

Court File No. CV-18-601116-00CL

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

**BETWEEN:**

**CAMERON STEPHENS FINANCIAL CORPORATION**

Applicant

- and -

**2492167 ONTARIO LTD.**

Respondent

**FIRST REPORT OF THE RECEIVER OF**  
**2492167 ONTARIO LTD.**

**September 12, 2018**

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## I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated July 26, 2018 (the "**Appointment Order**"), RSM Canada Limited ("**RSM**") was appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties (the "**Property**") of 2492167 Ontario Ltd. ("**249**" or the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof and including without limitation, the real property municipally known as 5818 Sheppard Avenue East, Toronto, Ontario (collectively the "**Lands**"). A copy of the Appointment Order is attached to this report as Appendix "**A**".
2. The Appointment Order authorizes the Receiver to, among other things:
  - i) take possession of and exercise control over the Property (for clarity, including the Lands) and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - ii) manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
  - iii) receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor; and

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- iv) 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.
3. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow monies to fund the exercise of the powers and duties conferred upon the Receiver by the Appointment Order from time to time, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as the Court may by further order authorize), which advance(s) are secured by way of a fixed and specific charge over the Property (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 (as defined therein) and the charges as set out in sections 14.06(7), 81.4(4) and 81.6(2) of the *Bankruptcy and Insolvency Act*.
4. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver’s website, which can be found at [rsmcanada.com/2492167-Ontario-Ltd](http://rsmcanada.com/2492167-Ontario-Ltd).

### **Purpose of First Report**

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- (a) report to the Court on the activities of the Receiver since the date of the Appointment Order to September 10, 2018;

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- (b) report to the Court on the condition and status, and the Receiver's activities in connection with the Lands including interactions with tenants;
  - (c) seek an Order, *nunc pro tunc*, amending Paragraph 21 to the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$600,000; and
  - (d) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 26, 2018 to September 10, 2018.

### **Terms of Reference**

- 6. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. 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 Canadian Auditing Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

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## II. BACKGROUND

8. 249 is an Ontario corporation incorporated on November 19, 2015 and appears to be a single purpose corporation holding legal and beneficial title to certain lands and a free standing gas bar, convenience store and commercial building located on the Lands.
9. According to a corporate search dated June 19, 2018, Karunadevi Nadarajal is the sole director, President, Secretary and Treasurer of 249. The registered office and mailing address for 249 is 16 Moffatt Court, Etobicoke, Ontario. A copy of the corporate search for 249 is attached to this report as Appendix “B”.
10. The commercial building situated on the Lands is comprised of approximately 9,100 square feet, divided into 13 rental units, with 11 units on the first and second floor and 2 basement units. The largest unit is occupied by the convenience store, which together with the gas bar were managed by the Debtor. The gas station operated under the “Parkland/Ultramar” brand, while the convenience store (the “**Store**”) operated under the “Express Mart” brand.
11. Prior to the date of the Appointment Order, the gas bar and the Store had ceased operations.
12. The Applicant, Cameron Stephens Financial Corporation (the “**Applicant**”) is the registered holder of a first mortgage on the Lands.
13. Due to the Debtor being in default of its obligations under the Mortgage, by Notice of Application dated July 6, 2018 (“**Application**”), the Applicant sought the appointment of the Receiver.

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14. On July 26, 2018, the Court issued the Appointment Order, and RSM was thereby appointed as Receiver of 249.
  15. Foglers is counsel to the Receiver.
  16. On July 30, 2018, the Receiver requested from the Debtor financial records for 249 including current and annual financial statements. To date, no financial statements have been provided to the Receiver. Accordingly, the Receiver is administering the receivership on the assumption that the only assets of 249 are the Lands and amounts that may be owing to 249 by its tenants.

### **III. RECEIVER'S ACTIVITIES TO DATE**

#### *Possession and Security*

17. On July 26, 2018, following the issuance of the Appointment Order, the Receiver attended at the Lands.
18. The Receiver arranged for a locksmith to attend at the Lands who changed the locks to the Store, as well as the lock to the main entrance door to the commercial building.
19. The Receiver identified several security surveillance cameras throughout the Lands, including in the gas station and the Store. The Receiver reactivated the security cameras that were in place for the Store, and restored the recording function of those security cameras.
20. Signage from "AlarmForce" was found on the main entrance to the office complex. The Receiver contacted AlarmForce, who informed the Receiver that the security system at the Lands had been deactivated in 2006 and had remained inactive since that time. The Receiver was also advised that the

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equipment on site, if still present, would likely not be compatible with current monitoring systems and would therefore need replacement if the Receiver wanted to reactivate the system. As a result, the Receiver arranged for the installation of security cameras at the outside, and on the first floor, of the Lands.

21. Since its appointment on July 26, 2018, and for reasons set out later herein, the Receiver arranged for a security guard to patrol and monitor the Lands during all hours that the Receiver or its representatives were not in attendance at the Lands. Although the gas station and the Store resumed a 24-hour operating schedule on August 23, 2018, the Receiver has retained the security guard to be present on weekdays between the hours of 6:00 pm and 8:00 am, and on a 24-hour basis on weekends and holidays. When addressing certain issues, the Receiver retained the security guard to be present on a 24/7 basis.
22. As the Receiver has continued the operations of the gas station and the Store, the Receiver has not effected a redirection of mail from that location to the Receiver's office. With reference to mail that may be delivered to the Company's head office, the Receiver has not arranged for a redirection of 249's mail from that address as that address appears to be Ms. Nadarajal's home address and, therefore, a redirection was not effected.

#### *Gas station and the Store*

23. On July 26, 2018, the Receiver attended at the gas station and the Store, and:
  - i) took an inventory of all products in the Store;

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- ii) met representatives of Parkland Corporation's (operating as "Ultramar") management team who reactivated the point-of-sale ("**POS**") system and provided the Receiver with access to same. The POS system is used to track inventory of fuel, and process sales for the gas station and the Store, among other things; and
  - iii) arranged for National Energy Equipment Inc. (called "NEE") to complete a safety inspection of the gas station. One issue was identified by NEE in respect of the safety shut-off system, and the system was repaired by NEE that day.

#### *Banking*

- 24. The Receiver contacted 249's bank, TD Canada Trust ("**TD**"), to advise it of the receivership and to request that 249's bank account be frozen. TD confirmed to the Receiver that 249's bank account was frozen and the account is overdrawn by approximately \$12,000.

#### *Insurance*

- 25. On July 26, 2018, the Receiver contacted 249's insurance broker to (i) notify it of the receivership, (ii) enquire if 249's insurance coverage was still in effect and (iii) confirm that 249's insurer would continue coverage during the receivership. The insurance broker has confirmed to the Receiver that 249's insurance policy is still in effect and that the insurers will continue to offer coverage under 249's existing policy to the Receiver. The policy expires December 7, 2018.

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26. The Receiver arranged for payment of the final premium installment due under the policy.

*Books and Records*

27. Upon taking possession of the Store, the Receiver found no books and records of 249 other than an unsigned lease for Unit 104 of the Lands, unfilled invoices from suppliers, and an HST notice of assessment from 2015.
28. On July 30, 2018, the Receiver sent an email to Ms. Nadarajal to request information on 249's creditors, copies of tenant leases, payroll records as well as other books and records of the Debtor. Ms. Nadarajal responded with limited information on 249's creditors via email but did not provide the other information requested. Ms. Nadarajal also informed the Receiver that she was currently out of the country and would be returning on August 15, 2018.
29. Ms. Nadarajal advised that she did not have copies of tenant leases as all the leases were kept at the Store. However, no tenant leases were located by the Receiver at the Store other than the one draft lease for Unit 104.
30. The Receiver subsequently received from the Debtor certain payroll information relating to 249's employees but has otherwise not received any financial information that will assist the Receiver market the Lands for sale.
31. With reference to the Debtor, the Receiver was asked to provide information to counsel for the Applicant pursuant to a request of the Debtor to be advised of the amount required to pay out the balance on the Applicant's mortgage. The Receiver provided the information requested. The Receiver notes that the Debtor has not paid out the mortgage.

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#### IV. TENANTS OF THE LANDS

##### *Identification of Tenants*

32. The Applicant and its counsel provided to the Receiver documentation relating to the tenancies at the Lands (collectively the “**Rent Documents**”). The Rent Documents included copies of:
- i) a rent roll as at July, 2016;
  - ii) a “Statutory Declaration of Borrower” signed by Ms. Nadarajal on July 19, 2016;
  - iii) a summary of leases, dated July 15, 2016;
  - iv) signed Estoppel Certificates; and
  - v) executed leases for each unit.
33. At its attendance at the Lands on July 26, 2018, the Receiver noted that many of the units were in fact vacant or occupied by tenants different from those noted on the Rent Documents.
34. On that day, the Receiver hand-delivered a notice of receivership to the tenants who were on site. The Receiver provided all remaining tenants with the notice on July 31, 2018. The notice provided the tenants with contact information for the Receiver, and provided instructions for the tenants to direct their rent payments to the Receiver.
35. As of July 30, 2018, the Receiver had identified tenants/occupants of 10 units of the commercial building. The Receiver wished to ensure that only authorized parties had keys to the building and the individual units. Since the Receiver had not identified tenants for three units of the building, on July 31,

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2018, the Receiver posted a notice on all units, both occupied and those that appeared to be vacant, to notify the tenants/occupants of those premises that the locks would be changed some time after Wednesday, August 1, 2018.

36. The locks to all the units at the Lands, with the exception of Unit 104, were changed on August 7, 2018. Keys were provided to identified tenants at that time.

37. As a result of the changing of the locks, and its review of units for which tenants/occupants had not previously been identified, the Receiver determined that three units were vacant and unoccupied.

#### *Security Cameras*

38. Several cameras were identified on site that did not appear to be part of the system installed and used by 249. The Receiver requested that tenants advise the Receiver of their ownership of these cameras, if any, by no later than August 24, 2018, after which time they would be removed from the property.

39. The tenant of Unit 201/203 advised the Receiver that that tenant had installed the security cameras. After reviewing this issue with Foglers, the Receiver informed the tenant on September 5, 2018 that the security cameras had to be removed by the tenant. The tenant informed the Receiver that the cameras had been installed with the authorization of the landlord.

40. On September 7, 2018, the Receiver wrote to the tenant that "on the advice of our legal counsel, we have confirmed that tenants are not authorized to install equipment and fixtures in common areas of the property without specific prior written consent of the landlord. You have failed to deliver any evidence

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of the landlord's prior written consent to install fixtures, including cameras, in common areas of the property. Accordingly, the surveillance cameras must be removed from the common areas of the property. If the equipment is not removed by noon on Wednesday, September 12<sup>th</sup>, we, in our capacity as Court Appointed Receiver, will remove any unauthorized cameras installed in common areas that remain on site. The costs of such removal will be rent under your lease, and will be treated as a rent obligation and payable immediately, without further notice to you."

#### *Rent Roll*

41. On or about August 1, 2018, the Receiver received August rent cheques from three tenants. The Receiver noted that the amounts of rent paid by these tenants were lower than the monthly rent amounts set out in the Rent Documents.
42. The Receiver discussed the discrepancies in rent paid with the three tenants. Each of the tenants advised the Receiver that the amounts set out in the Rent Documents were not correct. The Receiver presented copies of the Estoppel Certificates and the leases of the tenants contained in the Rent Documents to two of the tenants. Those two tenants advised the Receiver that the signature(s) of the tenants on the respective leases were not those of the tenants nor of any of their authorized representatives.
43. The Receiver has since received rent payments from other tenants. In each case, the amount paid was below the amounts included in the Rent Documents.

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44. As set out above, the Receiver only has minimal records of the Debtor in its possession. The Receiver does not have the Debtor's records in respect of any signed leases or files relating to occupancies (other than with respect to unit 104 discussed below). Accordingly, on August 16, 2018, the Receiver delivered a letter to each of the tenants, with the exception of unit 104, to request that they provide a copy of their lease and proof of payment of rent for the months of May to July 2018.
45. Tenants provided to the Receiver documentation in connection with their tenancies/occupation of units at the Lands. The documents provided consisted primarily of Offers to Lease that comprised two pages. No fully documented commercial leases appear to have been executed.
46. Attached as **Appendix "C"** is a schedule summarizing the information set out in the lease documentation provided by tenants, compared to the information contained in the Rent Documents referred to earlier in the First Report.
47. As set out in the Appendix "C", the information provided by the tenants is materially different from the information contained in the Rent Documents.
48. Proposals from commercial leasing agents are currently being sought. The Receiver will, if a leasing agent is retained, seek the agent's comments as to whether the rents provided for in the leases provided by the tenants represented market rates at the time the leases were entered into. After consideration of that information, the Receiver intends to review the status of the existing leases with Foglers and the Applicant.

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*Physical Assault of a Tenant*

49. On September 5, 2018, one of the tenants of the Lands was assaulted physically as he arrived at the property. A police report relating to the incident has been filed and, at the tenant's request, the Receiver changed the locks to the tenant's unit.

**V. UNIT 104**

50. At the time of the Receiver's appointment, Unit 104 was occupied by 2629972 Ontario Corp., which carried on operations as "The Green Monkey" ("**262**" or the "**Green Monkey**"). The Rent Documents provided to the Receiver showed no record of 262 as a tenant of this unit.
51. On July 26, 2018, while taking possession of the convenience store, the Receiver located an unsigned draft Offer to Lease for Unit 104 dated April 24, 2018 ("**Offer to Lease #1**").
52. On July 26, 2018, the Receiver spoke with Mr. Kanjanthan Kanagarajah, who identified himself as the owner of 262. The Receiver advised Mr. Kanagarajah that no record of 262's tenancy could be located, and asked Mr. Kanagarajah to provide a copy of 262's lease, duly signed and executed by 262 and 249, as well as proof the rents had been paid since the inception of the purported tenancy.
53. Mr. Kanagarajah advised the Receiver on July 26, 2018 that the rent for the unit was paid in cash and as a result, 262 was not able to provide any documentation to support its position that rent had been paid.

54. On July 27, 2018, Mr. Kanagarajah provided the Receiver with a copy of an Offer to Lease that he indicated was the lease for Unit 104 ("**Offer to Lease #2**"). This document, dated May 24, 2018, had significantly different terms from the terms contained in Offer to Lease #1. Furthermore, the bottom of the first page of the copy of Offer to Lease #2 was cut-off. The Receiver requested that Mr. Kanagarajah provide to the Receiver a complete and original version of Lease #2. This document was not provided to the Receiver.
55. Subsequently, the former manager of the convenience store stopped by the convenience store randomly and provided a version of an Offer to Lease ("**Offer to Lease #3**"). Offer to Lease #3, which was substantially the same as Offer to Lease #1, appeared to be initialed by the landlord and tenant, but was not otherwise signed.
56. The following is a summary of the salient terms each of the three Offers to Lease:

<b>Terms</b>	<b>Offer to Lease #1</b>	<b>Offer to Lease #2</b>	<b>Offer to Lease #3</b>
Date of Agreement	24-Apr-18	24-May-18	24-Apr-18
Start Date	1-May-18	15-May-18	1-May-18
End Date	31-May-18	31-Apr-21	31-May-20
Term of Lease	2 years	3 years	2 years
Use of the Premises	Retail	"E-liquid and accesseries (sp) also included is the bathroom on the 1 <sup>st</sup> floor for unit #104"	Retail
Annual Rent	\$33,900.00	\$16,272.00	\$33,900.00
Monthly Rent	\$2,825.00	\$1,356.00	\$2,825.00
Deposit	\$6,650.00	\$3,712.00	\$6,650.00
Irrevocability	1-May-18	25-May-18	1-May-18
Initialed by Landlord	No	Unknown	Yes
Initialed by Tenant	No	Unknown	Yes

Terms	Offer to Lease #1	Offer to Lease #2	Offer to Lease #3
Acknowledged by Landlord	No	Yes	No
Acknowledged by Tenant	No	Yes	No

57. As set out above, main differences between the Offers to Lease were their terms, the rent payable and the use of the premises. Attached hereto as **Appendix "D"** are copies of Offer to Lease #1, Offer to Lease #2 and Offer to Lease #3.
58. During the Receiver's attendances at the Lands, the Receiver observed odors at the Lands that were consistent with the smell of marijuana. Therefore, it appeared to the Receiver that the Green Monkey was selling products besides E-liquids and accessories. In addition, tenants told the Receiver on a number of occasions that the operations of the Green Monkey were having a negative effect on their tenancies. To that end, one tenant informed the Receiver that unless the Receiver would confirm to the tenant that Green Monkey would no longer be at the premises as of August 31, that tenant would have to end its tenancy and vacate the premises. That tenant has now vacated the premises.
59. Furthermore, in discussing the potential engagement of Colliers Inc. to be the Receiver's leasing agent, Colliers informed the Receiver that prior to being in a position to commence an engagement as leasing agent, among other requirements, the Green Monkey could not be a tenant of the Lands.
60. On August 9, 2018, the Receiver attended at the Green Monkey's premises with a view to reviewing the state of repair of the premises. Prior to being allowed to enter the premises, a representative of the Green Monkey

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requested that the Receiver wait outside. After approximately 8-10 minutes, the Receiver was permitted to enter the unit.

61. During the Receiver's attendance at the unit, the Receiver noted that while the signage for the Green Monkey indicated that the store is intended to sell "E-cigs", "Vapes", and "Bongs", little to no inventory of this nature could be identified on site. There were a small amount of vape oils on display in the main room, but the store manager advised that they had no vaporizers or bongs for sale at that time.
62. The Receiver noted that there were strong marijuana smells coming from the premises and that there was a white board product menu that listed "Hashish or Hash" product for sale.
63. Based on this visit, the comments from Colliers and the complaints of tenants as described above, the Receiver came to the conclusion that the occupancy of the Green Monkey was having a negative effect on the value and potential value of the Lands.
64. On August 23, 2018, Ms. Nadarajal provided to the Receiver a Notice of Contravention of Zoning By-law issued to Ms. Nadarajal, by the City of Toronto ("**Notice**") citing offences under section 67 of the Planning Act. Specifically, the notice indicated the City of Toronto's Municipal Licensing & Standards Division had completed an inspection of the Green Monkey, and determined that the property was being used for marijuana distribution. The City demanded that the illegal use of the property be ceased within three days of the notice. A copy of the City's notice is attached hereto as **Appendix "E"**.

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65. On August 24, 2018, Foglers wrote a letter to the Green Monkey that, *inter alia*, required the Green Monkey to cease all of its current commercial operations on site immediately and to vacate Unit 104 by noon on August 31, 2018. A copy of Foglers letter is attached as Appendix "F".
66. Subsequent to receipt of Foglers letter, counsel to the Green Monkey contacted Foglers. Subsequent discussions and negotiations ensued between counsel and it appeared based on those discussions that the Green Monkey would be vacating Unit 104 on September 5, 2018.
67. As of 2:00 pm on September 5, 2018, the Green Monkey had not vacated the premises. As a result, the Receiver attended at Unit 104 after 2:00 pm on September 5, 2018 and proceeded to change the locks to that unit. The Receiver requested that the three individuals who were in the unit vacate the premises. The individuals asked to remove their personal belongings but, when they would not agree to provide personal identification as requested by the Receiver prior to being allowed to remove any items, the Receiver did not permit the removal.
68. Upon taking possession of Unit 104, an amount of narcotics inventory was discovered. Metropolitan Toronto Police (the "**Police**") attended on September 6, 2018 to pick up that inventory. The Police also informed the Receiver that the Police would like to be informed once any arrangements are made with the Green Monkey to remove their belongings from the Unit.
69. On September 6, 2018, Foglers informed counsel to Green Monkey that the remainder of Green Monkey's assets (furniture and equipment, cameras, etc.)

must be removed from the unit by 4:00 pm, September 10<sup>th</sup>, failing which the Receiver will permanently dispose of anything remaining on site after that time.

70. The Receiver has maintained 24/7 security guard presence at the Lands subsequent to the changing of the locks of Unit 104 until the Green Monkey vacates in its entirety.

## **VI. CONDITION OF THE LANDS**

71. Upon its attendance at the Lands on July 26, 2018, the Receiver identified a number of issues relating to the condition of the property. The Receiver consulted with a general contractor to obtain additional information with respect to those issues. The issues include:

- i) the heating, ventilation and air conditioning (“HVAC”) system is deficient in that the furnaces installed on site are intended for residential use and do not provide adequate heating to the building. In addition, there is no air conditioning and the present system does not provide for proper ventilation, which could pose a potential health and safety concern. In order to ascertain the state of the existing HVAC system and current HVAC needs, engineering drawings are required to first be prepared;
- ii) the roof of the building is in a state of disrepair such that repairs to the existing roof would be ineffective and inadequate due to the overall poor condition of the roof. Accordingly, the roof requires replacement;
- iii) there are clear signs of water damage and mould throughout the building that appear to be primarily the result of leaks from the roof and faulty HVAC

components. Drywall needs to be removed in order to address and remove the mould; and

iv) the exterior bay window of unit 200 is damaged such that the siding is missing from the north side and underneath the bay window, and only plywood appears to protecting the unit from the elements.

72. The Receiver obtained quotes to address the issues identified in number i) to iii) above. Based on the quotes received, the cost to effect the roof and mould repairs, and obtain the engineering report for the HVAC system, will approximate \$75,000 to \$80,000. The Receiver has not yet sought a quote to address item iv) above since the contractor engaged by the Receiver has verbally advised the Receiver that this item is an aesthetic issue rather than a structural or safety one.

73. Repairs to the Lands as referenced in Paragraph 71 i) to iii) have commenced.

## **VII. OPERATIONS OF THE GAS STATION AND CONVENIENCE STORE**

74. Upon the Receiver's appointment, as set out earlier herein, 249 had discontinued the operations of the gas station and the Store. Signs denoting "closed for reno" were posted in the Store windows/door on the date the Appointment Order was issued.

75. In order to assess whether the Receiver would be in a position to recommence operations, on July 26, 2018, the Receiver contacted Parkland/Ultramar with a view to understanding the terms by which Parkland/Ultramar would permit the operations of the gas station to continue. The Receiver also noted that the

agreements in place between 249 and Parkland/Ultramar provide Parkland/Ultramar with a right of first refusal on the sale of the property.

76. The Receiver met with representatives of Parkland/Ultramar, and Foglers engaged in discussions with counsel to Parkland/Ultramar. As a result of those discussions, and with the assistance of Parkland/Ultramar, the gas station and convenience store recommenced operations on August 23, 2018.
77. In order to minimize the Receiver's involvement in, and costs of, addressing the day-to-day issues at the Lands, the Receiver entered into a management agreement with Nazlin Jinna ("**Jinna**") for Jinna to provide property management services at the Lands. Jinna's responsibilities include:
  - i) overseeing the daily operations of the gas station and convenience store (collectively the "**Station**");
  - ii) hiring and training all employees required to operate the Station;
  - iii) managing the fuel and convenience store inventory;
  - iv) approving all vendor invoices applicable to the Station for payment by the Receiver;
  - v) reporting to the Receiver regarding the sales and expenses of the Station on a daily basis;
  - vi) collecting rent from the tenants of the property and maintaining the cleanliness of the property; and
  - vii) liaising with the tenants and the Receiver regarding any issues that may arise with respect to the tenancies.

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78. In order to be in a position to sell tobacco and lottery products at the Store, the Receiver was required to apply for a Tobacco Retail Dealer's Permit ("**TRDP**"), a license from the Ontario Lottery and Gaming Corporation ("**OLG**") and certification ("**Certification**") from the Alcohol and Gaming Commission of Ontario ("**AGCO**"). The Receiver applied for the TRDP and the Certification.
79. The Ontario Ministry of Finance granted the TRDP to the Receiver on August 8, 2018. The Receiver continues to follow up with OLG and the AGCO to obtain the necessary permits and approvals to sell lottery and gaming products.

#### **VIII. PROPERTY TAXES**

80. The Receiver obtained property tax and utility certificates for the property from the City of Toronto. According to these certificates, dated August 2, 2018 and August 1, 2018 respectively, 249 owed \$53,148.79 in property tax and utility arrears. An additional instalment of \$10,365.00 for property taxes was payable on September 4, 2018.
81. On August 31, 2018, the Receiver paid \$63,817.79 to the City of Toronto representing the aforementioned arrears and the instalment due on September 4, 2018.

#### **IX. RECEIVER CERTIFICATES**

82. Pursuant to the Paragraph 21 of the Appointment Order, the Receiver is authorized to borrow a maximum amount of \$250,000.

83. As set out later in the First Report, the Receiver has to date paid disbursements totaling approximately \$185,000. In addition, based on the repairs that are required to the Lands, and the ongoing professional fees of the Receiver and its counsel, the Receiver has determined that the borrowing limit of \$250,000 is not sufficient for the Receiver to carry out its mandate.
84. Accordingly, the Receiver is respectfully requesting that the borrowing limit in Paragraph 21 of the Appointment Order be increased, *nunc pro tunc* to \$600,000. While the Receiver is uncertain of the amount of funds it will need to borrow, the Receiver is of the view that a limit of \$600,000 will avoid the need for further court applications requesting an increase to the borrowing limit.

## X. SECURED OR PRIORITY CLAIMS

85. Attached hereto as **Appendix “G”** is a copy of a search of the Parcel Register for Property Identifier reports from the Ontario Land Registry Office dated August 24, 2018 for the Lands (“**Title Search**”).
86. Attached hereto as **Appendix “H”** is a copy of a search conducted against the Respondent under the Personal Property Security Registration System dated July 3, 2018 (“**PPSA Search**”).
87. The claims registered against 249 in the PPSA Search and in the Title Search, which claims have not been audited or verified by the Receiver, are as follows:

Name of Registrant	Amount	PPSA	PIN
Cameron Stephens Financial Corporation	\$6,240,000	√	√
The Toronto-Dominion Bank	\$Unknown	√	
Vida Parsi	\$400,000		√

88. The Receiver has requested Foglers' opinion on the validity and enforceability of the security held by the Applicant and will provide the results of that opinion in the Receiver's next report to the Court.
89. On August 16, 2018, Garfinkle Biderman, counsel to the Applicant, requested that the Receiver consent to the lifting of the stay of proceedings provided for in the Appointment Order in order that the Applicant could continue its action against 249 to obtain possession of the Lands, and to note 249 in default and file for default judgement for possession. Attached hereto as **Appendix "I"** is a copy of Garfinkle Biderman's letter setting out its request. On August 20, 2018, the Receiver provided its consent to the requested lifting of the stay of proceedings in respect of the matters set out in Garfinkle Biderman's letter.

*Deemed Trust Claims of Canada Revenue Agency ("CRA")*

90. CRA currently has deemed trust claims against 249 for payroll remittances and HST. A representative of CRA has advised the Receiver that 249 has remitted payroll source deductions only up to the period ending April 30, 2018. No remittances were submitted for the months of May, June or July 2018.
91. In addition, CRA has advised that 249 currently owes approximately \$7,400 for HST. 249 files its HST returns on an annual basis and its last return filed

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was for the year ending December 31, 2017. It is unknown whether 249 is in a HST refund or payable position for the period January 1 to July 25, 2018.

92. CRA has informed the Receiver that CRA will be contacting a representative of the Debtor to request access to 249's books and records in order to conduct a trust examination.
93. The Receiver will provide an update as to the status of 249's potential source deductions and HST liabilities in its next report to the Court.

#### **XI. STATUTORY NOTICES AND REPORTS**

94. Attached to this report as **Appendix "J"** is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act.

#### **XII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

95. Attached to this report as **Appendix "K"** is the Receiver's Interim Statement of Receipts and Disbursements for the period July 26, 2018 to September 10, 2018 (the "**R&D**"). During this period, receipts were \$259,159 while disbursements were \$185,639, resulting in a net cash surplus of \$73,520.
96. On or about August 2, 2018, amounts of \$11,535, and \$63,465, were advanced to the Receiver by Cameron Stephens and Home Trust, respectively.
97. On August 29, 2018, Cameron Stephens advanced a further \$299,954 to the Receiver. As the maximum borrowing limit provided in Paragraph 21 of the Appointment Order is \$250,000, as set out earlier herein, the Receiver is

requesting that the borrowing limit in Paragraph 21 of the Appointment Order be increased, *nunc pro tunc* to \$600,000.

98. The Receiver will issue Receiver's Certificates in respect of these advances after the hearing of the Receiver's application as the form of Receiver's Certificate will have to be amended to reflect any increased borrowing limit provided for in Paragraph 21.

### **XIII. PROFESSIONAL FEES**

99. The Receiver's accounts total \$88,914.50 in fees and disbursements plus HST of \$11,558.89 for a total amount of \$100,473.39 for the period ending August 31, 2018 (the "**Receiver's Accounts**").
100. The accounts of the Receiver's counsel, Foglers, total \$46,380.47 in fees and disbursements and \$6,029.46 in HST for a total of \$52,409.93 (the "**Foglers Accounts**") for the period ending August 27, 2018.
101. The Receiver will seek approval of the Receiver's accounts and the Foglers accounts in its next application to the Court.

### **XIV. CONCLUSION**

102. The Receiver respectfully requests that the Court grant an Order which provides for the following:
- (a) approving the First Report and the conduct and activities of the Receiver as set out therein;
  - (b) approving the R&D; and

- 
- (c) amending, *nunc pro tunc*, Paragraph 21 to the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$600,000.

All of which is respectfully submitted to this Court as of this 12th day of September, 2018.

**RSM CANADA LIMITED**

In its capacity as Court Appointed Receiver  
and Manager of 2492167 Ontario Ltd. and  
not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT  
Senior Vice President

## APPENDIX A

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Court File No. CV-18-601116-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE *Mr* ) THURSDAY, THE 26<sup>TH</sup>  
JUSTICE *T. McEwen* )  
 ) DAY OF JULY 2018.



CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

**ORDER  
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order, inter alia, 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 RSM Canada Limited ("RSM") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2492167 Ontario Ltd. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Tim Ryder sworn July 6, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for any other person on the service list, although duly served as appears from the affidavit of services and on reading the consent of RSM to act as the Receiver,

**SERVICE**

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

**APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof and including without limitation, the real property municipally known as 5818 Sheppard Avenue East, Toronto, Ontario and is legally described as set out in Schedule "B" annexed hereto (collectively the "Property").

**RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 Debtor, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, 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 5 or in paragraph 6 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.

6. 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.

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

8. 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 DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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**

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

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. 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 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**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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**

15. 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. 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**

17. 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**

18. 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.

19. 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.

20. 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**

21. 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 \$250,000.00 (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.

22. 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.

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

24. 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**

25. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a

Case Website shall be established in accordance with the Guide with the following URL 'rsmcanada.com/2492167-ontario-ltd'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

27. 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.

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

29. 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.

30. 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.

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

32. 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.



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

JUL 26 2018

PER / PAR: 

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties 2492167 Ontario Ltd. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 26<sup>th</sup> day of July, 2018 (the "Order") made in an action having Court file number CV-18-601116-00CL, 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 July, 2018.

RSM Canada Limited, solely in its capacity as  
Receiver and Manager of the assets,  
undertakings and properties of 2492167 Ontario  
Ltd., and not in its personal capacity

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

Name:

Title:

## SCHEDULE "B"

## Property Description:

PIN 06074-0198 LT

PCL BLK 95-1, SEC M2168 BLK 95, PLAN 66M2168, SUBJ TO EASE OVER PT BLK 95, 66M2168 AS SHOWN IN BROKEN OUTLINE FORMERLY INCLUDED WITHIN THE LIMITS OF PTS 5 & 7 66R14060 AS IN TB162935, SC545197 (C151519 & C151520) SCARBOROUGH, CITY OF TORONTO

CAMERON STEPHENS FINANCIAL  
CORPORATION  
Applicant

2492167 ONTARIO LTD.  
and  
Respondent

Court File No. CV-18-601116-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER  
(appointing Receiver)**

**GARFINKLE BIDERMAN LLP**  
Barristers & Solicitors  
1 Adelaide Street East, Suite 801  
Toronto, Ontario  
M5C 2V9

**Jeffrey A.L. Kriwetz** LSUC#: 32318V  
Tel: 416-869-1234  
Fax: 416-869-0547

Lawyers for the Applicant,  
Cameron Stephens Financial Corporation

**File Number: 6243-418**

RCP-E 4C (May 1, 2016)

## APPENDIX B

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Request ID: 021783363  
 Transaction ID: 68420956  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2018/06/19  
 Time Report Produced: 09:43:17  
 Page: 1

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2492167	2492167 ONTARIO LTD.	2015/11/19
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
16 MOFFATT COURT	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
ETOBICOKE ONTARIO CANADA M9V 4E1	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
16 MOFFATT COURT	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
ETOBICOKE ONTARIO CANADA M9V 4E1	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Ceased in Ontario
	00001 00015	NOT APPLICABLE
Activity Classification		NOT APPLICABLE
NOT AVAILABLE		

Request ID: 021783363  
Transaction ID: 68420956  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/06/19  
Time Report Produced: 09:43:17  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2492167

2492167 ONTARIO LTD.

Corporate Name History

Effective Date

2492167 ONTARIO LTD.

2015/11/19

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

Address

KARUNADEVI  
NADARAJAL

16 MOFFATT COURT

ETOBICOKE  
ONTARIO  
CANADA M9V 4E1

Date Began

First Director

2017/06/14

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 021783363  
Transaction ID: 68420956  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/06/19  
Time Report Produced: 09:43:17  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2492167

2492167 ONTARIO LTD.

Administrator:  
Name (Individual / Corporation)

Address

KARUNADEVI  
NADARAJAL

16 MOFFATT COURT

ETOBICOKE  
ONTARIO  
CANADA M9V 4E1

Date Began

First Director

2017/06/14

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:  
Name (Individual / Corporation)

Address

KARUNADEVI  
NADARAJAL

16 MOFFATT COURT

ETOBICOKE  
ONTARIO  
CANADA M9V 4E1

Date Began

First Director

2017/06/14

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 021783363  
Transaction ID: 68420956  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/06/19  
Time Report Produced: 09:43:17  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2492167

2492167 ONTARIO LTD.

Administrator:  
Name (Individual / Corporation)

Address

KARUNADEVI  
NADARAJAL

16 MOFFATT COURT

ETOBICOKE  
ONTARIO  
CANADA M9V 4E1

Date Began

First Director

2017/06/14

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

Request ID: 021783363  
Transaction ID: 68420956  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/06/19  
Time Report Produced: 09:43:17  
Page: 5

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2492167

2492167 ONTARIO LTD.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2018/05/15 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 021783368  
Transaction ID: 68420965  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/06/19  
Time Report Produced: 09:43:26  
Page: 1

## CORPORATION DOCUMENT LIST

### Ontario Corporation Number

2492167

### Corporation Name

2492167 ONTARIO LTD.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: NADARAJAL, KARUNADEVI	1	2018/05/15 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: NADARAJAH, KARUNADEVI	1	2018/05/01 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: NADARAJAL, KARUNADEVI	1	2017/10/06 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: NADARAJAH, KAGEEPAN	1	2017/06/13 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: NADARAJAL, KARUNADEVI	1	2017/06/13 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: NADARAJAL, KARUNADEVI	1	2015/12/23
BCA	ARTICLES OF INCORPORATION	1	2015/11/19 (ELECTRONIC FILING)

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

## APPENDIX C

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2492167 Ontario Ltd.

Rent Roll for property at 5818 Sheppard Ave E

As at August 23, 2018

Unit	Monthly Payment per Application Record (Excl. HST)	Monthly Payment per Tenant (Excl. HST)	Difference in Monthly Payment	Tenant's Lease Provided
101	\$ 3,500.00	\$ 1,600.00	\$ (1,900.00)	Yes
102	\$ 1,125.00	\$ 937.50	\$ (187.50)	Yes
103	\$ 2,123.33	\$ -	\$ (2,123.33)	N/A - vacant
104	\$ 2,286.67	\$ 1,200.00	\$ (1,086.67)	Yes
200	\$ 1,458.33	\$ 449.56	\$ (1,008.78)	Yes
201/203	\$ 3,025.00	\$ 1,157.52	\$ (1,867.48)	Yes
202	\$ 2,000.00	\$ -	\$ (2,000.00)	N/A - vacating
204	\$ 750.00	\$ 250.00	\$ (500.00)	Yes
206	\$ 2,286.67	\$ 752.21	\$ (1,534.46)	Yes
BM1	\$ 7,298.50	\$ -	\$ (7,298.50)	N/A - vacant
BM2	\$ 2,981.25	\$ -	\$ (2,981.25)	N/A - vacant
100	\$ 18,088.75	\$ -	\$ (18,088.75)	N/A

## APPENDIX D

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# Agreement to Lease Commercial – Short Form

Commercial Network  
Toronto Real Estate Board  
Serving Greater Toronto REALTORS®  
www.trabcommercial.com

This Agreement to Lease dated this 24th day of April, 2018

**TENANT** 2629972 Ontario Inc.  
(Full legal names of all Tenants)

**LANDLORD** 2492167 ONTARIO LTD  
(Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. **PREMISES:** The "Premises" consisting of approximately 1200 square <sup>(feet/metres)</sup> more or less on the 1st floor of the "Building" known municipally as 5810 -5818 Sheppard Ave. E #104 in the City of Scarborough, Province of Ontario, as shown outlined on the plan attached as Schedule " ".

2. **USE:** The Premises shall be used only for Retail

3. **TERM OF LEASE:** The Lease shall be for a term of 2 years 1st months commencing on the 1st day of May, 2018, and terminating on the 31st day of May, 2020

4. **RENTAL:** At a rental of \$ 33900 per year per annum, payable \$ 2825hst include monthly in advance, on the 1st day of each month during the said term, plus HST.

5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers 1st and Last +1000 deposit  
(Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to 2492167 Ontario Ltd. "Deposit Holder" in the amount of Six Thousand Six Hundred Fifty Canadian dollars (Can\$ 6,650.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the 1st and 1st month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

## 6. ADDITIONAL TERMS

7. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s) 1

8. **IRREVOCABILITY:** This offer shall be irrevocable by Landlord until 11 a.m. on the 5 day of May 1st, 2018 after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

9. **NOTICES:** The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: \_\_\_\_\_ (For delivery of Documents to Landlord) FAX No.: \_\_\_\_\_ (For delivery of Documents to Tenant)

Email Address: sk6nadarajah@gmail.com (For delivery of Documents to Landlord) Email Address: \_\_\_\_\_ (For delivery of Documents to Tenant)

INITIALS OF TENANTS(S):

INITIALS OF LANDLORD(S):



10. **EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.
11. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
12. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
13. **BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.
14. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Tenant or Authorized Representative)



DATE

(Witness)

(Tenant or Authorized Representative)



DATE

(Witness)

(Guarantor)



DATE

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Landlord or Authorized Representative)



DATE

(Witness)

(Landlord or Authorized Representative)



DATE

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and

written was finally accepted by all parties at.....

this.....day of....., 20.....

#### INFORMATION ON BROKERAGE(S)

(Signature of Landlord or Tenant)

Listing Brokerage..... Tel.No. ....

Co-op/Buyer Brokerage..... Tel.No. ....

#### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Landlord)

DATE

2492167 Ontario Ltd

(Landlord)

DATE April 26t

Address for Service:

Tel. No.

Landlord's Lawyer

Address

Email

Tel. No.

FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Tenant)

DATE

(Tenant)

DATE

Address for Service:

Tel. No.

Tenant's Lawyer

Address

Email

Tel. No.

FAX No.

#### FOR OFFICE USE ONLY

#### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all monies received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement to Lease.

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)



## LEASE 2



# Agreement to Lease

## Commercial – Short Form



This Agreement to Lease dated this 24th day of May, 2018

TENANT 2629972 ontario corp. C/o KAJANTHRA KANAGARAJ  
(Full legal names of all Tenants)

LANDLORD 2492167 ONTARIO Ltd.  
(Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. **PREMISES:** The "Premises" consisting of approximately 980 square feet more or less on the unit 104 floor of the "Building" known municipally as 5810-5818 Sheppard Ave. in the City of Toronto, Province of Ontario, as shown outlined on the plan attached as Schedule " ".
2. **USE:** The Premises shall be used only for E-liquid and accessories also included is the bathroom on the 1st floor for unit #104
3. **TERM OF LEASE:** The Lease shall be for a term of 3 years 2 years months commencing on the 15th day of May, 2018, and terminating on the 31st day of April, 2021
4. **RENTAL:** At a rental of \$ 16272.00 per annum, payable \$ 1356 1st Included monthly in advance, on the 1st day of each month during the said term, plus HST.
5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers 1st and Last + 1000 deposit  
(Herewith/Upon acceptance/as otherwise described in this Agreement)  
 by negotiable cheque payable to 2492167 Ontario Ltd. "Deposit Holder" in the amount of Three Thousand Seven Hundred Twelve Canadian dollars (Can\$ 3,712.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the and month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.
6. **ADDITIONAL TERMS**
7. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s)
8. **IRREVOCABILITY:** This offer shall be irrevocable by Landlord until 11 a.m. on the 25th day of May, 2018 after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.  
(Landlord/Tenant)  
 It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

10. **EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.
11. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
12. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
13. **BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.
14. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Tenant or Authorized Representative)

(Seal)

DATE May 24<sup>th</sup> 2018

(Witness)

(Tenant or Authorized Representative)

(Seal)

DATE

(Witness)

(Guarantor)

(Seal)

DATE

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Landlord or Authorized Representative)

(Seal)

DATE May 25<sup>th</sup> 2018

(Witness)

(Landlord or Authorized Representative)

(Seal)

DATE

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and

written was finally accepted by all parties at.....

this..... day of....., 20.....

**INFORMATION ON BROKERAGE(S)**

(Signature of Landlord or Tenant)

Listing Brokerage.....

Tel.No. ....

Co-op/Buyer Brokerage.....

Tel.No. ....

#### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Landlord)

DATE

2492167 Ontario Ltd

(Landlord)

DATE May 25<sup>th</sup>

Address for Service:

Tel. No. 4162912669

Landlord's Lawyer.....

Address.....

Email.....

Tel. No. ....

FAX No. ....

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Tenant)

2629972 Ontario Corp

(Tenant)

Kajanthan Kanagarajah

(Tenant)

Address for Service:

Tel. No. 6477130858

Tenant's Lawyer.....

Address.....

Email.....

Tel. No. ....

FAX No. ....

FOR OFFICE USE ONLY

#### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all monies received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement to Lease.

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)





# Agreement to Lease Commercial – Short Form

Commercial Network  
Toronto Real Estate Board  
Serving Greater Toronto REALTOR®  
www.trebcommercial.com

This Agreement to Lease dated this 24th day of April, 2018

**TENANT** 2629972 Ontario Inc.  
(Full legal names of all Tenants)

**LANDLORD** 2492167 ONTARIO LTD  
(Full legal names of all Landlords)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. **PREMISES:** The "Premises" consisting of approximately 1200 square (feet/metres) more or less on the 1st floor of the "Building" known municipally as 5810 -5818 Sheppard Ave. E #104 in the City of Scarborough, Province of Ontario, as shown outlined on the plan attached as Schedule " ".

2. **USE:** The Premises shall be used only for Retail

3. **TERM OF LEASE:** The Lease shall be for a term of 2 years months commencing on the 1st day of May, 2018, and terminating on the 31st day of May, 2020

4. **RENTAL:** At a rental of \$ 33900 per year per annum, payable \$ 2825 hst include monthly in advance, on the 1st day of each month during the said term, plus HST.

5. **DEPOSIT AND PREPAID RENT:** The Tenant delivers 1st and Last +1000 deposit  
(Herewith/Upon acceptance/as otherwise described in this Agreement)

by negotiable cheque payable to 2492167 Ontario Ltd. "Deposit Holder"  
in the amount of Six Thousand Six Hundred Fifty  
Canadian dollars (Can\$ 6,650.00) to be deposited and held in trust as security for the faithful performance by the Tenant of all terms, covenants and conditions of the Agreement and after the earlier of occupancy by the tenant or execution of the Lease to be applied by the Landlord against the month's rent and HST. If the Agreement is not accepted, the deposit is to be returned to the Tenant without interest or deduction. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Tenant is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

## 6. ADDITIONAL TERMS

7. **SCHEDULES:** The Schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s)

8. **IRREVOCABILITY:** This offer shall be irrevocable by Landlord until 11 a.m. on the 5 day of May 1st, 2018 after which time if not accepted, this offer shall be null and void and all monies paid thereon shall be returned to the Tenant without interest or deduction.

It is further understood that all representations by the Landlord or any of the Landlord's representatives are set out in this Agreement.

9. **NOTICES:** The Landlord hereby appoints the Listing Brokerage as agent for the Landlord for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Tenant's Brokerage) has entered into a representation agreement with the Tenant, the Tenant hereby appoints the Tenant's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Landlord and the Tenant (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Tenant or the Landlord for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: (For delivery of Documents to Landlord)

FAX No.: (For delivery of Documents to Tenant)

Email Address: sk6nadarajah@gmail.com  
(For delivery of Documents to Landlord)

Email Address: (For delivery of Documents to Tenant)

INITIALS OF TENANTS(S):

INITIALS OF LANDLORD(S):



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Form 511 Revised 2014 Page 1 of 2

WEBForms® Nov/2013

10. **EXECUTION OF LEASE:** The Lease shall be prepared by the Landlord at the Landlord's expense, in accordance with the terms and conditions of this Agreement subject to minor adjustments. The Lease will be signed and executed by both parties hereto prior to the commencement of work on the premises by either party and prior to occupancy by the Tenant.
11. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.
12. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, accounting, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
13. **BINDING AGREEMENT:** This Agreement and the acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.
14. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Tenant or Authorized Representative)



DATE.....

(Witness)

(Tenant or Authorized Representative)



DATE.....

(Witness)

(Guarantor)



DATE.....

We/I the Landlord hereby accept the above offer, and agree that the commission together with applicable Harmonized Sales Tax (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Landlord or Authorized Representative)



DATE.....

(Witness)

(Landlord or Authorized Representative)



DATE.....

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and

written was finally accepted by all parties at.....

this.....day of....., 20.....

(Signature of Landlord or Tenant)

#### INFORMATION ON BROKERAGE(S)

Listing Brokerage..... Tel.No. ....

Co-op/Buyer Brokerage..... Tel.No. ....

#### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Landlord).....DATE.....

2492167 Ontario Ltd.....DATE April 26t

(Landlord).....

Address for Service: .....

Tel. No. ....

Landlord's Lawyer.....

Address.....

Email.....

Tel. No. .... FAX No. ....

I acknowledge receipt of my signed copy of this accepted Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Tenant).....DATE.....

(Tenant).....DATE.....

Address for Service: .....

Tel. No. ....

Tenant's Lawyer.....

Address.....

Email.....

Tel. No. .... FAX No. ....

#### FOR OFFICE USE ONLY

#### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement to Lease:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement to Lease, I hereby declare that all monies received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement to Lease.

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)



## APPENDIX E

---



Municipal Licensing and Standards  
Tracey Cook, Executive Director

Etobicoke Civic Centre  
399 The West Mall  
3<sup>rd</sup> Floor  
Toronto, Ontario M9C 2Y2

Mark Sraga, Director  
Investigation Services

Tel: 416-392-7633  
Fax: 416-394-2904  
msraga@toronto.ca

August 22, 2018

Karunadevi Nadarajal  
16 Moffatt Court  
Etobicoke, Ontario M9V 4E1

## Notice of Contravention of Zoning By-law

**RE: 5810 Sheppard Avenue East – Green Monkey  
Offences under section 67 of the Planning Act**

The City of Toronto has passed by-laws pursuant to section 34 of the Planning Act to regulate the use of lands within the City. These are generally referred to as zoning by-laws. The City's Municipal Licensing & Standards Division ("ML&S") has investigated **5810 Sheppard Avenue East – Green Monkey** in relation to a zoning by-law contravention and determined that **Karunadevi Nadarajal** is the registered owner of the Property.

Among other things, the City's zoning by-laws regulate where medical marihuana production facilities may be located. As set out in the relevant zoning by-laws, a medical marihuana production facility includes premises used for distribution of medical marihuana or cannabis authorized by a license issued by the federal Minister of Health. Currently, no marihuana other than medical marihuana or cannabis authorized by a license issued by the federal Minister of Health may be legally distributed in Ontario.

The following has been determined as a result of the ML&S investigation of the Property:

- The Property is governed by the harmonized zoning by-law No. 569-2013
- The Property is being used for marihuana distribution by **Green Monkey** and,
- The Applicable Zoning By-law does not permit the Property to be used for marihuana distribution.



toronto at your service



Section 67 of the Planning Act provides that every person who contravenes a by-law passed under section 34 of the Planning Act, and, if the person is a corporation, every director or officer of the corporation who knowingly concurs in the contravention, is guilty of an offence and on conviction is liable to significant fines, up to \$50,000. I provide you with a copy of section 67 of the Planning Act in an attachment to this letter.

You are on notice that the Property is being used in contravention of the Applicable Zoning By-law by **Green Monkey**. As the Owner it is your responsibility and within your authority to take steps to stop the illegal use of your Property. If have not complied within 3 days of this letter further enforcement action may be directed at you.

The City will use its resources and the tools available to it to collect all fines imposed under section 67 of the Planning Act. If any such fines fall into default, the City may elect to have the fines added to the tax roll of property that is owned by the person responsible for paying the fine pursuant to section 381.1 of the *City of Toronto Act, 2006*.

You are encouraged to contact Justin Crichlow at 416-396-4107 or [jcrichl@toronto.ca](mailto:jcrichl@toronto.ca) to provide information about your efforts to bring the Property into compliance.

We thank you in advance for your cooperation in this matter.

Mark Sraga  
Director, Investigation Services  
Municipal Licensing & Standards  
City of Toronto

Cc: Pat Burke, Manager, Investigation Service, Municipal Licensing and Standards

## Excerpt of the Planning Act

### Penalty

67. (1) Every person who contravenes section 41, section 46, subsection 49 (4) or section 52 or who contravenes a by-law passed under section 34 or 38 or an order made under section 47 and, if the person is a corporation, every director or officer of the corporation who knowingly concurs in the contravention, is guilty of an offence and on conviction is liable,

- (a) on a first conviction to a fine of not more than \$25,000; and
- (b) on a subsequent conviction to a fine of not more than \$10,000 for each day or part thereof upon which the contravention has continued after the day on which the person was first convicted. 1994, c. 2, s. 48.

### Corporation

(2) Where a corporation is convicted under subsection (1), the maximum penalty that may be imposed is,

- (a) on a first conviction a fine of not more than \$50,000; and
- (b) on a subsequent conviction a fine of not more than \$25,000 for each day or part thereof upon which the contravention has continued after the day on which the corporation was first convicted, and not as provided in subsection (1).

### Order of prohibition

(3) Where a conviction is entered under subsection (1), in addition to any other remedy or any penalty provided by law, the court in which the conviction has been entered, and any court of competent jurisdiction thereafter, may make an order prohibiting the continuation or repetition of the offence by the person convicted. R.S.O. 1990, c. P.13, s. 67 (2, 3).

## APPENDIX F

---



Fogler, Rubinoff LLP  
Lawyers

77 King Street West  
Suite 3000, PO Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8  
t: 416.864.9700 | f: 416.941.8852  
foglers.com

August 24, 2018

Reply To: Maurice V. Fleming  
Direct Dial: 416.941.8812  
E-mail: mfleming@foglers.com  
Our File No. R2683/183719

**WITH PREJUDICE**

**HAND DELIVERED**

Occupants of Unit #104  
("Green Monkey" or "GM")

Dear Sirs:

**Re: 5810 Sheppard Avenue East, Toronto Ontario-(the "Lands") and Unit #104 (the "Unit")**

We act as solicitors to RSM Canada Limited, solely in their capacity as Receiver of 2492167 Ontario Limited ("Owner"). The Receiver was appointed over all assets and undertaking, including lands, of the Owner under a Court Order dated the 26<sup>th</sup> day of July, 2018 (the "Appointment Order"). The application for the appointment order was brought by the first mortgagee registered on title to the Lands, Cameron Stephens Financial Corporation ("First Mortgagee"). GM has been served with a copy of the Appointment Order by representatives of the Receiver.

The Receiver, in the careful execution of its duties under the Appointment Order, has conducted an inquiry into the facts and circumstances related to the purported lease of unit #104 by GM. The Receiver has reviewed the materials GM have delivered to them, and compared them to the documents available to them in the Owner's files. Our firm has reviewed those materials with them. The Receiver has now concluded the following:

1. There is no valid and enforceable lease of the Unit. The copies provided are not consistent with the Owners information, and you have been unable to produce a fully executed and complete form of any such purported lease agreement.
2. The First Mortgagee has commenced power of sale proceedings under the Mortgages Act (Ontario). Default judgement for vacant possession is now being obtained, and will be filed shortly. Thereafter, vacant possession will be sought by the First Mortgagee, through their legal advisors. GM has not registered any leasehold interest on title to the Lands, and GM has no estoppels from the First Mortgagee. Accordingly, any purported lease is subordinate in interest to the interests of the First Mortgagee. GM will be

forced to vacate the Lands, notwithstanding any interest it may have under any purported lease of the Unit.

3. Even if Green Monkey is able, pending enforcement of vacant possession rights by the First Mortgagee, to support the existence of a leasehold interest in the Unit, any such leasehold is nevertheless in default due to the following:
  - a. No rents have been paid for the unit by GM. GM has claimed to have made cash remittances and payments to the Owner, but no verifiable proof of such payments exist. Accordingly, all rents from inception of the occupation of the Unit by GM remain unpaid.
  - b. Unauthorized use of the Unit is plainly evident. This activity is not in compliance with the purported lease presented to date. This includes the commercial sale and on-site usage of narcotics and restricted substances, contrary to the Criminal Code of Canada. The purported lease only allowed for sale of vaping products, and fluids. Current activities are virtually non-compliant with those restrictions.
  - c. The Owner has been served with a Notice of Contravention of Zoning By-law, copy attached and dated August 22, 2018. The notice specifically notifies the Owner of unauthorized medical marihuana production facilities, including usage and distribution of such substances. The Owner is directed to take steps to cease and desist such illegal activities within 3 days of such notice, which would be by Saturday, August 25, 2018. The Receiver, in the shoes of the Owner, must now take such steps, immediately.
  - d. Dangerous use of parking and common areas by clientele of GM. Existing and valid tenants of the Lands, and their customers, are under concern for their own personal safety and security, at all times.
  - e. The Receiver is now concerned that, as a result of the activities by GM and their clientele, that existing tenants will seek to early-terminate their leases. Accordingly, the Receiver, as an officer of the Court, has a duty to immediately deal with these issues to maintain safe use of the remainder of the Lands.
  - f. Unauthorized renovations have been made to the Unit. Reversal of those renovations will be expensive.

Accordingly, the Receiver has instructed us to advise you of the following:

- A. Green Monkey must immediately cease and desist all of its current commercial operations on site, effective immediately.
- B. Green Monkey vacate the Unit/Lands, and hand keys to all locks over to the Landlord, on or before 12 noon on Friday August 31, 2018.
- C. Green Monkey must confirm its intentions to comply with these demands, in writing, transmitted or delivered on or before 12 noon, Tuesday August 28, 2018. Please respond to our firm directly. Failure to respond will result in our booking of an emergency motion before the Ontario Superior Court of Justice, Commercial List to seek relief appropriate to the circumstances listed above, in the discretion of the Receiver. In seeking such relief, we will be seeking costs from you in the maximum scale available to the Receiver, under the Rules of Practice.

We trust that you will kindly govern yourselves accordingly.

Yours truly,

**FOGLER, RUBINOFF LLP**



Maurice V. Fleming  
MVF/FT



Municipal Licensing and Standards  
Tracey Cook, Executive Director

Etobicoke Civic Centre  
399 The West Mall  
3<sup>rd</sup> Floor  
Toronto, Ontario M9C 2Y2

Mark Sraga, Director  
Investigation Services

Tel: 416-392-7633  
Fax: 416-394-2904  
msraga@toronto.ca

August 22, 2018

Karunadevi Nadarajal  
16 Moffatt Court  
Etobicoke, Ontario M9V 4E1

## Notice of Contravention of Zoning By-law

**RE: 5810 Sheppard Avenue East – Green Monkey**  
**Offences under section 67 of the Planning Act**

The City of Toronto has passed by-laws pursuant to section 34 of the Planning Act to regulate the use of lands within the City. These are generally referred to as zoning by-laws. The City's Municipal Licensing & Standards Division ("ML&S") has investigated **5810 Sheppard Avenue East – Green Monkey** in relation to a zoning by-law contravention and determined that **Karunadevi Nadarajal** is the registered owner of the Property.

Among other things, the City's zoning by-laws regulate where medical marihuana production facilities may be located. As set out in the relevant zoning by-laws, a medical marihuana production facility includes premises used for distribution of medical marihuana or cannabis authorized by a license issued by the federal Minister of Health. Currently, no marihuana other than medical marihuana or cannabis authorized by a license issued by the federal Minister of Health may be legally distributed in Ontario.

The following has been determined as a result of the ML&S investigation of the Property:

- The Property is governed by the harmonized zoning by-law No. 569-2013
- The Property is being used for marihuana distribution by **Green Monkey** and,
- The Applicable Zoning By-law does not permit the Property to be used for marihuana distribution.



Section 67 of the Planning Act provides that every person who contravenes a by-law passed under section 34 of the Planning Act, and, if the person is a corporation, every director or officer of the corporation who knowingly concurs in the contravention, is guilty of an offence and on conviction is liable to significant fines, up to \$50,000. I provide you with a copy of section 67 of the Planning Act in an attachment to this letter.

You are on notice that the Property is being used in contravention of the Applicable Zoning By-law by **Green Monkey**. As the Owner it is your responsibility and within your authority to take steps to stop the illegal use of your Property. If have not complied within 3 days of this letter further enforcement action may be directed at you.

The City will use its resources and the tools available to it to collect all fines imposed under section 67 of the Planning Act. If any such fines fall into default, the City may elect to have the fines added to the tax roll of property that is owned by the person responsible for paying the fine pursuant to section 381.1 of the *City of Toronto Act, 2006*.

You are encouraged to contact Justin Crichlow at 416-396-4107 or [jcrichl@toronto.ca](mailto:jcrichl@toronto.ca) to provide information about your efforts to bring the Property into compliance.

We thank you in advance for your cooperation in this matter.

Mark Srage  
Director, Investigation Services  
Municipal Licensing & Standards  
City of Toronto

Cc: Pat Burke, Manager, Investigation Service, Municipal Licensing and Standards



## Excerpt of the Planning Act

### Penalty

67. (1) Every person who contravenes section 41, section 46, subsection 49 (4) or section 52 or who contravenes a by-law passed under section 34 or 38 or an order made under section 47 and, if the person is a corporation, every director or officer of the corporation who knowingly concurs in the contravention, is guilty of an offence and on conviction is liable,

- (a) on a first conviction to a fine of not more than \$25,000; and
- (b) on a subsequent conviction to a fine of not more than \$10,000 for each day or part thereof upon which the contravention has continued after the day on which the person was first convicted. 1994, c. 2, s. 48.

### Corporation

(2) Where a corporation is convicted under subsection (1), the maximum penalty that may be imposed is,

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### Order of prohibition

(3) Where a conviction is entered under subsection (1), in addition to any other remedy or any penalty provided by law, the court in which the conviction has been entered, and any court of competent jurisdiction thereafter, may make an order prohibiting the continuation or repetition of the offence by the person convicted. R.S.O. 1990, c. P.13, s. 67 (2, 3).

## APPENDIX G

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ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND

REGISTRY

OFFICE #66

PAGE 1 OF 2

PREPARED FOR apulia01

ON 2018/08/24 AT 14:58:44

06074-0198 (LT)

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

PROPERTY DESCRIPTION:

PCL BLK 95-1, SEC M2168 BLK 95, PLAN 66M2168, SUBJ TO EASE OVER PT BLK 95, 66M2168 AS SHOWN IN BROKEN OUTLINE FORMERLY INCLUDED WITHIN THE LIMITS OF PTS 5 & 7 66R14060 AS IN TB162935, SC545197 (C151519 & C151520) SCARBOROUGH , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1992/01/27

OWNERS' NAMES

2492167 ONTARIO LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1992/01/27 ON THIS PIN**			
**WAS REPLACED WITH THE	"PIN CREATION DATE" OF 1992/01/27**					
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
C238352	1985/10/11	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF SCARBOROUGH	C
C238353	1985/10/11	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF SCARBOROUGH	C
C419240	1987/10/06	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF SCARBOROUGH	C
C430653	1987/11/24	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF SCARBOROUGH	C
66R15394	1988/08/22	PLAN REFERENCE				C
AT2322378	2010/03/08	APL CH NAME INST		SUNOCO INC.	SUNCOR ENERGY PRODUCTS INC.	C
REMARKS: C826181.						
AT4091553	2015/12/10	TRANSFER	\$4,800,000	PETROGOLD INC.	2492167 ONTARIO LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
AT4097464	2015/12/16	NOTICE OF LEASE		2492167 ONTARIO LTD.	CST CANADA CO.	C
AT4294664	2016/07/29	CHARGE	\$6,240,000	2492167 ONTARIO LTD.	CAMERON STEPHENS FINANCIAL CORPORATION	C
AT4294665	2016/07/29	NO ASSGN RENT GEN		2492167 ONTARIO LTD.	CAMERON STEPHENS FINANCIAL CORPORATION	C
REMARKS: AT4294664						
AT4724941	2017/11/03	APL CH NAME INST		CST CANADA CO.	COUCHE-TARD INC.	C
REMARKS: AT4097464.						
AT4728122	2017/11/08	NO ASSG LESSEE INT		COUCHE-TARD INC.	PARKLAND FUEL CORPORATION	C
REMARKS: AT4097464.						

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
AT4808931	2018/02/23	CHARGE	\$400,000	2492167 ONTARIO LTD.	PARSI, VIDA	C
AT4808932	2018/02/23	NO ASSGN RENT GEN		2492167 ONTARIO LTD.	PARSI, VIDA	C
REMARKS: AT4808931.						

## APPENDIX H

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**PPSACanada** Ontario Search Results  
ID 1505256  
SECURITY IS EVERYTHING  
Phone: (416) 225-5511 Search Type [BD] Business Debtor

Your Ref No. 6243-418  
Liens : 2 Pages : 2

Searched :03JUL2018 10:40 AM  
Printed :03JUL2018 10:41 AM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 07/03/2018  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 10:40:20  
ACCOUNT : 009233-0001 FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 2  
FILE CURRENCY : 02JUL 2018  
SEARCH : BD : 2492167 ONTARIO LTD.

00 FILE NUMBER : 718549353 EXPIRY DATE : 12JUL 2021 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20160712 1705 1462 1820 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: 2492167 ONTARIO LTD.

OCN : 002492167

04 ADDRESS : 16 MOFFATT COURT  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9V4E1  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

CAMERON STEPHENS FINANCIAL CORPORATION

09 ADDRESS : 25 ADELAIDE STREET EAST, SUITE 600

CITY : TORONTO PROV: ON POSTAL CODE: M5C3A1

CONS. MV DATE OF OR NO FIXED

GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X  
YEAR MAKE MODEL V.I.N.

11  
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL ASSIGNMENT OF RENTS AND LEASES AND GENERAL SECURITY

14 AGREEMENT RELATING TO THAT PROPERTY KNOWN AS 5818 SHEPPARD AVENUE

15 EAST, CITY OF TORONTO

16 AGENT: GARFINKLE, BIDERMAN LLP (AWB/CC - 6243-320)

17 ADDRESS : 1 ADELAIDE ST. EAST, SUITE 801

CITY : TORONTO PROV: ON POSTAL CODE: M5C2V9

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 07/03/2018  
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 10:40:23  
ACCOUNT : 009233-0001 FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 2  
FILE CURRENCY : 02JUL 2018  
SEARCH : BD : 2492167 ONTARIO LTD.

00 FILE NUMBER : 738492399 EXPIRY DATE : 20APR 2023 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20180420 1935 1531 3746 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: 2492167 ONTARIO LTD.

04 ADDRESS : 16 MOFFATT CRT OCN :  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9V 4E1  
05 IND DOB : IND NAME:  
06 BUS NAME:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :  
THE TORONTO-DOMINION BANK - 15502  
09 ADDRESS : 2700 KIPLING AVENUE NORTH  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9V 4P2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13  
14  
15

16 AGENT: D+H LIMITED PARTNERSHIP  
17 ADDRESS : SUITE 200, 4126 NORLAND AVENUE  
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

---

END OF REPORT

## APPENDIX I

---

Jeffrey A.L. Kriwetz  
Direct Line: 416.869.7618  
e-mail: jkriwetz@garfinkle.com

Law Clerk: Lucy Silvestre  
Direct Line: 416.869.7646  
e-mail: lsilvestre@garfinkle.com

August 16, 2018

**Via E-mail**

Fogler Rubinoff LLP  
77 King Street West  
Suite 3000 P.O. Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8

Attention: Maurice V. Fleming

Dear Sir:

Re: Cameron Stephens Financial Corporation v. 2492167 Ontario Ltd. et al. – Ontario  
Superior Court of Justice Action No. CV-18-601436 (the “Action”) and  
5818 Sheppard Avenue East, Toronto (the “Property”)

---

I write further to our recent telephone discussion.

As you are aware from the Receivership Application materials, on January 3, 2018, our client, Cameron Stephens Financial Corporation (“CSFC”) issued a Notice of Sale Under Mortgage with respect to its mortgage on the Property. The notice period expired on February 9, 2018.

Although CSFC entered into a Forbearance Agreement with the mortgagor, 2492167 Ontario Ltd. (“249”) and guarantor on February 1, 2018, neither 249 nor the guarantor complied with the terms of the said agreement. Consequently, CSFC is entitled to continue to enforce its security. As such, we were instructed to commence the Action for possession of the Property and for payment of the amounts owing under the mortgage covenant.

The Statement of Claim was served upon 249 on July 13, 2018. The subsequent Receivership Order, however, stayed all proceedings against 249, but as you know, the Receivership Order states that the stay may be lifted on written consent of the Receiver or Court order.

We have received no response from 249 with respect to the Statement of Claim and CSFC is in a position to note it in default and file for default judgment for possession.

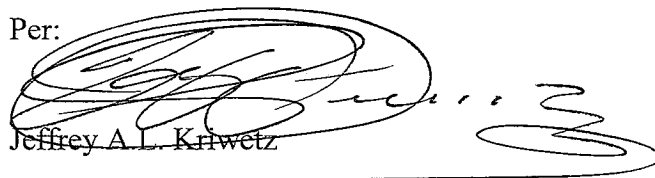
We are, therefore, writing to you to request the Receiver’s written consent to allow our client to proceed with the Action.

Fogler Rubinoff LLP  
August 16, 2018  
Page 2

We look forward to hearing from you as soon as possible.

Yours very truly,

Per:

A handwritten signature in black ink, appearing to read "Jeffrey A. L. Kriwetz", is written over a horizontal line. The signature is stylized with loops and flourishes.

Jeffrey A. L. Kriwetz

cc. client (via e-mail)

JALK/lis  
Enc.

H:\CLIENT\6243-418

## APPENDIX J

---



**RSM Canada Limited**  
Licensed Insolvency Trustee

11 King St W  
Suite 700, Box 27  
Toronto, ON M5H 4C7

T +1 416 480 0160  
F +1 416 480 2646

[www.rsmcanada.com](http://www.rsmcanada.com)

## NOTICE AND STATEMENT OF RECEIVER (SECTION 245(1) AND 246(1) OF THE ACT)

In the matter of the receivership of 2492167 Ontario Ltd. (the “**Company**”)

The receiver gives notice and declares that:

1. On the 26<sup>th</sup> day of July, 2018, the undersigned RSM Canada Limited was appointed as receiver and manager (the “**Receiver**”) in respect of all of the assets, undertakings and properties of the Company, an insolvent person that is described below:

Land and building	\$ Unknown
Other assets	\$ Unknown

2. The undersigned became a receiver in respect of the Company by virtue of being appointed by the Ontario Superior Court of Justice - Commercial List.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 26<sup>th</sup> day of July, 2018.
4. The following information relates to the receivership:

- a) Registered Office Address of insolvent company: 16 Moffatt Court, Etobicoke, ON, M9V 4E1
- b) Principal line of business: owner of a gas bar, convenience store and commercial building located at 5810 - 5818 Sheppard Ave. E, Scarborough, ON, M1B 4Z6 (the “**Property**”)
- c) The amounts owed by the Company to the creditors who appear to hold a security interest include:

Cameron Stephens Financial Corporation	\$5,305,981.59 (at July 6, 2018)
Toronto Dominion Bank	Unknown
Vida Parsi	Unknown

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING

- d) The list of creditors of the Company and the amount owed to each creditor by the insolvent company is attached. This list has been compiled based on information provided by the Company and searches of the Personal Property Security Registration System and Land Registry, and has not been audited or verified by the Receiver. The fact that persons are receiving this notice or are included on the creditors list does not mean that it has been determined that they are a creditor or that if they are a creditor, that their claim is admitted in the amount set out on that list.
- e) The current intended plan of the Receiver, to the extent that such a plan has been determined, is to realize on the assets of the Company, comprised primarily of the Property.
- f) Contact person for the Receiver:  
  
Jeffrey Berger  
RSM Canada Limited  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario M5H 4C7  
Telephone: (647) 726-0496  
Facsimile: (416) 480-2646  
E-mail: [jeff.berger@rsmcanada.com](mailto:jeff.berger@rsmcanada.com)
- g) Additional information: A copy of the receivership order is posted on the Receiver's website at [rsmcanada.com/2492167-ontario-ltd](http://rsmcanada.com/2492167-ontario-ltd). Other pertinent public information will be posted to this website as that information becomes available.

Dated at Toronto this 2nd day of August, 2018.

**RSM CANADA LIMITED**

In its capacity as Court Appointed Receiver and  
Manager of 2492167 Ontario Ltd., and not in its  
personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT  
Senior Vice-President

**RSM CANADA LIMITED**  
**In the Matter of the Receivership of**  
**2492167 ONTARIO LTD.**

**LIST OF CREDITORS**

Creditors who appear to hold a security interest	
Cameron Stephens Financial Corporation	\$ 5,305,981.59
The Toronto-Dominion Bank	Unknown
Vida Parsi	Unknown
Total	<u>\$ 5,305,981.59</u>

Other Creditors	
Canada Revenue Agency	Unknown
City of Toronto - Property Taxes	\$ 53,148.79
City of Toronto - Water bill	Unknown
Employee wages, vacation pay and termination pay	Unknown
Imperial Tobacco	Unknown
Lumsden Brothers	Unknown
Ministry of Finance	Unknown
Ontario Lottery and Gaming Corporation	Unknown
Parkland Fuel Corporation	Unknown
Rogers Communications	Unknown
Toronto Hydro	Unknown
WSIB	Unknown
Total	<u>\$ 53,148.79</u>

**Supplementary Mailing List**

Department of Justice, Canada Revenue Agency  
Office of the Superintendent of Bankruptcy  
Karunadevi Nadarajal  
Garfinkle Biderman LLP  
Fogler Rubinoff LLP

## APPENDIX K

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**RSM Canada Limited**  
**Court Appointed Receiver and Manager of 2492167 Ontario Ltd.**  
**Interim Statement of Receipts and Disbursements**  
**For the period July 26, 2018 to September 10, 2018**

Receipts		
Advances from secured lenders (1)	\$	250,000
Rent		8,134
HST collected on rent		1,025
Total receipts	\$	<u>259,159</u>
Disbursements		
Insurance	\$	1,905
Miscellaneous		737
Operating expenses		25,383
Parkland fuel settlement fees (2)		15,946
Property management fees		9,548
Property taxes		63,818
Receiver's fees (to July 31, 2018)		30,928
Repairs		1,613
Security and possession		19,984
Travel		570
Wages		4,577
HST paid		10,631
Total disbursements	\$	<u>185,639</u>
<b>Net cash on hand</b>	<b>\$</b>	<b><u>73,520</u></b>

Notes

- (1) Advances received from Cameron Stephens Mortgage Capital Ltd. ("Cameron") and Home Trust Company of \$186,535 and \$63,465, respectively. This does not include \$124,954.00 received from Cameron that is held in trust by the Receiver pending an increase to the borrowing limit as set out in Paragraph 21 of the Appointment Order.
- (2) This amount represents settlement fees paid to Parkland / Ultramar on account of fuel sales.

*This Appendix forms part of the First Report of the Receiver of 2492167 Ontario Ltd. dated September 12, 2018 and should only be read in conjunction therewith.*