion to expedite appeal and costs etc;
April 10, 2024	AT	0.50	Call with T Gertner; email to T Dunn; call with T Dunn re next steps;
April 10, 2024	TDunn	0.20	Consider relief to be sought from Court of Appeal and consider strategy and timing;
April 10, 2024	TDunn	0.20	Discussion with A. Teodorescu re relief to be sought from Court of Appeal;
April 12, 2024	TDunn	0.20	Correspondence with counsel for Vector re position of Vector on redemption and motion to expedite appeal;
April 12, 2024	TDunn	0.10	Correspondence with counsel for purchaser re extension of closing date to April 26, 2024;
April 15, 2024	AT	0.10	Call with T Dunn re materials to expedite appeal;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 15, 2024	TDunn	0.40	Correspondence with receiver re subsection 246(2) report; discussion with receiver re court of appeal issues;
April 15, 2024	TDunn	0.10	Correspondence with receiver;
April 15, 2024	TDunn	0.10	Correspondence re court of appeal motion to expedite;
April 15, 2024	TDunn	0.30	Discussion with A. Teodorescu re timing for court of appeal motion and next steps;
April 17, 2024	TDunn	0.20	Discussion with receiver re next steps;
April 18, 2024	AT	0.10	Reviewed email from T Dunn to J Warren re closing of transaction;
April 18, 2024	TDunn	0.20	Discussion with receiver re concerns of second mortgagee and next steps;
April 18, 2024	TDunn	0.60	Correspondence with counsel for Vector re appeal process and timing and correspondence re next steps; consider case law re expedited appeals
April 19, 2024	AT	0.20	Correspondence with T Dunn re next steps;
April 19, 2024	TDunn	0.60	Consider strategy; discussion with A., Teodorescu re court of appeal relief to be sought and map out next steps;
April 23, 2024	JP	0.30	Conference with A. Teodorescu regarding procedure for seeking to oppose respondents' appeal;
April 23, 2024	AT	2.80	Drafted receiver's report for appeal motion; email to T Dunn re perfecting appeal;
April 23, 2024	TDunn	0.10	Correspondence from court re signed AVO and Ancillary Order;
April 23, 2024	TDunn	0.20	Correspondence with receiver re perfection of appeal issue;
April 23, 2024	TDunn	0.50	Meet with A. Teodorescu re strategy and structure of motion and discussion with receiver re next steps;
April 23, 2024	TDunn	0.20	Discussion with receiver re extension of closing date required and next steps;

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 24, 2024	AT	2.80	Drafted Receiver report for motion before the Court of Appeal; correspondence with T Gertner re report and evidence of delay; call with T Dunn and client re revisions to report and evidence of delay; revisions to report re correspondence from client to debtors;
April 24, 2024	TDunn	0.20	Correspondence with counsel for Vector re appeal process;
April 24, 2024	TDunn	0.20	Correspondence re status of financing and consider court of appeal rules;
April 24, 2024	TDunn	0.40	Consider and revise draft of Second Report of Receiver;
April 24, 2024	TDunn	2.10	Meet with A. Teodorescu re revisions to report, consider strategy and subsequently discussion with receiver re strategy and next steps and consider case law for appeal process;
April 25, 2024	AT	4.50	Drafted report; correspondence with client and counsel for Vector re same; research re factum for application of s. 193, cancelling stay and leave requirement; drafted factum; correspondence with T Dunn re same;
April 25, 2024	TDunn	0.20	Correspondence with counsel for Vector re appeal materials and consider timing for filing;
April 25, 2024	TDunn	0.80	Discussion with A. Teodorescu re framing of appeal motion; review revised report; meet with counsel for Vector re appeal approach and next steps;
April 25, 2024	TDunn	0.20	Consider approach to appeal and review case law;
April 25, 2024	TDunn	0.20	Correspondence with receiver and counsel for purchaser re extension of closing date to May 13;
April 25, 2024	TDunn	0.20	Correspondence with receiver and A. Teodorescu re comments on court materials;
April 26, 2024	AT	4.20	Drafted materials for COA motion; research re same;
April 26, 2024	TDunn	0.20	Correspondence with receiver and A.

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Teodorescu;
April 26, 2024	TDunn	0.50	Correspondence with receiver re communication from counsel for borrowers re financing transaction and discussion with receiver re same;
April 26, 2024	TDunn	0.30	Discussion with A. Teodorescu re factum and case law and consider court materials;
April 28, 2024	AT	2.50	Worked on factum for motion;
April 29, 2024	AT	7.70	Revisions to Receiver's report; research re court of appeal factum; drafted factum; instructions to students re additional research;
April 29, 2024	TDunn	0.10	Correspondence with counsel for Vector re no further negotiation with borrower without evidence of refinancing occurring;
April 29, 2024	TDunn	0.20	Discussion with receiver re next steps;
April 29, 2024	TDunn	0.20	Discussion with A. Teodorescu re Factum preparation;
April 29, 2024	TDunn	0.20	Correspondence re litigation schedule for inclusion in court of appeal materials;
April 29, 2024	TDunn	0.50	Consider and revise Second Report of Receiver and correspondence re same;
April 29, 2024	TDunn	0.20	Correspondence with receiver and consider comments on second report in connection with developments on severance application analysis;
April 29, 2024	TDunn	0.20	Correspondence with receiver and A. Teodorescu re amendments to second report;
April 29, 2024	NdAma	0.90	Research on dismissing an appeal for delay. Sent to A. Teodorescu;
April 30, 2024	JP	0.10	Conference with T. Dunn and A. Teodorescu regarding strategy in moving forward with the sale in light of debtor's failure to properly commence or perfect appeal;
April 30, 2024	AT	2.40	Revisions to report per client and T Dunn comments; call with COA re motion; correspondence with T Dunn, client, and counsel for Vector re next steps; reviewed

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
April 30, 2024	TDunn	0.20	case law re timing for appeals; reviewed case law from student on when redemption rights crystallize;
April 30, 2024	TDunn	0.20	Correspondence with counsel for Vector re timing of service of materials to court of appeal;
April 30, 2024	TDunn	0.50	Discussion with A. Teodorescu re procedural errors by appellants and various correspondence with receiver and counsel for Vector re ramifications of same;
April 30, 2024	TDunn	0.40	Discussion with receiver re approach with court of appeal and next steps; correspondence with counsel for Vector and receiver re same;
April 30, 2024	TDunn	0.40	Attend meeting with receiver, counsel for Vector and A. Teodorescu re appeal issues and consider changes to second report;
April 30, 2024	TDunn	0.10	Correspondence with receiver re final comments on second report;
April 30, 2024	TDunn	0.30	Prepare correspondence to counsel for borrowers re defects in appeal filing and correspondence with counsel for Vector re same;
April 30, 2024	TDunn	0.20	Discussion with receiver re next steps given errors made by appellants in appeal process;
April 30, 2024	TDunn	0.20	Correspondence with counsel for borrowers re incorrect procedure followed in appeal process which resulted in no valid appeal existing;

OUR FEE HEREIN:
FEE HST:

\$90,196.50
\$11,725.55

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John Polyzogopoulos	Partner	0.40	\$725.00	\$290.00
Jeffrey M. Warren	Partner	0.40	\$620.00	\$248.00
Alexandra Teodorescu	Partner	87.00	\$515.00	\$44,805.00
Timothy R. Dunn	Partner	46.50	\$850.00	\$39,525.00
John Kroupis	Clerk	0.20	\$290.00	\$58.00
Hiuy Chan	Clerk	0.40	\$310.00	\$124.00
Gurwinder Bansal	Student	7.80	\$185.00	\$1,443.00

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<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Nadav Amar	Student	3.60	\$185.00	\$666.00
Ines Ferreira	Departed	8.10	\$375.00	\$3,037.50

<u>Disbursements</u>	<u>Amount</u>
Filing Fees* - Non-Taxable	\$355.00
Cyberbahn Agent Service Fee	\$28.80
Photocopying	\$862.05
Binding and Tab Charges	\$138.22
Filing Fees - Litigation Support Vendor	\$65.00

TOTAL DISBURSEMENTS: \$1,449.07

*HST is not charged

DISBURSEMENT HST: \$142.23

TOTAL FEES AND DISBURSEMENTS: \$91,645.57

TOTAL HST: \$11,867.78

TOTAL AMOUNT DUE: \$103,513.35

BLANEY McMURTRY LLP



Timothy R. Dunn
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

We accept payment by cheque, Wire, VISA, Mastercard and AMEX.
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**Please ensure our invoice number, account number and/or file
number is quoted on all forms of payment.**
Contact email clientservices@blaney.com.

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HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
Pollard & Associates Inc.
31 Wright Street
Richmond Hill ON L4C 4A2

Date
May 15, 2024

Invoice No.
794575

File No.
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Attention: Ms. Angela Pollard

**RE: Receivership of 33 Hawarden Crescent Inc.
and 35 Hawarden Crescent Inc.**

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended May 15, 2024 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 1, 2024	TDunn	0.20	Discussion with receiver re next steps;
May 2, 2024	AT	0.60	Call with T Gertner re update on refinancing and next steps; correspondence with T Dunn and client re same;
May 2, 2024	TDunn	0.20	Correspondence with counsel for Vector re settlement discussions;
May 2, 2024	TDunn	0.20	Discussion with receiver;
May 2, 2024	TDunn	0.40	Discussion with counsel for Vector and A. Teodorescu re potential terms of settlement with borrowers and next steps and correspondence with receiver re same;
May 2, 2024	TDunn	0.30	Discussion with receiver re concerns with motion to terminate receivership;
May 2, 2024	TDunn	0.20	Discussion with receiver re next steps;
May 3, 2024	TDunn	0.20	Correspondence with the receiver re next steps with appeal and sale transaction if settlement between Vector and borrowers is not completed;
May 3, 2024	TDunn	0.20	Discussion with receiver re outstanding issues;

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May 15, 2024

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 3, 2024	TDunn	0.10	Correspondence with receiver re payout issues;
May 3, 2024	TDunn	0.10	Correspondence with counsel for Vector re tax position;
May 3, 2024	TDunn	0.10	Correspondence with receiver re property tax arrears;
May 3, 2024	TDunn	0.20	Correspondence with counsel for Vector re framework for a potential settlement and proposed next steps and correspondence with J. Warren re same;
May 3, 2024	TDunn	0.30	Discussion with receiver re settlement issues and concern with obligations of receiver;
May 3, 2024	TDunn	0.10	Correspondence re agent agreement;
May 6, 2024	AT	0.20	Call with T Dunn re update and next steps;
May 6, 2024	TDunn	0.20	Discussion with A. Teodorescu re factum and outstanding issues with court materials;
May 6, 2024	TDunn	0.20	Correspondence with receiver and discussion re next steps;
May 6, 2024	TDunn	0.10	Correspondence from counsel for Vector re property tax issues;
May 6, 2024	TDunn	0.30	Discussion with receiver re receiver's certificates, next steps with borrowers;
May 7, 2024	AT	4.00	Worked on factum for Court of Appeal motion to get it ready for service if required; instructions to assistant re compiling motion record for service; discussions with T Dunn re next steps; reviewed emails from counsel for Vector re settlement;
May 7, 2024	TDunn	0.10	Correspondence with receiver re receiver certificates;
May 7, 2024	TDunn	0.20	Correspondence with counsel for Vector;
May 7, 2024	TDunn	0.10	Correspondence from A. Teodorescu;
May 7, 2024	TDunn	0.10	Correspondence with counsel for Vector re follow-up on potential settlement;
May 7, 2024	TDunn	0.20	Various correspondence with counsel for

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Vector, receiver and A. Teodorescu re confirmation that settlement deal is "dead" and Vector supports the receiver in finalizing the property sale transaction;
May 7, 2024	TDunn	0.50	Consider revised factum and correspondence re same;
May 8, 2024	JMW	2.70	Review agreement of purchase and sale; review approval and vesting order; draft closing agenda; review various correspondence from solicitor for purchaser; draft correspondence to solicitor for purchaser
May 8, 2024	AT	0.70	Call with client and T Dunn re closing of APS and next steps; correspondence with Court re scheduling for distribution motion;
May 8, 2024	TDunn	0.20	Various correspondence re closing documents;
May 8, 2024	TDunn	0.30	Correspondence with receiver and A. Teodorescu re next steps with sale transaction and motion for discharge and distribution and consider outstanding issues;
May 8, 2024	TDunn	0.40	Meet with receiver and A. Teodorescu re discharge and distribution motion timing and consider outstanding issues;
May 8, 2024	TDunn	0.10	Correspondence with J. Warren re closing of sale transaction;
May 8, 2024	TDunn	0.20	Correspondence with receiver and consider closing issues;
May 8, 2024	TDunn	0.10	Correspondence with counsel for Vector re sale transaction timing and court availability for distribution and discharge;
May 8, 2024	TDunn	0.50	Discussion with J. Warren re background to property sale and correspondence re property taxes and correspondence w with counsel for purchaser re allocation issues;
May 8, 2024	JK	0.20	Verified corporate names and conducted PPSA searches against 33 Hawarden Crescent Inc. and on 35 Hawarden Crescent Inc.;
May 8, 2024	AS	0.50	Preparing draft Statement of Adjustments;

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May 15, 2024

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 8, 2024	AS	0.30	Obtaining updated parcel registers, copies of instruments; Attending to execution search; Preparing draft Application for Vesting Order for each property;
May 8, 2024	IClou	0.10	Ordered Tax and Utility Certificates for the Properties from the City of Toronto.
May 9, 2024	JMW	2.60	Continue to draft closing agenda; draft correspondence to Mona Taylor regarding HST issues; telephone conference with Mona Taylor regarding same; provide clerk instructions to draft closing documents; review closing documents
May 9, 2024	TDunn	0.20	Discussion with receiver re closing logistics and HST issues;
May 9, 2024	TDunn	0.20	Discussion with receiver re closing logistics and HST exemption issues;
May 9, 2024	TDunn	0.20	Correspondence re HST issues and input tax credits;
May 9, 2024	TDunn	0.30	Various correspondence with receiver, J. Warren, counsel for the purchaser and S. Doobay re HST and other closing issues;
May 9, 2024	TDunn	0.20	Discussion with S. Kind re closing issues;
May 9, 2024	AS	0.10	Revising draft Applications for Vesting Order;
May 9, 2024	AS	1.50	Preparing draft closing documents;
May 9, 2024	IClou	0.20	Reviewed Tax and Water Certificates received from the City of Toronto.
May 10, 2024	JMW	0.80	Review various correspondence from Sarit Kind; draft various correspondence to Sari Kind regarding transfer of properties; Draft correspondence to client regarding same; review reply to same
May 10, 2024	AT	0.80	Reviewed emails with client and purchaser re closing sale and revisions to APS; correspondence with Court re amended AVO; correspondence with T Dunn re same;
May 10, 2024	TDunn	0.20	Correspondence re title registration issues and

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			options available to purchaser;
May 10, 2024	TDunn	0.40	Various correspondence re title issues, postponement of closing request and discussion with receiver re same;
May 10, 2024	TDunn	0.30	Discussion with receiver and correspondence re potential amendment to the AVO to permit conveyance to separate entities;
May 10, 2024	TDunn	0.20	Correspondence with court and receiver re amendment to AVO;
May 10, 2024	TDunn	0.20	Correspondence from counsel for borrowers re new proposal for Vector to reduce debt amount and correspondence with receiver re same;
May 10, 2024	TDunn	0.30	Discussion with receiver re next steps;
May 10, 2024	JK	0.20	Conducted Corporate searches on 1000889809 Ontario Inc. and on 1000889835 Ontario Inc.;
May 10, 2024	AS	0.60	Preparing balance of Purchaser's documents; Revising Vendor's documents;
May 10, 2024	AS	0.20	Revising draft Applications for Vesting Order with directed owner entities; Submitting pre-approval request;
May 13, 2024	JMW	3.90	Review and revise closing documents
May 13, 2024	AT	1.20	Revised AVO; correspondence with Court, T Dunn, J Warren and client re closing and revised AVO; reviewed emails from debtor re refinancing; reviewed emails with purchaser re closing;
May 13, 2024	AS	0.50	Revising balance of draft sale documents;
May 13, 2024	AS	0.20	Revising draft Vendor's documents noting Purchasers' entities;
May 14, 2024	MRT	2.80	Various discussion with J. Warren regarding claiming ITC's in respect of the sale expenses; commenced drafting summary email to J. warren; additional conversation with J. Warren regarding the making of s. 167 election; drafting email to J. Warren regarding the making of a s. 167 election

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May 15, 2024

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<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 14, 2024	JMW	1.20	Review various correspondence from solicitor for purchaser; draft various correspondence to solicitor for purchaser; Review various correspondence from client; draft various correspondence to client; review executed documents
May 14, 2024	AT	2.70	Reviewed Second and Final Receiver's report; drafted motion for distribution and discharge; correspondence with client and T Dunn re same; reviewed correspondence re closing of APS;
May 14, 2024	AS	1.50	Attending to closing day matters; Revising sale documents; Messaging draft Applications for Vesting Order to Purchasers' solicitor; Receipt of entered Order and uploading to draft Applications; E-mails from Purchasers' solicitor requesting further revisions, updating documents; Attending to exchange of signed closing documents; Receipt of registered Applications for Vesting Order;
May 15, 2024	AS	0.10	Preparing draft Section 167 GST HST Election forms;

OUR FEE HEREIN:
FEE HST:

\$23,608.00
\$3,069.04

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Jeffrey M. Warren	Partner	11.20	\$620.00	\$6,944.00
Alexandra Teodorescu	Partner	10.20	\$515.00	\$5,253.00
Timothy R. Dunn	Partner	9.30	\$850.00	\$7,905.00
Mona R. Taylor	Associate	2.80	\$600.00	\$1,680.00
John Kroupis	Clerk	0.40	\$290.00	\$116.00
Ana Santos	Clerk	5.50	\$300.00	\$1,650.00
Ian Clough	Law Clerk	0.30	\$200.00	\$60.00

Disbursements

	<u>Amount</u>
Filing Fees* - Non-Taxable	\$48.00
Computer Searches - R.E. (Teraview) * -	\$44.40
Cyberbahn Agent Service Fee	\$101.80
Computer Searches - R.E. (Teraview)	\$37.20

TOTAL DISBURSEMENTS:

\$231.40

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May 15, 2024

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205620-0001

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*HST is not charged DISBURSEMENT HST:	<u>\$18.07</u>
TOTAL FEES AND DISBURSEMENTS: TOTAL HST:	\$23,839.40 <u>\$3,087.11</u>
TOTAL AMOUNT DUE:	<u>\$26,926.51</u>

BLANEY McMURTRY LLP



Timothy R. Dunn
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

We accept payment by cheque, Wire, VISA, Mastercard and AMEX.
To pay by Visa, Mastercard or Amex please [Click here to pay](#)
To pay by Wire: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
**Please ensure our invoice number, account number and/or file
number is quoted on all forms of payment.**
Contact email clientservices@blaney.com

VECTOR FINANCIAL SERVICES LIMITED

and

Court File No. CV-23-00704623-00CL
33 HAWARDEN CRESCENT INC. et al

Applicant

Respondents

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

Proceeding commenced at **Toronto**

AFFIDAVIT OF TIMOTHY DUNN

BLANEY MCMURTRY LLP

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

Timothy R. Dunn (LSO #34249I)

Tel: (416) 597-4880

Fax: (416) 593-5148

Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)

Tel: (416) 596-4279

Fax: (416) 594-2506

Email: ateodorescu@blaney.com

**Lawyers for Court-appointed Receiver, Pollard &
Associates Inc.**

SCHEDULE U

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 15, 2024

Receipts	\$	\$
Receiver's Certificates		50,000.00
Sale of Real Property		
Purchase price as per APS	8,950,000.00	
Property tax adjustment - 33 Hawarden Crescent	1,497.80	
Property tax adjustment - 35 Hawarden Crescent	<u>2,269.15</u>	8,953,766.95
Interest		<u>4,927.38</u>
Total receipts		<u>\$ 9,008,694.33</u>
Disbursements		
Fees paid to the OSB		75.30
Sale costs		
Real estate commission	202,270.00	
Appraisal	<u>8,927.00</u>	211,197.00
Expenses		
Insurance	11,177.36	
Utilities	8,093.26	
Property taxes & water	67,936.56	
Clean up of property	1,582.00	
Smoke detectors	99.73	
Roof repairs	<u>4,226.20</u>	93,115.11
Severance consulting expenses		16,116.63

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 15, 2024

General expenses		
Bank charges	169.50	
Mileage & parking	219.22	
Copies & postage	514.15	
Software fees	282.50	1,185.37
	<hr/>	
Receiver's Certificate repayment		52,679.59
		<hr/>
Total disbursements		\$ 374,369.00
		<hr/>
Total Receipts over Disbursements		\$ 8,634,325.33
		<hr/>
Trust Account Balance		\$ 8,634,325.33
		<hr/>

Notes:

1. The Receiver issued Receiver's Certificate #1, #2 & #3 in the total amount of \$50,000 plus interest of 12%. As per the terms of Receiver's Certificates the Receiver paid the amount of \$52,679.59 to Vector Financial Services Limited.
2. As per the listing agreement the Receiver issued payment to Home Life Realty Corp for the commission owing in the amount of \$179,000 plus HST.

Court File No. CV-23-00704623-00CL
Estate No. 31- 459671

ONTARIO
SUPERIOR COURT OF JUSTICE
VECTOR FINANCIAL SERVICES
LIMITED

-and-

33 HAWARDEN CRESENT INC. and 35
HAWARDEN CRESCENT INC.

COURT APPOINTED RECEIVER
STATEMENT OF RECEIPTS AND
DISBURSEMENTS
INTERIM

POLLARD & ASSOCIATES INC.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2

Tel (905) 884-8191
Fax (905) 884-4310

akpollard@pollardandassoc.ca

SCHEDULE V

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
PROFORMA STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 15, 2024

Receipts	\$	\$
Receiver's Certificates		50,000.00
Sale of Real Property		
Purchase price as per APS	8,950,000.00	
Property tax adjustment - 33 Hawarden Crescent	1,497.80	
Property tax adjustment - 35 Hawarden Crescent	<u>2,269.15</u>	8,953,766.95
Interest		<u>4,927.38</u>
Total receipts		<u>\$ 9,008,694.33</u>
 Disbursements		
Fees paid to the OSB		75.30
Sale costs		
Real estate commission	202,270.00	
Appraisal	<u>8,927.00</u>	211,197.00
Expenses		
Insurance	11,177.36	
Utilities	8,093.26	
Property taxes & water	67,936.56	
Clean up of property	1,582.00	
Smoke detectors	99.73	
Roof repairs	<u>4,226.20</u>	93,115.11
Severance consulting expenses		16,116.63

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
PROFORMA STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 15, 2024

General expenses		
Bank charges	169.50	
Mileage & parking	219.22	
Copies & postage	514.15	
Software fees	282.50	1,185.37
	<hr/>	
Receiver's Certificate repayment		52,679.59
Accrual expenses		
Water	1,800.00	
Utilities	1,200.00	3,000.00
	<hr/>	
Legal fees		
Legal fees & disbursements	155,709.99	
HST	20,138.86	175,848.85
	<hr/>	
Receiver's fees		
Receiver's fees	179,689.50	
Accrual receiver's fees	5,000.00	
HST	24,009.64	208,699.14
	<hr/>	
Payment to secured creditor - Vector Financial Services Limited		8,246,777.34
		<hr/>
Total disbursements		\$ 9,008,694.33
		<hr/>
Total Receipts over Disbursements		\$ -
		<hr/>
Trust Account Balance		\$ -
		<hr/>

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

VECTOR FINANCIAL SERVICES LIMITED

Applicants

-and-

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

COURT APPOINTED RECEIVER
PROFORMA STATEMENT OF RECEIPTS AND DISBURSEMENTS

May 15, 2024

Notes:

1. The Receiver issued Receiver's Certificates #1, #2, #3 in the total amount of \$50,000 plus interest of 12%. As per the terms of Receiver's Certificates the Receiver paid the amount of \$52,679.59 to Vector Financial Services Limited.
2. As per the listing agreement the Receiver issued payment to Home Life Realty Corp for the commission owing in the amount of \$179,000 plus HST.

Court File No. CV-23-00704623-00CL
Estate No. 31- 459671

ONTARIO
SUPERIOR COURT OF JUSTICE
VECTOR FINANCIAL SERVICES
LIMITED

-and-

33 HAWARDEN CRESCENT INC. and 35
HAWARDEN CRESCENT INC.

COURT APPOINTED RECEIVER
STATEMENT OF RECEIPTS AND
DISBURSEMENTS
PROFORMA

POLLARD & ASSOCIATES INC.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2

Tel (905) 884-8191
Fax (905) 884-4310

akpollard@pollardandassoc.ca

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY, THE 22ND
)
) DAY OF MAY, 2024
)

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by Pollard & Associates Inc. in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc. (the "**Debtors**") for an order, *inter alia*, approving the Receiver's conduct and fees, authorizing the Receiver to make distributions and discharging the Receiver was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second and Final Report of the Receiver, dated May 15, 2024, and the appendices thereto (the "**Second Report**"), including the Affidavit of Angela Pollard, sworn May 15, 2024 ("**Pollard Affidavit**") and the Affidavit of Timothy R. Dunn, sworn May 16, 2024

(“**Dunn Affidavit**”), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present and appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ●, filed:

SERVICE

1. **THIS COURT ORDERS** that the time and method of service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF FEES AND ACTIVITIES

2. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver as set out therein are hereby approved, provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liabilities shall be entitled to rely upon or utilize in any way such approval as it relates to the Receiver.

3. **THIS COURT ORDERS** that the activities of the Receiver’s counsel, Minden Gross LLP (“**Minden Gross**”) and Blaney McMurtry LLP (“**Blaney**”), as set out in the Receiver’s First Report, dated March 1, 2024, the Supplementary Report of the Receiver, dated March 11, 2024, the Second Supplementary Report of the Receiver, dated March 14, 2024, and the Second Report are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, Minden Gross and Blaney, as set out in the Second Report, the Pollard Affidavit and the Dunn Affidavit are hereby approved.

5. **THIS COURT ORDERS** that the proposed accrual of fees of the Receiver in the amount of \$5,000 plus HST are hereby approved.

6. **THIS COURT ORDERS** that the proposed accrual of fees of the Receiver’s counsel in the amount of \$5,000 plus HST are hereby approved.

7. **THIS COURT ORDERS** that the interim statement of receipts and disbursements for the period ending May 15, 2024, and appended as Schedule U to the Second Report, is hereby approved.

8. **THIS COURT ORDERS** that the proforma statement of receipts and disbursements as at May 15, 2024 and appended as Schedule V to the Second Report, is hereby approved.

RECEIVER AUTHORIZED TO MAKE DISTRIBUTIONS

9. **THIS COURT ORDERS** that the Receiver is hereby authorized to distribute the net sale proceeds from the sale of the lands and premises municipally known as 33 Hawarden Crescent, Toronto, Ontario and 35 Hawarden Crescent, Toronto, Ontario (collectively, the “**Real Property**”) to Vector, the first mortgagee on title to the Real Property, in the sum of \$8,246,777.34.

10. **THIS COURT ORDERS** that the Receiver is hereby authorized to distribute any funds it receives following the date of this Order to Vector in satisfaction of the debt owing by the Debtors to Vector.

11. **THIS COURT ORDERS** that the Distributions shall not constitute a “distribution” for the purposes of section 107 of the *Corporations Tax Act (Ontario)*, section 22 of the *Retail Sales Tax Act (Ontario)*, section 117 of the *Taxation Act, 2007 (Ontario)*, section 159 of the *Income Tax Act*, section 270 of the *Excise Tax Act (Canada)*, section 86 of the *Employment Insurance Act (Canada)*, or any other similar applicable federal, provincial or territorial tax legislation (collectively, the “**Tax Statutes**”). The Receiver, in making the Distributions, is merely a disbursing agent and is not exercising any discretion in making the Distributions, and no person is “distributing” such funds for the purpose of the Tax Statutes, and the Receiver shall not incur any liability under the Tax Statutes in respect of the Distributions and the Receiver is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect or as a result of the Distributions made by it in accordance with this Order and any claims of this nature are hereby forever barred.

DISCHARGE OF RECEIVER

12. **THIS COURT ORDERS** that, effective upon the filing of the Receiver of a certificate (the “**Discharge Certificate**”) in the form attached hereto as Schedule “A”, confirming the completion of the terms and conditions of its discharge have been met, as set out in the Second Report, the Receiver shall be discharged as receiver of all property, assets and undertakings of the Debtors, provided, however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the

administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stay of proceedings in favour of Pollard & Associates Inc. in its capacity as Receiver.

13. **THIS COURT ORDERS AND DECLARES** that Pollard & Associates Inc. is hereby released and discharged from any and all liability that Pollard & Associates Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Pollard & Associates Inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Pollard & Associates Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

GENERAL

14. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

15. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Debtors, the Receiver and their respective 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 the Debtors, and the Receiver, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order and to assist the Debtors, the Receiver and their respective agents in carrying out the terms of this Order.

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-23-00704623-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

33 HAWARDEN CRESCENT INC. and 35 HAWARDEN CRESCENT INC.

Respondents

RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Cavanagh of the Ontario Superior Court of Justice (the “**Court**”) dated October 10, 2023, Pollard & Associates Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of 33 Hawarden Crescent Inc. and 35 Hawarden Crescent Inc (collectively, the “**Debtors**”).

B. Pursuant to an Order of the Court dated May 22, 2024, the Court approved the discharge of the Receiver to become effective upon the filing by the Receiver of a certificate certifying that all outstanding matters in respect of the receivership proceeding have been completed.

THE RECEIVER CERTIFIES the following:

1. All outstanding matters in respect of the receivership proceeding, including but not limited to those set out in the Second and Final Report of the Receiver, dated May 15, 2024, have been completed; and
2. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**POLLARD & ASSOCIATES INC., in its capacity
as the Court-appointed Receiver of 33 Hawarden
Crescent Inc. and 35 Hawarden Crescent Inc.**

Per: _____
Name: Angela K. Pollard
Title: President

VECTOR FINANCIAL SERVICES LIMITED

and

Court File No. CV-23-00704623-00CL
33 HAWARDEN CRESCENT INC. et al

Applicant

Respondents

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

Proceeding commenced at **Toronto**

DISTRIBUTION AND DISCHARGE ORDER

BLANEY MCMURTRY LLP

Barristers & Solicitors
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Pollard & Associates Inc.

VECTOR FINANCIAL SERVICES LIMITED

and

Applicant

Court File No. CV-23-00704623-00CL

Estate File No. 31-459671

33 HAWARDEN CRESCENT INC. et al

Respondents

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

Proceeding commenced at **Toronto**

MOTION RECORD

BLANEY MCMURTRY LLP

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