

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

THIRD REPORT OF THE RECEIVER OF
2492167 ONTARIO LTD.

December 10, 2020

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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 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 (the “**Sheppard Property**”) municipally known as 5818 Sheppard Avenue East, Toronto, Ontario (collectively the “**Property**”). A copy of the Appointment Order is attached to this report as **Appendix “A”**.
2. On September 12, 2018, the Receiver issued its first report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order of the Court to authorize the Receiver to amend Paragraph 21 of the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$600,000. A copy of the First Report, without appendices, is attached to this report as **Appendix “B”**.
3. At the attendance on September 19, 2018, Justice Penny ordered (the “**September 19 Order**”), among other things, that the borrowing powers of the Receiver set out in paragraph 21 of the Appointment Order be increased, *nunc pro tunc*, from \$250,000 to \$600,000. A copy of the September 19 Order is attached to this report as **Appendix “C”**.

4. On April 5, 2019, the Receiver issued its second report to the Court (the “**Second Report**”) for the purpose of, among other things, seeking an Order of the Court to:

(i) authorize and direct the Receiver to enter into and carry out the terms of an agreement of purchase and sale (the “**APS**”) between the Receiver and 2647766 Ontario Inc. (“**2647766**” or the “**Purchaser**”) and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser;

(ii) authorize the Receiver to immediately dispose of any items remaining in unit 104 of the Sheppard Property (“**Unit 104**”), and of any contents of any other leased units on the Sheppard Property after 5:00 pm on April 30, 2019;

(iii) authorize the Receiver to release to Toronto Police Services (“**TPS**”) security/camera footage located in Unit 104 and if any of such security camera footage or other data or evidence was not required by TPS, authorizing the Receiver to dispose of such security camera footage or other data or evidence;

(iv) terminate all prior or existing actual or purported leases on the Real Property, including those for Units #101, 102, 104, 200, and 201-203, and 206 on condition that the tenants thereunder were, subject to the Receiver’s consent in respect of Unit 104, allowed to remain in the leased premises until 5:00 pm on April 30, 2019;

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- (v) authorize that the hall cameras installed by any occupiers of the leased units on the Sheppard Property may be immediately removed or otherwise disposed of by the Receiver; and
 - (vi) authorize the Receiver to sell or otherwise dispose of any remaining items at the Sheppard Property, including any personal property that may belong to individuals related to the Debtor, or former tenants, or any financial or other records at the Sheppard Property, that were not removed from the Sheppard Property, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of the Sheppard Property.

A copy of the Second Report, without appendices, is attached to this report as **Appendix "D"**.

- 5. On April 18, 2019 Justice Conway:
 - (i) approved the APS and issued an Approval and Vesting Order (the "**Approval and Vesting Order**"); and
 - (ii) issued an Order (the "**April 18 Order**") which, *inter alia*:
 - a) terminated all prior or existing actual or purported leases on the Sheppard Property;
 - b) directed that, save and except for video material requested by TPS, all other contents of Unit 104 could be immediately sold or disposed of in the sole discretion of the Receiver.
- The Receiver was to hold and preserve such material until

further order of the Court and was to advise TPS and Mr. Litowitz forthwith after it takes possession of the video material;

- c) directed that the Receiver could immediately sell or otherwise dispose of the contents of any leased or formerly occupied units of the Sheppard Property, with the exception of Units 101, 102, 200, 201-203 and 206, including any personal property that may have belonged to individuals related to the Debtor, or former tenants, or any other financial or other records at the Sheppard Property;
- d) declared that the hall camera equipment installed by any occupiers of the leased units on the Sheppard Property could be immediately removed and otherwise sold or disposed of by and in the sole discretion of the Receiver;
and
- e) authorized the Receiver to pay to Cameron Stephens Financial Corporation ("**Cameron Stephens**"), from the proceeds of sale of the Purchased Assets, an amount not exceeding the outstanding indebtedness of 2492167 to Cameron Stephens secured by Cameron Stephens' first mortgage over the Sheppard Property, net of any amounts held back by the Receiver to cover unpaid operating

expenses, potential deemed trust claims and future professional fees.

Copies of the Approval and Vesting Order and the April 18 Order are attached to this report as **Appendices “E”** and **“F”**, respectively.

6. The Appointment Order, the First Report, the September 19 Order, the Second Report, the Approval and Vesting Order and the April 18 Order, together with related Court documents pertaining to the receivership, have been posted on the Receiver’s website, which can be found at rsmcanada.com/2492167-Ontario-Ltd.

Purpose of Third Report

7. The purpose of this third report of the Receiver (the **“ Third Report ”**) is to:
 - (a) report to the Court on the activities of the Receiver since the date of the Second Report to December 10, 2020;
 - (b) report to the Court on the sale of the Sheppard Property and matters relating thereto;
 - (c) report to the Court on fire safety matters at the Sheppard Property;
 - (d) report to the Court on the interactions with certain tenants in connection with the sale of the Sheppard Property;
 - (e) report to the Court on the status of the disposition of any remaining items in Unit 104 including the security camera footage that had been requested by TPS;
 - (f) report to the Court on the disposition of the items remaining in units at the Sheppard Property;

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- (g) report to the Court on Canada Revenue Agency's claim against 249;
 - (h) provide an update on the status of claims made in respect of the Wage Earner Protection Payment Act ("**WEPPA**");
 - (i) report to the Court on the bankruptcy proceedings of 249 and costs relating thereto;
 - (j) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 26, 2018 to November 30, 2020; and
 - (k) seek an Order (capitalized terms below are described later in the Third Report):
 - i) directing that: (a) the Receiver provide the security/camera footage that was in Unit 104 to TPS and, (b) in the event TPS no longer require that the Receiver provide the video to TPS, the Receiver discard the security/camera footage;
 - ii) authorizing the Receiver to pay the Bankruptcy Costs;
 - iii) authorizing the Receiver to pay the CRA Deemed Trust Claim;
 - iv) authorizing the Receiver to pay the WEPPA Claim;
 - v) authorizing and directing the Receiver to make the Final Distribution;
 - vi) approving the Third Report and the Receiver's conduct and activities as described herein;
 - vii) approving the R&D:

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- viii) approving the Receiver's Accounts and the Fogler Accounts; and
 - ix) terminating these proceedings and discharging the Receiver from the powers, duties and obligations attendant to its appointment as Receiver upon the filing of the Receiver's Discharge Certificate.

Terms of Reference

8. In preparing this Third 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 Third 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.
9. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.
10. Defined terms in this Third Report have, unless indicated otherwise herein, the same meanings as set out in the First Report and the Second Report.

II. BACKGROUND

11. 249 is an Ontario corporation incorporated on November 19, 2015 and appears to be a single purpose corporation that, as at the date of the Appointment Order, held legal and beneficial title to certain lands and a free standing gas bar, convenience store and commercial building located thereon at 5810-5818 Sheppard Avenue East, Toronto, Ontario.
12. 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.
13. The commercial building situated on the Sheppard Property was 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 was a convenience store which, together with the gas bar, were managed by the Debtor. The gas station operated under the “Ultramar” brand, while the convenience store (the “**Store**”) operated under the “Express Mart” brand. The remainder of the units were comprised of commercial or medical tenants. Three units were vacant as of the date of the Receiver’s appointment.
14. Prior to the date of the Appointment Order, the Debtor had ceased operating the gas bar and the Store.

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15. The Applicant, Cameron Stephens, was prior to the sale of the Sheppard Property, the registered holder of a first ranking charge/mortgage on the Sheppard Property (the “**Mortgage**”).
 16. Due to the Debtor being in default of its obligations under the Mortgage, by Notice of Application dated July 6, 2018, Cameron Stephens sought the appointment of the Receiver.
 17. On July 26, 2018, the Court made the Appointment Order and RSM was appointed as Receiver of 249.
 18. Fogler is counsel to the Receiver.
 19. On July 30, 2018, the Receiver requested from the Debtor financial records for 249 including current and annual financial statements. To date, and notwithstanding further requests by the Receiver, no financial statements or other financial records have been provided by the Debtor to the Receiver, other than limited payroll information. Accordingly, the Receiver has administered the receivership on the assumption that the only assets of 249 are the Sheppard Property and amounts that may be owing to 249 by its tenants.

III. RECEIVER’S ACTIVITIES SINCE THE SECOND REPORT

20. The Receiver’s significant activities since the issuance of the Second Report have consisted of:
 - (i) completing the sale of the Sheppard Property including addressing issues raised by the Purchaser subsequent to the closing of the sale;

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- (ii) corresponding with tenants regarding the sale of the Sheppard Property including the vacating of the Sheppard Property by all but one of the tenants;
 - (iii) reviewing claims submitted by Canada Revenue Agency and Service Canada in connection with 249's source deductions and WEPPA liabilities, respectively;
 - (iv) filing HST returns;
 - (v) filing interim reports pursuant to Section 246(2) of the Bankruptcy and Insolvency Act;
 - (vi) corresponding with the insurance broker to recover premiums debited from the Receiver's account subsequent to the sale of the Sheppard Property; and
 - (vii) discussing with counsel to Cameron Stephens matters relating to prior transactions of the Debtor.

IV. COMPLETION OF THE SALE OF THE SHEPPARD PROPERTY

- 21. As set out in the Second Report, the Receiver entered an agreement of purchase and sale as of March 19, 2019 (the "**APS**") with 2647766 that provided for the sale of the Sheppard Property.
- 22. Pursuant to the terms of the APS, closing of the transaction was to occur on the 13th business day following the date upon which the Approval and Vesting Order was granted, or such other date as may be agreed upon between the Receiver and the Purchaser. As the Approval and Vesting

Order was granted on April 18, 2019, the closing date was to be May 7, 2019.

23. On April 29, 2019, counsel to the Purchaser informed the Receiver that the Purchaser was only willing to keep one of the tenants and, other than that tenant, the Purchaser required vacant possession of the Sheppard Property.
24. Pursuant to a request from the Purchaser, by letter agreement dated May 3, 2019, closing of the sale was extended to May 29, 2019.
25. On May 28, 2019, the Purchaser requested that the closing date be extended to June 14, 2019. After discussions between the Receiver and the Purchaser, the closing date was extended to June 14, 2019 with the Purchaser agreeing to pay to the Receiver on closing \$9,400, representing property management fees, insurance and utilities of \$6,900 that would be incurred by the Receiver as a result of the delay in closing plus an extension fee of \$2,500.
26. In the days immediately prior to the closing of the sale, the Receiver was advised that the Purchaser had not reached an agreement with Parkland that would enable the Purchaser to operate as an "Ultramar" gas station. The Receiver made arrangements with the Purchaser such that the Receiver did not require Parkland to remove its assets from the Sheppard Property prior to the sale of the Sheppard Property.
27. On June 14, 2019, the sale of the Sheppard Property was completed.

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28. Effective June 15, 2019, the Receiver cancelled its insurance coverage over the Sheppard Property.
 29. On June 17, 2019, counsel to the Purchaser contacted the Receiver and advised of its position that certain chattels and fixtures that were included in the sale to the Purchaser, were no longer at the Sheppard Property and requested the return of those items or compensation in lieu thereof.
 30. The Receiver was of the view that the items removed were not included in the sale. However, as the estimated combined realizable value of the items that were removed from the Store, consisting of certain shelving, branded fridges, freezers, and a slushy machine were estimated at the most to be approximately \$1,300 (the “**Items to be Returned**”), the Receiver agreed to return those items to the Sheppard Property. The Receiver also advised the Purchaser the items that were removed from the individual units at the Sheppard Property were not property of the Debtor and therefore were not subject to the APS.
 31. The Receiver contacted Canam-Appraiz Inc. (“**Canam**”), an auctioneer and liquidator, which had removed the Items to be Returned on behalf of the Receiver. Canam agreed to return the Items to be Returned to the Sheppard Property.

V. FIRE SAFETY ISSUES

32. In the Second Report, the Receiver described its concern that the building at the Sheppard Property may not comply with the Ontario Fire Code, and

that the Receiver had contacted Toronto Fire Services (“**TFS**”) on October 29, 2018 to request an inspection of the Sheppard Property.

33. Following an inspection by TFS of the Sheppard Property, on November 20, 2018, the Receiver received from TFS a “Fire Services – Notice of Violation” (the “**Fire Notice**”).
34. The Receiver engaged its contractor to address all deficiencies pertaining to the Fire Notice that arose after the date of the commencement of the receivership proceedings.
35. On December 6, 2018, the Receiver notified TFS of repairs set out in the Fire Notice being completed by December 14, 2018, and invited TFS to schedule an inspection of the repairs that were completed.
36. The Receiver has not received any further correspondence from TFS.

VI. TENANTS AT THE SHEPPARD PROPERTY

37. In the Second Report, the Receiver set out the numerous HVAC, mould and electrical issues that were prevalent at the Sheppard Property, including the various written communications that the Receiver had sent to the tenants of the Sheppard Property. Notwithstanding the Receiver’s communications, and the Receiver’s repeated warnings and requests that the tenants vacate the Sheppard Property, there remained five tenants at the Sheppard Property.
38. On April 18, 2019, upon receipt of the Approval and Vesting Order, and pursuant to the terms of the April 18 Order, Fogler corresponded with the tenants to advise them that they were required to vacate their units at the

Sheppard Property by April 30, 2019 (the “**April 18 Letter to Tenants**”). A copy of the April 18 Letter to Tenants is attached to this report as Appendix “**G**”.

39. As a number of tenants had not vacated their units as of April 30, 2019, on May 1, 2019, the Receiver again wrote to the tenants advising them that they were required to vacate their units immediately, however, the Receiver would consider allowing an extended possession period ending by no later than May 8, 2019 if the Receiver received a written request from the tenants (the “**May 1 Letter to Tenants**”). A copy of the May 1 Letter to Tenants is attached to this report as Appendix “**H**”.
40. Subsequent to the issuance of the May 1 Letter to Tenants, the Receiver engaged in ongoing communications with two of the tenants of the Sheppard Property.
41. The first tenant advised that it was in discussions with the Purchaser regarding entering into rental arrangements that would allow the tenant to remain at the Sheppard Property. On May 23, 2019, that tenant informed the Receiver that it was not able to reach an agreement with the Purchaser and the tenant vacated the Sheppard Property on May 27, 2019.
42. The second tenant made various requests to the Receiver requesting an extension of the date that it was required to vacate its unit, as well as a reimbursement of \$1,308 representing one month’s rent that had been paid to the Debtor, prior to the appointment of the Receiver. As the Receiver was of the view that the fees of the Receiver and Fogler to continue to deal with

the tenant's requests could quickly exceed \$1,308, the Receiver agreed to pay the tenant the \$1,308 in exchange for a signed release from the tenant.

The tenant vacated its unit on or about May 15, 2019.

VII. ASSETS IN UNIT 104

43. 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**").
44. As set out in the First Report, the Receiver changed the locks to Unit 104 on September 5, 2018. When the Receiver entered Unit 104, a quantity of narcotics inventory was located, which was, at the Receiver's request, subsequently retrieved by TPS.
45. While attending at the Sheppard Property to retrieve the contraband from the Green Monkey unit, TPS informed the Receiver that TPS wished to review the Green Monkey's surveillance camera footage in connection with a TPS investigation into a recent physical assault, which occurred to another tenant of the Sheppard Property that day. Due to privacy concerns, and since the security camera/footage was the property of the Green Monkey, the Receiver informed TPS that it was not in a position to allow TPS access to the Green Monkey's security camera footage without a court order or similar document.
46. Fogler wrote to counsel for the Green Monkey requesting that the Green Monkey contact the Receiver to make arrangements to remove the remainder of the Green Monkey's property from Unit 104 and informed the

Green Monkey of the TPS request to review the Green Monkey's security camera footage. The Receiver did not receive any responses to its requests from Green Monkey or its counsel.

47. As a result, the Receiver requested that the Court grant an order authorizing the Receiver to (i) dispose of any property of the Green Monkey remaining on the Sheppard Property; and (ii) provide the security/ camera footage in Unit 104 to TPS.

48. Paragraph 6 of the April 18 Order reads as follows:

“THIS COURT ODERS AND DECLARES that, save and except for video material requested by the Toronto Police Services, all other contents of Unit #104 may be immediately sold or disposed of, by and in the sole discretion of the Receiver. The Receiver shall hold and preserve such video material until further order of this Court and shall advise the Toronto Police Services and Mr Litowitz forthwith after it takes possession of such video material”.

49. In her Endorsement dated April 18, 2019 (the **“April 18 Endorsement”**), Justice Conway wrote, *inter alia*, that:

“The Receiver will be taking possession of the video material re Unit 104, holding onto it pending further court order, & notifying the TPS & Mr. Litowitz that it has done so. Any of the Receiver, TPS or Mr. Litowitz may arrange an attendance before me at 930 on notice to the others for further order or direction wrt this video material.

Counsel to provide a copy of this endorsement & the order to the
TPS and Mr. L.”

A copy of the April 18 Endorsement is attached to this report as Appendix
“1”.

50. The Receiver consulted with an auctioneer/liquidator which advised the Receiver that the cost of removing the remaining contents in Unit 104, which consisted primarily of miscellaneous furniture, showcases, etc. would likely exceed the contents’ realizable value.
51. Accordingly, after the issuance of the April 18 Endorsement, the Receiver attended at Unit 104 and disposed of the contents therein, except for the video surveillance material.
52. On April 18, 2019, the Receiver took possession of the video surveillance material, and Fogler forwarded to TPS and to Mr. Litowitz, counsel to one of the tenants, a copy of the April 18 Order and the April 18 Endorsement.
53. On May 2, 2019, TPS informed Fogler that TPS would like to receive a copy of the video materials and set out their intended use of same. The Receiver informed Mr. Litowitz of the position of TPS, and Mr. Litowitz informed Fogler that his client was in agreement with what was proposed.
54. Accordingly, the Receiver is respectfully requesting that the Court grant an Order directing that: (i) the Receiver provide the security/ camera footage that was in Unit 104 to TPS and, (ii) in the event TPS no longer require that the Receiver provide the video to TPS, the Receiver discard the security/camera footage.

VIII. DISPOSITION OF THE REMAINING CONTENTS AT THE SHEPPARD PROPERTY

55. On May 17, 2019, the Receiver attended at the Sheppard Property with Canam. Canam reviewed the various items remaining at the Sheppard Property (the “**Remaining Items**”), that were located in the vacated units or the Store.
56. On May 27, 2019, the Receiver entered into an Auction Services Agreement with Canam. Canam subsequently attended at the Sheppard Property and removed the Remaining Items.
57. Given the nature of the assets that were removed from the Sheppard Property, and the fact that certain fixtures were returned to the Purchaser (as set out above), the liquidation of the assets by Canam did not generate any funds for the Receiver. The liquidation proceeds were applied to offset the costs incurred by Canam to remove the items from the Sheppard Property.
58. Paragraph 9 of the April 18 Order authorized the Receiver, in its sole discretion, to remove and otherwise sell or dispose of the camera equipment that had been installed by occupiers of the leased units at the Sheppard Property in common areas of the Sheppard Property. However, as the Receiver did not receive any complaints regarding the security cameras, the Receiver did not proceed to remove those cameras.

IX. CANADA REVENUE AGENCY

59. In the Second Report, the Receiver set out that, other than limited payroll information, the Debtor had not provided the Receiver with any financial information that would permit the Receiver to file the requisite returns for the period ending July 26, 2018.
60. On August 27, 2019, CRA filed a Proof of Claim in the bankruptcy of the Debtor in the amount of \$6,431.75, of which \$5,224.06 was claimed to be a “deemed trust” claim in respect of 249’s payroll obligations (the “**CRA Deemed Trust Claim**”). The Receiver does not have any records with which to confirm the amount of CRA’s claim, however, in view of the quantum of the claim and the costs that would be incurred by the Receiver to attempt to determine the accuracy of CRA’s position, the Receiver proposes to pay the CRA Deemed Trust Claim. Accordingly, the Receiver respectfully requests the Court’s approval for the Receiver to pay the CRA Deemed Trust Claim.
61. On September 27, 2019, the Receiver received from CRA a refund in the amount of \$47,994.38 representing the net HST refund for the year ended December 31, 2018 in respect of the HST return filed by the Receiver.
62. On January 27, 2020, the Receiver filed the HST returns for the year ended December 31, 2019 in which a total refund of approximately \$96,300 was claimed (the “**2019 HST Refund**”).

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63. On October 30, 2020, the Receiver received from CRA a refund in the amount of \$89,162.04 relating to the 2019 HST Refund. The Receiver contacted CRA in order to reconcile the difference between the amount of the 2019 HST Refund claimed, and the amount received. The Receiver was advised that CRA had incorrectly applied the difference to the Debtor's HST account (the "**RT0001 Account**"), and that the full balance would be transferred to the Receiver forthwith. As of the date of this Third Report, the Receiver has not yet received the balance of the 2019 HST Refund.
64. The Receiver plans to file the HST returns for the year ended December 31, 2020 in early 2021.

X. WAGE EARNER PROTECTION PROGRAM ACT

65. In the Second Report, the Receiver set out that it identified five employees who may have been entitled to file a WEPPA claim. The Receiver wrote to the five employees and responded to numerous inquiries regarding the Receiver's correspondence.
66. Only one of the former employees completed and returned to the Receiver the required documentation and the Receiver forwarded that information to Service Canada.
67. With reference to the employee's claim filed, Service Canada has filed a super-priority claim with the Receiver in the amount of \$1,022 (the "**WEPPA Claim**"). The Receiver proposes to pay the WEPPA Claim and respectfully requests the Court's approval for the Receiver to pay the WEPPA Claim.

XI. BANKRUPTCY OF 2492167

68. On or about June 28, 2019, a bankruptcy application was made by Cameron Stephens to adjudge 2492167 bankrupt. At the hearing of the bankruptcy application held on August 6, 2019, the Court issued a Bankruptcy Order against 2492167 in which RSM was appointed as Trustee in Bankruptcy of the Estate of 249 (the "**Trustee**"). A copy of the Bankruptcy Order is attached to this report as Appendix "**J**".
69. The First Meeting of Creditors was held on August 26, 2019. A copy of the Trustee's Preliminary Report to the Creditors is attached to this report as Appendix "**K**".
70. At the First Meeting of Creditors, Mr. Jeffrey Kriwetz of Garfinkle Biderman LLP, counsel to Cameron Stephens, was elected as the sole Inspector of the Estate.
71. There have been no realizations in the bankrupt Estate. The Trustee is currently in the process of finalizing its administration of the bankruptcy and will shortly be seeking its discharge as Trustee.
72. Attached to this report as Appendix "**L**" is a draft copy of the Trustee's Final Statement of Receipts and Disbursements ("**Trustee's Draft Final R&D**"). As set out on the Trustee's Draft Final R&D, the excess of the Trustee's disbursements over receipts is \$22,123 (the "**Bankruptcy Costs**"). The Receiver previously advanced \$1,478.02 to the Trustee in order to pay disbursements.

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73. The Receiver is seeking an Order authorizing the Receiver to pay the Bankruptcy Costs from funds in the Receiver's bank account.
 74. The Trustee intends to update the Trustee's Draft Final R&D and review it with the Estate Inspector by the end of January 2021. The Trustee will then submit the Trustee's Final Statement of Receipts and Disbursements for comments to the Office of the Superintendent of Bankruptcy and then for taxation to the Registrar in Bankruptcy.

XII. PRIOR TRANSACTIONS OF THE DEBTOR

75. As set out in the Second Report, after receiving banking information from TD in respect of the Debtor's bank accounts, the Receiver conducted a review of the banking information provided.
76. Attached as Appendix "V" to the Second Report is a schedule prepared by the Receiver setting out transactions, namely disbursements and transfers greater than \$10,000, of the Debtor that appeared to be out of the ordinary course of business (the "**Schedule of Transactions**").
77. In response to a request received by the Receiver, the Receiver has provided to counsel for Cameron Stephens information relating to the Schedule of Transactions.

XIII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

78. Attached hereto as Appendix "**M**" is the Receiver's Interim Statement of Receipts and Disbursements for the period July 26, 2018 to December 9, 2020 (the "**R&D**"). During this period, receipts were \$6,119,165 including

advances totaling \$600,000 under Receiver Certificates No. 1, and disbursements were \$2,689,236, resulting in an excess of receipts over disbursements of \$3,429,929 before repayment(s) made to Cameron Stephens on account of its first mortgage. After payment to Cameron Stephens of the Interim Distribution, the excess of receipts over disbursements as at December 9, 2020 was \$178,270.

XIV. PROFESSIONAL FEES

79. The Receiver's accounts total (i) \$67,610.30 in fees, plus HST of \$8,789.34 for a total amount of \$76,399.65 for the period March 1, 2019 to November 30, 2020 (the "**Receiver's Pre-Finalization Accounts**"), plus (ii) the Receiver's estimated fees from December 1, 2020 to completion of the receivership administration of \$16,950.00 (inclusive of HST), for a total of \$93,349.65 (the "**Receiver's Accounts**"). Copies of the Receiver's **Pre-Finalization** Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, supported by the Affidavit of Daniel Weisz sworn December 10, 2020, are attached hereto as Appendix "**N**".
80. The accounts of the Receiver's counsel, Fogler, Rubinoff LLP ("**Fogler**"), total \$107,230.15 in fees, \$4,023.43 in disbursements and \$14,413.00 in HST for a total of \$125,656.58 for the period April 1, 2019 to November 27, 2019, plus additional fees estimated to completion in an amount not to exceed \$16,300.00 plus HST (the "**Fogler Accounts**"). Copies of the Fogler Accounts, together with a summary of the personnel, hours and hourly rates

described in the Fogler Accounts, supported by the Affidavit of Cathy Garbig sworn December 10, 2020, are attached hereto as Appendix “O”.

XV. FINAL DISTRIBUTION

81. In accordance with the April 18 Order, and following the closing of the sale of the Sheppard Property, the Receiver paid an interim distribution to Cameron Stephens in the amount of \$3,880,000 allocated as follows:
- (i) \$628,341.10 representing repayment of the Receiver’s Certificates issued totaling \$600,000, plus interest of \$28,341.10 on the Receiver’s Certificates; and
 - (ii) \$3,251,658.90 representing a partial repayment of Cameron Stephens’ loans to 2492167.
82. As set out on the R&D, there are net funds on hand of \$178,270 as at December 9, 2020. In addition to this amount, the Receiver anticipates receiving the balance of the 2019 HST Refund of approximately \$7,100, plus a potential further refund in respect of 2020.
83. As set out in the Second Report, the Receiver has received an opinion from Fogler (the “**Security Opinion**”) that, subject to the qualifications and assumptions contained in the Security Opinion,:
- (i) the general security agreement to and in favour of Cameron Stephens appears to create a good and valid security interest in all of 249’s personal property, undertaking and assets;

(ii) the mortgage in favour of Cameron Stephens appears to create a good and valid first ranking mortgage and charge in the Sheppard Property; and

(iii) the general assignment of rents and leases appears to create a good and valid first ranking charge and security interest in the rents and leases.

A copy of the Security Opinion was attached as Appendix “Y” to the Second Report.

84. At this time, the Receiver is seeking an Order authorizing the Receiver to distribute to Cameron Stephens the amount of \$83,466 (the “**Final Distribution**”) calculated as follows:

Cash on Hand		\$	178,270
Disbursements			
CRA Deemed Trust Claim	\$	5,224	
WEPPA Claim		1,022	
Bankruptcy Costs		22,123	
Receiver's Fees		18,849	
Legal Fees		11,586	
Total Disbursements			(58,804)
Less: provision for estimated fees to complete (set out above)			(36,000)
Available for Distribution		\$	<u><u>83,466</u></u>

85. In addition, the Receiver is seeking an Order directing the Receiver to pay to Cameron Stephens any additional funds that may be received by the Receiver, provided that the repayments do not exceed 249’s indebtedness to Cameron Stephens.

XVI. DISCHARGE OF THE RECEIVER

86. As of the date of this Third Report, the Receiver's remaining duties (the "**Remaining Duties**") include the following:

- (i) paying the CRA Deemed Trust Claim, the WEPPA Claim, the Bankruptcy Costs, the Receiver's Accounts and the Fogler Accounts;
- (ii) filing a final HST return;
- (iii) making the Final Distribution; and
- (iv) preparing the Final Statement of the Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*.

87. As the Receiver's administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the "**Discharge Order**") upon the filing by the Receiver of a certificate confirming that the Receiver has completed the Remaining Duties (the "**Receiver's Discharge Certificate**"), with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

XVII. CONCLUSION

88. The Receiver respectfully requests that the Court make an Order:

-
- (i) directing that: (a) the Receiver provide the security/camera footage that was in Unit 104 to TPS and, (b) in the event TPS no longer require that the Receiver provide the video to TPS, the Receiver discard the security/camera footage;
 - (ii) authorizing and directing the Receiver to pay the Bankruptcy Costs;
 - (iii) authorizing and directing the Receiver to pay the CRA Deemed Trust Claim;
 - (iv) authorizing the Receiver to pay the WEPPA Claim;
 - (v) authorizing and directing the Receiver to pay to Cameron Stephens the Final Distribution, as well as any additional funds that may be received by the Receiver, provided that the repayments do not exceed the Debtor's indebtedness to Cameron Stephens;
 - (vi) approving the Third Report and the Receiver's conduct and activities to December 10, 2020;
 - (vii) approving the R&D;
 - (viii) approving the Receiver's Accounts and the Fogler Accounts; and
 - (ix) terminating these proceedings and discharging the Receiver from the powers, duties and obligations

attendant to its appointment as Receiver upon the filing of
the Receiver's Discharge Certificate.

All of which is respectfully submitted to this Court as of the 10th day of December, 2020.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE *Mr*) THURSDAY, THE 26TH
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: *Rw*

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 26th 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

and
2492167 ONTARIO LTD.
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)

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.

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.

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

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, unfiled 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.

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,

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

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 12th, 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.

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:

Terms	Offer to Lease #1	Offer to Lease #2	Offer to Lease #3
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 accessories (sp) also included is the bathroom on the 1 st 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

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 10th, 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.

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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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE
MR. JUSTICE PENNY

) WEDNESDAY, THE 19TH
)
) DAY OF SEPTEMBER, 2018.

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

ORDER
(First Report Order)

THIS MOTION is made by the Receiver for an Order approving the activities of the Receiver disclosed in the First Report of the Receiver dated the 12th Day of September, 2018 (The "First Report"), increasing the borrowing powers of the Receiver and approving the Receiver's Interim Statement of Receipts and Disbursements as set out in the First Report.

ON HEARING submissions of counsel for the Receiver, and on review of the First Report and the affidavit of service of Catherine Garbig dated the 13th Day of September, 2018, filed,

SERVICE AND NOTICE

1. THIS COURT ORDERS that this motion is properly returnable today, and hereby dispenses with any requirement for service of the Motion Record.

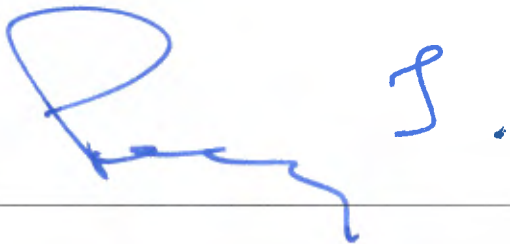
ACTIVITIES OF THE RECEIVER

2. THIS COURT ORDERS AND DECLARES that the activities of the Receiver as set out and described in the First Report be and are hereby approved.

3. THIS COURT ORDERS AND DECLARES that the Receiver's Interim Statement of Receipts and Disbursements as set out and described in the First Report be and is hereby approved.

INCREASE IN BORROWING BY RECEIVER

4. THIS COURT ORDERS AND DECLARES that the borrowing powers of the Receiver under paragraph 21 of the Appointment Order made on the 26th Day of July, 2018 (the "Appointment Order") be and are hereby increased, nunc pro tunc, from \$250,000 to \$600,000, and Receiver Certificates issued by the Receiver under the Appointment Order shall incorporate this increased amount therein as may be required from time to time.



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

SEP 19 2018

PER / PAR:



CAMERON STEPHENS FINANCIAL
CORPORATION
Applicant

and

2492167 ONTARIO LTD.
Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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Lawyers for the Receiver,

RSM Canada Limited

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

SECOND REPORT OF THE RECEIVER OF
2492167 ONTARIO LTD.

April 5, 2019

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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 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 “**Property**”). A copy of the Appointment Order is attached to this report as Appendix “**A**”.
2. On September 12, 2018, the Receiver issued its first report to the Court (the “**First Report**”) for the purpose of, among other things, seeking an Order of the Court to authorize the Receiver to amend Paragraph 21 of the Appointment Order to increase the maximum borrowings set out in that paragraph from \$250,000 to \$600,000. A copy of the First Report, without appendices, is attached to this report as Appendix “**B**”.
3. At the attendance on September 19, 2018 (the “**September 19 Order**”), Justice Penny ordered, among other things, that the borrowing powers of the Receiver set out in paragraph 21 of the Appointment Order be increased, *nunc pro tunc*, from \$250,000 to \$600,000. A copy of the September 19 Order is attached to this report as Appendix “**C**”.
4. The Appointment Order and the September 19 Order, together with related Court documents pertaining to the receivership, have been posted on the

Receiver's website, which can be found at rsmcanada.com/2492167-Ontario-Ltd.

Purpose of Second Report

5. The purpose of this second report of the Receiver (the "**Second Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the First Report to April 3, 2019;
 - (b) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 26, 2018 to March 31, 2019;
 - (c) report to the Court on the status of the Property and the Receiver's activities in connection with the Property including interactions with tenants;
 - (d) report to the Court on the Receiver's termination of the lease and sublease between the Debtor and Parkland Fuel Corporation ("**Parkland**");
 - (e) report to the Court on the results of the sales process and activities leading to receipt of offers for assets of the Company, including the real property located at 5818 Sheppard Avenue East (the "**Sheppard Property**"); and
 - (f) seek orders:
 - i. authorizing and directing the Receiver to enter into and carry out the terms of the APS (as defined below), together with any further amendments thereto deemed necessary by the

Receiver in its sole opinion, and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser (as defined below), or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the APS and the delivery of a Receiver's certificate to the Purchaser;

- ii. authorizing the Receiver to immediately dispose of any items remaining in unit 104 of the Sheppard Property, and of any contents of any other leased units on the Sheppard Property after 5:00 pm on April 30, 2019;
- iii. authorizing the Receiver to release to Toronto Police Services ("**Toronto Police**") security/camera footage that is located in Unit 104 of the Sheppard Property and if any of such security camera footage or other data or evidence is not required by Toronto Police, authorizing the Receiver to dispose of such security camera footage or other data or evidence;
- iv. terminating all prior or existing actual or purported leases on the Real Property, including those for Units #101, 102, 104, 200, and 201-203, and 206 on condition that the tenants thereunder are, subject to the Receiver's consent in respect of Unit #104, allowed to remain in the leased premises until 5:00 pm on the 30th day of April, 2019;

-
- v. authorizing that the hall cameras installed by any occupiers of the leased units on the Sheppard Property may be immediately removed or otherwise disposed of by the Receiver;
 - vi. authorizing the Receiver to sell or otherwise dispose of any remaining items at the Sheppard Property, including any personal property that may belong to individuals related to the Debtor, or former tenants, or any financial or other records at the Sheppard Property, that are not removed from the Sheppard Property, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of the Sheppard Property;
 - vii. sealing Confidential Appendix "S" to the Second Report until the closing of the sale of the Sheppard Property;
 - viii. authorizing the Receiver to make the Interim Distribution (defined below);
 - ix. approving the R&D (defined below);
 - x. approving the Second Report and the Receiver's conduct and activities described herein; and
 - xi. approving the fees and disbursements of the Receiver and of the Receiver's counsel, Fogler Rubinoff LLP ("**Fogler**") to February 28, 2019 and March 31, 2019, respectively.

Terms of Reference

6. In preparing this Second 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 Second 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 Second Report are expressed in Canadian dollars.
8. Defined terms in this Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report.

II. BACKGROUND

9. 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 thereon at 5810-5818 Sheppard Avenue East, Toronto, Ontario.

10. As set out in the First Report, 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.
11. The commercial building situated on the Sheppard Property 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 dedicated to the convenience store, which together with the gas bar were managed by the Debtor. The gas station operated under the “Ultramar” brand, while the convenience store (the “**Store**”) operated under the “Express Mart” brand. The remainder of the units were comprised of commercial or medical tenants. Three units were vacant as of the date of the Receiver’s appointment.
12. Prior to the date of the Appointment Order, the Debtor had ceased operating the gas bar and the Store.
13. The Applicant, Cameron Stephens Financial Corporation (“**Cameron Stephens**”) is the registered holder of a first ranking charge/mortgage on the Sheppard Property (the “**Mortgage**”).
14. Due to the Debtor being in default of its obligations under the Mortgage, by Notice of Application dated July 6, 2018 (“**Application**”), Cameron Stephens sought the appointment of the Receiver.

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15. On July 26, 2018, the Court made the Appointment Order and RSM was appointed as Receiver of 249.
 16. Fogler is counsel to the Receiver.
 17. On July 30, 2018, the Receiver requested from the Debtor financial records for 249 including current and annual financial statements. To date, and notwithstanding further requests by the Receiver, no financial statements or other financial records have been provided by the Debtor to the Receiver, other than limited payroll information. Accordingly, the Receiver is administering the receivership on the assumption that the only assets of 249 are the Sheppard Property and amounts that may be owing to 249 by its tenants.

III. RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT

18. As is detailed in the Second Report, the Receiver's significant activities since the issuance of the First Report have consisted of:
 - (i) working with various contractors and consultants to identify, and obtain further clarification of, issues relating to the Sheppard Property;
 - (ii) corresponding with tenants regarding the status of the Sheppard Property including the Receiver's request that tenants vacate the Sheppard Property;
 - (iii) overseeing the operations of the gas bar and the Store until their closure on October 26, 2018;

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- (iv) arranging for an extension of the insurance policy in respect of the Property;
 - (v) terminating the lease and sublease between the Debtor and Parkland;
 - (vi) arranging for the marketing and requesting of offers for the sale of the Sheppard Property;
 - (vii) facilitating employee claims relating to the Wage Earner Protection Program Act;
 - (viii) addressing a construction lien registered on title to the Sheppard Property; and
 - (ix) reviewing prior transactions of the Debtor.

IV. TENANT ISSUES

Unit 104

19. 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.
20. As set out in the Receiver's First Report, the Receiver changed the locks to Unit 104 on September 5, 2018. When the Receiver entered Unit 104, a quantity of narcotics inventory was located, which was, at the Receiver's request, subsequently retrieved by Toronto Police. At that attendance, Toronto Police informed the Receiver that Toronto Police wished to review the Green Monkey's surveillance camera footage to see if there was any

evidence thereon relating to a physical assault, which occurred to another tenant of the Sheppard Property that day. Due to privacy concerns, and since the security camera/footage was the property of the Green Monkey, the Receiver informed Toronto Police that it was not in a position to allow Toronto Police access to Green Monkey's security camera footage without a court order or similar document.

21. Fogler wrote to counsel for the Green Monkey on September 6, 2018 and September 12, 2018, requesting that the Green Monkey contact the Receiver to make arrangements to remove the remainder of the Green Monkey's property from Unit 104. In its communications to the Green Monkey, Fogler also informed the Green Monkey of the Toronto Police request to review the Green Monkey's security camera footage. A copy of the e-mail string with counsel to the Green Monkey is attached to this report as Appendix "D".
22. The Receiver has not received any responses to its requests from Green Monkey or its counsel.
23. On November 9, 2018, the Receiver was contacted by counsel to Capital Funds ATM Inc. ("**Capital Funds**"), who advised the Receiver that Capital Funds had signed an Agreement with 262 to place an ATM machine owned by Capital Funds inside Unit 104.
24. Fogler reviewed the agreement between Capital Funds and 262 and responded to Capital Funds' counsel setting out the Receiver's requirements in order to release the ATM to Capital Funds.

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25. On or about December 4, 2018, Capital Funds provided the Receiver with a signed letter of direction, indemnity and release. On December 5, 2018, the Receiver met with Capital Funds on site at the Sheppard Property to turn over the ATM to Capital Funds. A copy of the agreement between Capital Funds and 262, including the tenant's authorization to enter Unit #104, is attached to this report as Appendix "E".
 26. The Receiver respectfully requests that the Court grant an order authorizing the Receiver to (i) dispose of any property of the Green Monkey remaining on the Sheppard Property; and (ii) provide the security/ camera footage in Unit 104 to Toronto Police.

Units 201 & 203

27. As set out in the Receiver's First Report, the tenant of Unit 201/203, Renaqi Boston, had installed security cameras in common areas of the Sheppard Property, without written authorization from the landlord.
28. After reviewing this issue with Fogler, the Receiver informed Mr. Boston on September 5, 2018 that the security cameras were required to be removed by the tenant.
29. As the tenant had not yet removed the cameras, on October 19, 2018, the Receiver again requested that Mr. Boston remove the surveillance equipment from the common areas of the Sheppard Property. Notwithstanding the Receiver's request, the surveillance equipment was not removed.

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30. As no other tenants complained to the Receiver regarding the security cameras, the Receiver has not to date incurred the cost of seeking an Order authorizing the Receiver to remove the aforementioned security cameras from the Sheppard Property.
 31. At this time, and based on the pending sale of the Sheppard Property, the Receiver requests an Order authorizing that the hall cameras installed by any occupiers of the leased units on the Sheppard Property may be immediately removed or otherwise disposed of by and in the sole discretion of the Receiver.

V. CONDITION OF THE SHEPPARD PROPERTY

32. As set out in the First Report, upon its attendance at the Sheppard Property on July 26, 2018, the Receiver identified a number of issues relating to the condition of the Sheppard Property including the condition of the roof, the presence of mould, deficiencies with respect to the HVAC system, electrical issues and damage to the building that resulted from a truck colliding with the building (collectively, the “**Issues**”).
33. The Receiver retained Pronto General Contractors (“**Pronto**”) to assess the Issues and inform the Receiver of its findings.
34. Since the date of the First Report, and as described below, the Receiver has worked with, in addition to Pronto, various consultants and contractors to address, rectify and/or further investigate the Issues.

Roof Repairs

35. The roof of the building was replaced on or about September 10, 2018 at a cost of \$38,786, inclusive of HST.

Heating, Ventilation and Air Conditioning (“HVAC”)

36. As discussed in the First Report, the Receiver was advised that the furnaces installed in the commercial building are intended for residential use and do not provide adequate heating to the building. In addition, the Receiver understands that the current HVAC system does not include air conditioning and does not provide for proper ventilation, which could pose a potential health and safety concern to tenants, amongst others.
37. The Receiver engaged Pact Engineering Inc. (“**Pact**”) to complete an assessment of the HVAC system at the Sheppard Property. Pact issued its report to the Receiver on October 23, 2018 (the “**Pact Report**”). The Pact Report identified a number of deficiencies with the HVAC system. These deficiencies include that there is no fresh air introduction (ventilation) in many parts of the building, which is in violation of the Ontario Building Code and Health Department standards. As set out in the Pact Report, the cost to retrofit the HVAC system in order to address the noted issues would be between \$109,428 and \$149,336. A copy of the Pact Report is attached to this report as Appendix “F”.
38. The Receiver was advised that due to the deficiencies in the HVAC system, the heat that the HVAC system generates might not adequately heat the building during the winter months. The risk resulting therefrom, namely that

the pipes could freeze during the winter months potentially causing a water spill in the tenant units, was elevated.

39. The Receiver was informed by Pronto that the incremental cost to install wall heaters while Pronto was on site completing other repairs would be approximately \$3,600. In light of the assessment that the HVAC system may not adequately heat the building during the winter months, and based on the Receiver's view that the costs associated with the issues that would arise if the water pipes broke, the Receiver arranged for wall heaters to be installed.

Mould Assessment and Remediation

40. Pronto was engaged by the Receiver to repair the surface mould that was found at the Sheppard Property. As the repairs progressed and drywall from the building was removed, additional areas of mould were located. It soon became apparent to the Receiver that, based on its discussions with Pronto, the scope of the mould problem was far beyond the surface mould that had been identified and repaired in the early stages of the receivership proceedings.
41. Pronto recommended to the Receiver that, due to the extent of the mould found, the Receiver engage an environmental consultant to assist with identifying the extent of the mould issue, and to provide guidance to the Receiver on how to properly address same.
42. The Receiver arranged for an environmental consultant, Decon Environmental Inc. ("**Decon**"), to attend at the Sheppard Property on

September 15, 2018. After assessing the extent of the mould at the Sheppard Property, Decon recommended that the Receiver engage a consultant to analyze the mould growth and collect air samples for evidence of mould that may not be readily visible.

43. After receiving Decon's comments, the Receiver retained Pinchin Ltd. ("**Pinchin**") to analyze the extent of the water damage and mould growth. Pinchin's tests included the taking of surface samples of mould growth as well as air samples.

44. Pinchin issued its mould assessment report on October 22, 2018 (the "**Pinchin Report**"). In the executive summary of the Pinchin Report, Pinchin set out that, among other things,:

(i) wet and/or mouldy drywall finishes were confirmed in the basement, in all the units and lobby on the ground floor, and the majority of the units, washrooms, and hallways on the 2nd floor of the building;

(ii) the mould air sampling in Units 100, 103, 204, 104, 200 and 202 indicated that the indoor spore concentration was being impacted by mould growth at the time of testing; and

(iii) the wet materials, water damage and mould growth identified in the Pinchin Report were likely caused by a number of issues, including, but not limited to, a hole in the roof (that was repaired by the Receiver prior to Pinchin's testing), vent ducts that would not close, building envelope penetrations, condensate lines of HVAC units

detached in the ceiling space and condensation from refrigeration panels.

A copy of the Pinchin Report is attached to this report as Appendix "G".

45. In order to assess the scope of work required to address the matters identified in the Pinchin Report, Decon was provided with the Pinchin Report and attended at the Sheppard Property to complete a walk-through of the building in order to provide the Receiver with an updated quote for mould remediation.
46. On October 23, 2018, Decon provided a quote of \$59,680 plus HST to address the mould remediation. Pronto provided the Receiver with its estimate to restore the areas of the building that were affected by the mould. The fees quoted by Pronto were approximately \$90,000, plus HST.
47. The Pinchin Report also set out that the findings of its report should be communicated to the occupants of the Sheppard Property "as recommended by current mould guidelines, and in workplaces, as mandated by occupational health and safety legislation". The report also suggested that the Receiver consider any interim risk measures that would be appropriate under the circumstances. The Receiver's activities based on the Pinchin recommendation are discussed later herein.

Electrical Safety Issues

48. Pronto informed the Receiver that it identified certain deficiencies with the building's electrical infrastructure during Pronto's review of the Sheppard Property. Pronto arranged for two master electricians to attend at the

-
- Sheppard Property to review the electrical infrastructure and to advise the Receiver of the nature of repairs that may be required to that infrastructure.
49. On or about October 15, 2018, Pronto advised the Receiver that based on the extent of the deficiencies identified during their respective visits, neither master electrician was prepared to provide a quote for the repairs required.
50. In response to this information, the Receiver arranged for a representative of the Electrical Safety Authority (“**ESA**”) to attend at the Sheppard Property on October 22, 2018 to conduct a review of the Sheppard Property. Pronto and a master electrician met with the ESA representative and toured the Sheppard Property to review the various electrical issues. The Receiver understands that the ESA representative was able to provide/confirm the scope of work required to rectify the electrical issues in accordance with ESA standards.
51. As ESA would not produce a written report setting out the required repairs, Pronto, in conjunction with the master electrician, provided the scope of work as well as an estimated cost for the repairs (“**Scope of Electrical Repairs**”). Based on this estimate, Pronto estimated that the cost to rectify the electrical issues would be in the range of approximately \$25,000 plus HST. A copy of the Scope of Electrical Repairs is attached to this report as Appendix “**H**”.

Other Matters

52. The exterior bay window of unit 200 of the Sheppard Property is damaged such that the siding is missing from the north side and underneath the bay

window, and only plywood appears to be protecting the unit from the elements. Pronto verbally advised the Receiver that this item appeared to be an aesthetic issue rather than a matter of structural integrity or safety. Accordingly, the Receiver has not incurred the cost to replace the siding or investigate further.

53. Pronto has advised the Receiver that there are two areas in the basement of the Sheppard Property that appear to be leaking through the foundation walls. As these leaks were not addressed by 249, they have contributed to the buildup of mould throughout the basement unit. Pronto estimated the cost to effect a basic repair for this issue to be approximately \$35,000, plus HST.

Summary of Repair Quotes

54. Based on the quotes it received, the Receiver calculated that the total cost to effect the repairs required, in addition to the roof repair of \$38,786 previously discussed, would be between \$319,000 and \$359,000 calculated as follows:

Repair	Low (rounded) (excl. HST)	High (rounded) (excl. HST)
Mould Removal	\$150,000	\$150,000
HVAC System Repairs	109,000	149,000
Electrical Repairs	25,000	25,000
Leak Repairs	35,000	35,000
Total	\$319,000	\$359,000

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55. The Receiver notes that as set out in the Pinchin Report, there may be additional costs to those quoted above once the work contemplated in the Pinchin Report commenced. As a result, it is possible that the costs of rectification could exceed the amounts set out in paragraph 54 of this report.
56. The Receiver was uncertain as to whether a purchaser of the Sheppard Property would retain the present uses of the property, or demolish the commercial building in order to make the property more suitable for the purchaser's intended use.
57. Due to: (i) the quantum of the projected repairs (ii) the length of time it might take for the repairs to be completed; and (iii) the uncertainty of whether the repairs would increase the value of the Sheppard Property by at least the amount spent conducting the above-noted repairs, the Receiver did not seek funding to effect the repairs.

VI. CLOSURE OF GAS STATION AND CONVENIENCE STORE AND COMMUNICATIONS TO TENANTS

58. The Receiver considered the findings contained in the Pinchin Report, the Pact Report and information provided to the Receiver resulting from the attendance of the ESA representative. The Receiver became of the view that the various deficiencies identified at the Sheppard Property, including the various code violations, presented potential health and safety risks to tenants, employees and visitors to the Sheppard Property.

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59. The Receiver decided that the most prudent course of action would be to cease operations of the gas bar and the Store, effective Friday, October 26, 2018.
60. On that day, the Receiver attended at the Sheppard Property and:
- (i) notified the Manager (defined below) of the Receiver's decision to cease operations;
 - (ii) in conjunction with Parkland, disabled the gas pumps and secured the fuel inventory;
 - (iii) met with certain tenants who were at the Sheppard Property during the Receiver's attendance; and
 - (iv) posted notices around the Sheppard Property to warn tenants, employees and visitors of the mould, ventilation, and electrical hazards that had been recently identified (the "**Warning Notice**").

A copy of the Warning Notice is attached to this report as Appendix "I".

61. On Monday, October 29, 2018, the Receiver hand-delivered letters to each of the tenants at the Sheppard Property (the "**Tenant Letter**") to, among other things, alert them of the significant risks with respect to occupation of, or visitation to, the Sheppard Property. Enclosed with the Tenant Letter were copies of the Pinchin Report and the Pact Report.
62. In the Tenant Letter, the Receiver strongly suggested that the tenant vacate the premises as soon as possible for their and their visitors' health and safety. The Receiver requested that the tenant advise the Receiver by November 1, 2018 of when it would be vacating its premises. The letter

further stated that if the Receiver did not hear from the tenant or if the tenant advised the Receiver that it would vacate their premises on a date that was not acceptable to the Receiver, the Receiver reserved its rights to make an application to the Court for advice and directions. A copy of a Tenant Letter delivered by the Receiver (excluding attachments) is attached to this report as Appendix “J”.

63. When the Receiver attended at the Sheppard Property on October 29, 2018, it noticed that certain of the Warning Notices that the Receiver posted on October 26 had been taken down. The Receiver provided the tenants with additional copies of the Warning Notices and requested that the tenants re-post them outside of their units.
64. As of November 1, 2018, the Receiver did not receive any written responses to its correspondence. A number of the tenants verbally informed the Receiver that they would not be vacating their units. Accordingly, on November 6, 2018, the Receiver delivered to each of the tenants a second letter that, among other things, provided another copy of the Warning Notice that the Receiver had requested be posted to the entrance of the tenant’s unit, for the protection of, and benefit to, all occupants and visitors to their premises (“**Second Tenant Letter**”). A copy of a Second Tenant Letter is attached to this report as Appendix “K”.
65. On November 29, 2018, due to the onset of winter and the Receiver’s concern that the lack of heat in the premises could result in the freezing and subsequent bursting of the building’s water pipes, the Receiver sent a

further letter to the tenants (the “**Third Tenant Letter**”). The Third Tenant Letter (i) set out the Receiver’s above-noted concern; (ii) noted that the warning notices the Receiver previously provided to the tenants to be posted at their unit were not posted and again provided the tenants with copies of the notice; and (iii) informed the tenants that the Receiver intended to commence marketing the Sheppard Property for sale within the next month. The Third Tenant Letter also informed the tenants that the tenants, upon the completion of a sale of the Sheppard Property, may be required to vacate the Sheppard Property at that time as Cameron Stephens had obtained an order for vacant possession, which would take effect upon the sale of the Sheppard Property. A copy of the form of the Third Tenant Letter is attached hereto as Appendix “L”.

66. As of the date of the Second Report, and notwithstanding the Receiver’s repeated warnings and requests that the tenants vacate the Sheppard Property, there remain five tenants at the Sheppard Property.

Convenience Store ATM Equipment

67. A representative of Access Cash General Partnership (“**ACGP**”) contacted the Receiver and advised the Receiver that ACGP was the owner of an ATM machine located in the Express Mart convenience store. A copy of the agreement between ACGP and 249 (“the **ACGP Agreement**”), provided to the Receiver by ACGP, is attached to this report as Appendix “M”.

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68. Fogler reviewed the ACGP agreement and advised the Receiver that it would be prudent to have ACGP provide a release to the Receiver for any and all liability relating to the ATM machine and its release.
 69. On February 14, 2019, the Receiver provided ACGP with a direction, indemnity and release (the "**Release**"), to be signed by ACGP and returned to the Receiver, prior to the Receiver releasing the ATM machine to ACGP.
 70. On February 28, 2019, ACGP executed the Release and provided it to the Receiver. On March 15, 2019, a representative of ACGP attended at the Sheppard Property to remove the ATM machine.

VII. OPERATIONS OF THE GAS STATION AND CONVENIENCE STORE

71. Prior to the date of the Receiver's appointment, the Debtor had discontinued the operations of the gas station and the Store.
72. After making arrangements considered necessary by the Receiver, the Receiver recommenced operations on August 23, 2018 and maintained 24-hour operations for the period of August 23, 2018 to October 26, 2018 (the "**Operating Period**"). To manage the operations of the gas station and convenience store, the Receiver engaged the services of Nazlin Jinna ("**Jinna**") pursuant to the terms of a management agreement entered into between the Receiver and Jinna.
73. On October 10, 2018, for various reasons, the Receiver issued a Notice of Termination to Jinna and agreed to pay Jinna's fees to October 26, 2018, representing the last day of the initial three-month term of the management agreement.

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74. Effective October 10, 2018, the Receiver entered into a management agreement with 1753927 Ontario Inc. o/a Sunnyhill Gas & Smokes to take over as manager (the “**Manager**”).
 75. Due to the condition of the Sheppard Property, as set out above, the Receiver ceased the operations of the gas station and Store on October 26, 2018.
 76. The Receiver notes that for the period August 23, 2018 to October 26, 2018, the operations of the gas station and the Store generated a loss of approximately \$28,000 before consideration of the costs of utilities, insurance, property taxes, or the fees of the Receiver to oversee the operations.

VIII. FIRE SAFETY ISSUES

77. On October 29, 2018, Pronto informed the Receiver that it had reviewed the original drawings for the Sheppard Property and noted that there was to be a second staircase built which, according to Pronto, would typically be a secondary fire escape route.
78. As there was no secondary staircase at the Sheppard Property and, due to the Receiver’s concern that the building may not comply with the Ontario Fire Code, the Receiver contacted Toronto Fire Services (“**TFS**”) on October 29, 2018 to request an inspection of the Sheppard Property.
79. On November 6, 2018, a representative of TFS attended at the Sheppard Property to tour the Sheppard Property with the Receiver.

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80. On November 20, 2018, the Receiver received from TFS a “Fire Services – Notice of Violation” (the “**Fire Notice**”). The Fire Notice listed various deficiencies, certain of which related to work performed during the receivership period that was to assist the Receiver with its investigation and assessment of the extent of the mould issue. A copy of the Fire Notice is attached hereto as Appendix “**N**”.
81. On November 22, 2018, the Receiver met with Pronto at the Sheppard Property to review the deficiencies identified in the Fire Notice. The Receiver requested that Pronto provide a quote to rectify the deficiencies that arose post-receivership, primarily the replacement of drywall in the second floor public corridor.
82. On November 27, 2018, the Receiver received a quote from Pronto for \$27,300 (excl. HST) to address all deficiencies that arose after the date of the commencement of the receivership proceedings. The Receiver subsequently authorized Pronto to complete the requisite work.
83. On December 6, 2018, the Receiver notified TFS of the repairs set out in the Fire Notice being completed by December 14, 2018, and invited TFS to schedule an inspection of the repairs that were completed.
84. As of the date of the Second Report, the Receiver has not received any further correspondence from TFS.

IX. PARKLAND/ULTRAMAR LEASES

85. Prior to the Receiver’s appointment, the Debtor had entered into the following agreements with Parkland Fuel Corporation (“**Parkland**”):

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- (i) Agreement of Lease between the Debtor as Lessor, and CST Canada Co. (assigned to Parkland) as Lessee, dated the 9th day of December, 2015 (the "**Lease**"); and
 - (ii) Agreement of Sublease between CST Canada Co. (now Parkland) as Lessor, and the Debtor as Lessee, also dated the 9th day of December, 2015 (the "**Sublease**").

Copies of the Lease and Sublease (collectively, the "**Parkland Leases**") are attached to this report as Appendix "**O**".

- 86. The Receiver and Fogler reviewed the terms of the Parkland Leases. In addition, the Receiver discussed the terms of the Parkland Leases with potential listing agents who the Receiver met to discuss the marketing and sale of the Sheppard Property.
- 87. Based on its review and discussions, the Receiver became concerned that certain terms of the Parkland Leases would have a negative impact on the Receiver's sales process. In particular, the Receiver was concerned that the Parkland Leases contained (i) a right of first refusal to Parkland upon a sale of the Sheppard Property; and (ii) restrictions related to the purchase of fuel and other products.
- 88. Accordingly, on November 2, 2018, the Receiver issued an Early Termination Notice of Sublease in respect of the Sheppard Property (the "**Sublease Termination**"), notifying Parkland that the Receiver was terminating the sublease effective upon the expiry of 10 days from the date of the Sublease Termination as the sublease was in default. A copy of the

Sublease Termination (without Schedule C) is attached to this report as Appendix “P”.

89. In addition, on November 2, 2018, the Receiver issued an Early Termination Notice of Lease in respect of the Sheppard Property (the “**Lease Termination**”), notifying Parkland that the Receiver was terminating the lease effective upon the expiry of 30 days from the date of the Lease Termination as the lease was in default. A copy of the Lease Termination (without Schedule C) is attached to this report as Appendix “Q”.
90. Parkland did not respond to the Sublease Termination or the Lease Termination issued by the Receiver.
91. As of January 30, 2019, the Parkland Lease was removed from title to the Sheppard Property at the request of the Receiver.

X. INSURANCE

92. On or about October 29, 2018, the Receiver contacted the insurance broker, My Insurance Broker (the “**Broker**”), to advise it of the Issues described previously in this report, and to provide them with copies of the Pact Report, the Pinchin Report, and the quote for electrical repairs.
93. On November 20, 2018, the Broker informed the Receiver that the insurer, Burns & Wilcox Canada (the “**Insurer**”), had decided that the Insurer would not renew 249’s policy, which was set to expire on December 7, 2018.
94. On November 23, 2018, after reviewing with Fogler the Insurer’s correspondence, the Receiver sent a letter to the Insurer and the Broker setting out the Receiver’s position that, among other things, Paragraph 12

of the Appointment Order restrains and therefore prohibits the Insurer from discontinuing, altering, interfering with, or terminating the insurance coverage existing as at the date of the Appointment Order.

95. On November 27, 2018, the Broker advised the Receiver that the Insurer had reconsidered its position, and was willing to renew the coverage under terms that were substantially the same as the existing policy.

96. On December 3, 2018, the Insurer bound the policy renewal.

XI. MARKETING AND SALES PROCESS

97. The Receiver invited CBRE Limited ("**CBRE**") and Lennard Commercial Realty ("**Lennard**"), to submit listing proposals for the marketing and sale of the Sheppard Property. Colliers International ("**Colliers**") had previously submitted a listing proposal at the time the Receiver sought from Colliers a proposal to act as leasing agent for the Sheppard Property.

98. The Receiver received listing proposals from CBRE and Lennard. As noted earlier in this report, Colliers had previously provided a listing proposal. After reviewing the listing proposals from CBRE and Lennard, the Receiver arranged for meetings with each of CBRE and Lennard with the secured lender. The Receiver and Cameron Stephens had previously met with Colliers.

99. During the meetings held with the realtors and comments made by the realtors, it became apparent to the Receiver that the marketing of the Sheppard Property with the Parkland Leases in place could have, for the

reasons set out earlier in this report, a detrimental effect on the realizations from the sale of the Sheppard Property.

100. Accordingly, the Receiver did not retain a listing agent nor otherwise commence a process to market the Sheppard Property for sale until the Sublease Termination and Lease Termination became effective.
101. On January 18, 2019, after the holiday season, the Receiver entered into a listing agreement with CBRE to market the Sheppard Property for sale.
102. CBRE launched its marketing campaign on January 28, 2019. The process ran from January 28, 2019 to March 6, 2019, and interested parties were informed that the offer submission date was scheduled for noon on March 6, 2019. The Receiver provided CBRE with a form of agreement of purchase and sale for the Sheppard Property, on which offers for the Sheppard Property were to be submitted.
103. A summary of the marketing activities undertaken by CBRE is set out below:
 - (i) the Sheppard Property was listed on the TREB MLS on January 28, 2019;
 - (ii) brochures were mailed out along with the Confidentiality Agreement on a targeted basis to over 1,100 gas stations purchasers and developers the week of February 11 ("**Brochures**");
 - (iii) postcards were mailed to a list of 3,000 automotive users, retail property owners and retail investors ("**Postcards**");
 - (iv) e-mails were sent to CBRE's industry specific lists, and to recipients of CBRE's Land Services Group Available Properties;

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- (v) an advertisement was placed on February 1, 2019 in the Toronto edition of *Novae Res Urbis* ("**NRU Advertisement**");
 - (vi) advertisements in the Globe and Mail newspaper were published on February 14 and 16, 2019 ("**G&M Advertisement**");
 - (vii) advertisements appeared in six insertions from February 11 to February 16, 2019 in Sing Tao's English and Mandarin editions ("**Sing Tao Advertisement**");
 - (viii) an 8ft. x 8 ft. "For Sale" sign was placed at the corner of Gateforth Drive and Sheppard Avenue East (the "**Signage**");
 - (ix) targeted solicitation calls were made to fuel marketers and fuel distributors with corporate and/or dealer retail fuel outlet operations in Ontario, and to private fuel dealers with retail fuel outlet operations in Ontario;
 - (x) the Sheppard Property was also listed on CBRE's website and Realtor.ca; and
 - (xi) an electronic data room was set up to provide access to confidential information pertaining to the Sheppard Property to parties which had executed a confidentiality agreement.

Copies of the Brochure, Post Card the NRU Advertisement, the G&M Advertisement, the Sing Tao Advertisement and the Signage are attached collectively to this report as Appendix "**R**".

XII. OFFERS RECEIVED

104. As set out above, interested parties were advised that offers for the Sheppard Property would be reviewed on March 6, 2019. As at that date, Confidentiality Agreements were signed by 52 prospective purchasers or brokers, all of whom were given access to the electronic data room.
105. As of March 6, 2019, 14 offers had been submitted to CBRE for the Sheppard Property, all of which offers were presented on the form of agreement of purchase and sale provided by the Receiver. A summary of the offers received for the Sheppard Property ("**First Round of Offers Summary**") is attached to this report as Tab 1 to Confidential Appendix "S".
106. The Receiver reviewed with CBRE and the secured lender the offers received, and determined that CBRE should provide all offerors with an opportunity to improve or amend their offers. Those parties were requested to submit any revised offers by March 14, 2019.
107. A copy of the summary of offers received at the conclusion of the second round of offers for the Sheppard Property ("**Second Round of Offers Summary**") is attached to this report as Tab 2 to Confidential Appendix "S". CBRE reviewed the offers received with the Receiver and the secured lender. Based on the results of the second round of offers, and taking into account the views of CBRE, the Receiver accepted the offer from 2647766 Ontario Inc. (the "**Purchaser**"). On March 19, 2019, another offer was received, that was for a lower purchase price than that accepted by the

Receiver, the details of which are also included in Tab 2 to Confidential Appendix "S".

108. As of March 19, 2019, the Receiver entered an agreement of purchase and sale with the Purchaser (the "APS") which is now subject to approval of the Court.

XIII. THE AGREEMENT OF PURCHASE AND SALE

109. Salient terms of the APS and matters relating thereto include (all capitalized terms in this section not defined in the APS are as otherwise defined in the Second Report):

- i) the Purchased Assets include the Sheppard Property, Fixtures and Chattels, the Tank, and the right, title and interest of 249 in and to all benefits, advantages, licences, guarantees, warranties, indemnities, income and options relating to the Sheppard Property;
- ii) the deposit to be provided under the APS has been received from the Purchaser;
- iii) the offer is firm as the Purchaser has waived conditions;
- iv) the APS is conditional on Court approval and the issuance of an order vesting title to the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the APS;
- v) the Purchaser is buying the Purchased Assets on an "as is, where is" basis;

vi) the Purchaser does not assume any of the leases or tenancies at the Sheppard Property; and

vii) closing of the sale provided for in the APS is scheduled to occur on the thirteenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver.

110. A copy of the APS is attached to this report as Tab 3 to Confidential Appendix "S".

XIV. APPROVAL OF SALE

111. The Receiver believes that the marketing process undertaken by the Receiver was appropriate for the type of property in question, and provided sufficient market exposure to the Sheppard Property for the following reasons:

- (i) notice of the sale of the Sheppard Property was sent to more than 1,000 parties;
- (ii) advertisements were placed in *Novae Res Urbis*, the Globe and Mail and Sing Tao newspapers;
- (iii) a sign advertising the Sheppard Property for sale was placed at the Sheppard Property;
- (iv) the Sheppard Property was listed for sale on MLS;
- (v) the Sheppard Property was listed on CBRE's website; and
- (vi) the Sheppard Property was exposed to the market for a period of approximately five and one half weeks.

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112. The Receiver therefore recommends the approval of the APS by this Honourable Court.
113. The Receiver believes that details of the offers submitted for the Sheppard Property including matters relating thereto should be kept confidential until the closing of the sale of the Sheppard Property. The Receiver is of the view that public disclosure thereof could have a negative impact on the future marketing of the Sheppard Property should the transaction with the Purchaser not be approved or completed.
114. The Receiver therefore respectfully requests that Confidential Appendix "S" be sealed until after the closing of the sale of the Sheppard Property.

XV. THE APS AND TENANTS AT THE SHEPPARD PROPERTY

115. As referred to above, the APS provides that the Purchaser is not assuming any of the leases or tenancies at the Sheppard Property.
116. In the Third Tenant Letter (Appendix "L"), the Receiver informed the tenants that upon the completion of a sale of the Sheppard Property, the tenants may be required to vacate the Sheppard Property at that time as Cameron Stephens had obtained an order for vacant possession, which would take effect upon the sale of the Sheppard Property. A copy of the Judgment made on September 20, 2018 (the "**Judgment**") made in connection with Cameron Stephens' application to the Court, is attached as Appendix "T" to this report.

117. On March 29, 2019, (the “**Fourth Tenant Letter**”), the Receiver wrote letters to each of the current tenants informing them that:

- (i) the Receiver had entered into an agreement of purchase and sale for the Sheppard Property and that the transaction was subject to approval by the Court;
- (ii) the Receiver was making an application to the Court, scheduled for April 16, 2019, for an order approving the APS (“**Approval and Vesting Order**”);
- (iii) assuming that the Court issued the Approval and Vesting Order, closing of the transaction would occur on the 13th business day following the date of the Approval and Vesting Order;
- (iv) pursuant to the Judgment, Cameron Stephens was entitled to vacant possession of the Sheppard Property;
- (v) unless arrangements were made with the Purchaser, the tenants were required to vacate the Sheppard Property on or before April 30, 2019; and
- (vi) the Receiver would provide the tenants with the Motion Record for the approval and vesting order, when issued.

A copy of the Fourth Tenant Letter is attached as Appendix “**U**” to this report.

118. In order that the Receiver can complete its obligations pursuant to the APS, the Receiver respectfully requests that the Court grant an Order directing the tenants to vacate the Sheppard Property on or before April 30, 2019.

XVI. PRIOR TRANSACTIONS OF THE DEBTOR

119. The Receiver requested from the Company's operating bank, TD Canada Trust ("TD"), copies of bank statements for the period since the Debtor commenced operations in July 2016 in order to assess whether the Debtor may have made any payments or entered into any transactions that were out of the ordinary course of business.
120. Upon receipt of the banking information from TD, the Receiver conducted a review of the banking information provided and made requests for additional information from TD to attempt to identify the recipients of payments/transfers made by the Debtor.
121. Attached as Appendix "V" to this report is a schedule prepared by the Receiver setting out transactions, namely disbursements and transfers greater than \$10,000, of the Debtor that appear to be out of the ordinary course of business (the "**Schedule of Transactions**").
122. With reference to the Schedule of Transactions, the Receiver has, by letters dated November 2, 2018 and November 15, 2018, requested that Mota Drywall Inc. ("**Mota**") provide invoices and/or other supporting documentation for the payments made to Mota.
123. To date, Mota has not responded to the Receiver's correspondence.
124. The Receiver has not yet determined whether it will proceed further with inquiries into any of the transactions set out in Appendix "V". The Receiver

will discuss with key stakeholders whether it is prudent to pursue one or more of these transactions and will report further to the Court going forward.

XVII. CONSTRUCTION LIENS

125. On or about December 11, 2018, the Receiver became aware of a lien registered on title to the Sheppard Property on September 17, 2018 (the "**Lien**").
126. The Lien, in the amount of \$1,061,423.00, was filed in respect of the claim of Sand Gecko Inc., Kin Mac Construction, and Behzad Pilehver (collectively, the "**Lien Claimants**").
127. The Lien was registered after the date of the Appointment Order and after the Appointment Order had been filed on title to the Sheppard Property. The Receiver, through counsel, made an application to the Ontario Land Registry Office ("**LRO**") to have the Lien struck from title.
128. On or about December 20, 2018, the Lien was removed from title by the LRO. On February 5, 2019, a second lien on behalf of the Lien Claimants in the same amount as the Lien was registered against title (the "**Second Lien**").
129. On February 25, 2019, the Receiver became aware of the Second Lien. Fogler advised the Receiver that the Second Lien had been certified by the LRO, and therefore could not be struck from title.
130. Fogler contacted counsel to the Lien Claimants to discuss the Second Lien. Counsel to the Lien Claimants filed an Application to Delete Construction

Lien that was registered on February 28, 2019, thereby causing the removal of the Second Lien from title to the Sheppard Property.

XVIII. OTHER MATTERS

131. On November 1, 2018, the Debtor forwarded to the Receiver a summons for the Company to appear in Court on November 2, 2018 (the "**Summons**"). The Summons refers to Chapter 545 of the Toronto Municipal Code, which deals with Licensing, and specifically that the Company was operating as a Public Garage Owner with no license. A copy of the Summons is attached as Appendix "**W**" to this report.
132. On November 1, 2018, the Receiver contacted the prosecutor's office at the Markham Courthouse to advise (i) that a Receiver of the Company had been appointed; (ii) a stay of proceedings was in place as a result of the Appointment Order; and (iii) that the Receiver would not be attending in Court in regard to the Summons.

XIX. RECEIVER CERTIFICATES

133. Pursuant to Paragraph 4 of the September 19 Order, the borrowing powers of the Receiver under paragraph 21 of the Appointment Order (the "**Borrowing Limit**") were increased, *nunc pro tunc*, from \$250,000 to \$600,000.
134. To date, the Receiver has borrowed, and has issued Receiver's Certificates, totaling \$600,000.

XX. SECURED OR PRIORITY CLAIMS

135. Paragraphs 85-88 of the First Report describes the security interests registered against the Debtor. Fogler ordered an updated subsearch of the Sheppard Property (the "**Subsearch**"). A copy of the Subsearch is attached as Appendix "**X**" to this report.
136. There remains a subordinate mortgage and assignment of rents on title, to Vida Parsi. Those are to be expunged from title, as set out in the Motion Record. Counsel to the subordinate mortgagee is Mr. Michael McKee, who contacted Fogler on November 28, 2018. Mr. McKee has since been advised of these proceedings by Fogler, including whether or not any proceeds from the sale of the Sheppard Property will be available for distribution to his client.

Cameron Stephens

137. The Receiver has received an opinion from Fogler (the "**Security Opinion**") that, subject to the qualifications and assumptions contained in the Opinion,:
- (i) the general security agreement to and in favour of Cameron Stephens appears to create a good and valid security interest in all of 249's personal property, undertaking and assets;
 - (ii) the mortgage in favour of Cameron Stephens appears to create a good and valid first ranking mortgage and charge in the Sheppard Property; and

(iii) the general assignment of rents and leases appears to create a good and valid first ranking charge and security interest in the rents and leases.

A copy of the Security Opinion is attached as Appendix "Y" to this report.

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

138. As set out earlier herein, other than limited payroll information, the Debtor has not provided the Receiver with any financial information that would permit the Receiver to file the requisite returns for the period ending July 26, 2018. On August 15, 2018, the Receiver spoke with a representative of CRA who advised that the representative will be contacting the Debtor to ask for the location of the books and records in order that a trust exam can be done, and that the representative would inform the Receiver if information was received from the Debtor.
139. On March 18, 2019, CRA verbally informed the Receiver of the following:
- i) CRA has not received any financial information from the Debtor;
 - ii) the last HST return filed by 249 was for the year ended December 31, 2017 and there is a balance owing of \$7,864.32 relating to this return;
 - iii) 249 has not filed an HST return for the period January 1, 2018 to July 26, 2018; and
 - iv) the Company has not remitted any source deductions for the period May 1, 2018 to July 26, 2018.

140. The CRA representative with whom the Receiver spoke indicated that the representative would review the 249 file and provide further information to the Receiver. That information has not yet been received.

141. Accordingly, the Receiver has not as of the date of this report, been able to obtain from CRA the amount of any “deemed trust” claim that CRA may have against 249 in respect of unremitted HST and source deductions. The Receiver will provide a further update as to the status of the Debtor’s obligations to CRA in its next report to the Court.

Wage Earner Protection Program Act (“WEPPA”)

142. On September 7, 2018, the Receiver mailed to eligible former employees of 249 an information package that included a proof of claim form and instructions on how to apply for a payment under WEPPA (the “**WEPP Letters**”).

143. Based on the limited information available to the Receiver, the Receiver identified five employees who may have been entitled to file a WEPPA claim. The WEPP Letters were sent to the five employees.

144. Since September 7, 2018, the Receiver has responded to numerous inquiries regarding information included in the WEPP Letters.

145. As of the date of the Second Report, only one of the former employees has completed and returned to the Receiver the required documentation. The Receiver in turn has forwarded that information to Service Canada.

XXI. INTERIM DISTRIBUTION

146. Upon the closing of the sale of the Sheppard Property, and receipt by the Receiver of the net sales proceeds therefrom, funds will be available for the Receiver to make an interim distribution in respect of Cameron Stephen's loans to 249.
147. As set out above, the Receiver has received the Security Opinion indicating that the mortgage granted by 249 to Cameron Stephens in respect of the Sheppard Property is a valid first charge on the Sheppard Property.
148. On the closing of the sale of the Sheppard Property, the Receiver proposes to make the following payments from the net proceeds of sale, after payments of the property taxes and commissions payable to CBRE in respect of the Sheppard Property (the "**Interim Distribution**"):
- (i) repayment of the advances totaling \$600,000 under Receiver Certificates issued by the Receiver, plus accrued interest; and
 - (ii) to Cameron Stephens, an amount not exceeding the outstanding indebtedness of 249 to Cameron Stephens secured by Cameron Stephen's first mortgage over the Sheppard Property.
149. As of November 9, 2018, the amount outstanding to Cameron Stephens was \$6,327,777, including amounts advanced pursuant to Receiver Certificates. A copy of the November 9, 2018 payout statement (the "**November 9 Payout Statement**") is attached to this report as Appendix "**Z**".

XXII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

150. Attached to this report as Appendix "AA" is the Receiver's Interim Statement of Receipts and Disbursements for the period July 26, 2018 to March 31, 2019 (the "R&D"). As set out on the R&D, as at March 31, 2019, receipts, including advances of \$600,000 pursuant to Receiver's Certificates, were \$1,221,388 while disbursements recorded were \$1,171,987 resulting in a net cash balance of \$49,401.

XXIII. PROFESSIONAL FEES

151. The Receiver's accounts total \$190,968.50 in fees plus HST of \$24,825.91 for a total amount of \$215,794.41 for the period September 1, 2018 to February 28, 2019 (the "Receiver's Accounts"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Daniel Weisz sworn April 4, 2019 that is attached to this report as Appendix "BB".

152. The accounts of the Receiver's counsel, Fogler, total \$286,276.89 in fees and disbursements and \$37,184.84 in HST for a total of \$323,461.73 for the period August 28, 2018 to March 31, 2019 (the "Fogler Accounts"). A copy of the Fogler Accounts, together with a summary of the personnel, hours and hourly rates described in the Fogler Accounts, supported by the Affidavit of Catherine Garbig sworn April 4, 2019 is attached to this report as Appendix "CC".

XXIV. CONCLUSION

153. The Receiver respectfully requests that the Court grant an Order which provides for the following:

- (i) authorizing and directing the Receiver to enter into and carry out the terms of the APS, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Purchased Assets (as defined in the APS) in the Purchaser, or as it may further direct in writing, free and clear of claims and encumbrances, upon closing of the transaction under the APS and the delivery of a Receiver's certificate to the Purchaser;
- (ii) authorizing the Receiver to immediately dispose of any items remaining in unit 104 of the Sheppard Property, and of any contents of any other leased units on the Sheppard Property after 5:00 pm on April 30, 2019;
- (iii) authorizing the Receiver to release to Toronto Police security/camera footage that is located in Unit 104 of the Sheppard Property and if any of such security camera footage or other data or evidence is not required by Toronto Police, authorizing the Receiver to dispose of such security camera footage or other data or evidence;
- (iv) terminating all prior or existing actual or purported leases on the Real Property, including those for Units #101, 102, 104, 200, and

201-203, and 206 on condition that the tenants thereunder are, subject to the Receiver's consent in respect of Unit #104, allowed to remain in the leased premises until 5:00 pm on the 30th day of April, 2019;

- (v) authorizing that the hall cameras installed by any occupiers of the leased units on the Sheppard Property may be immediately removed or otherwise disposed of by the Receiver;
- (vi) authorizing the Receiver to sell or otherwise dispose of any remaining items at the Sheppard Property, including any personal property that may belong to individuals related to the Debtor, or former tenants, or any financial or other records at the Sheppard Property, that are not removed from the Sheppard Property, under the Receiver's supervision, within three business days of the date of the Approval and Vesting Order issued in respect of the Sheppard Property;
- (vii) sealing Confidential Appendix "S" to the Second Report until the closing of the sale of the Sheppard Property;
- (viii) authorizing the Receiver to make the Interim Distribution;
- (ix) approving the R&D;
- (x) approving the Second Report and the Receiver's conduct and activities described herein; and
- (xi) approving the fees and disbursements of the Receiver and Fogler to February 28, 2019 and March 31, 2019, respectively.

All of which is respectfully submitted to this Court as of this 5th day of April, 2019.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) THURSDAY, THE 18th DAY
JUSTICE CONWAY) OF APRIL, 2019

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertaking and properties of 2492167 Ontario Ltd. ("**2492167**"), including the free standing gas bar, convenience store, and commercial buildings (collectively, the "**Property**") located on lands known municipally as 5810-5818 Sheppard Avenue East, Toronto, Ontario and further identified in **Schedule B** hereto (the "**Real Property**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 2647766 Ontario Inc. (the "**Purchaser**") made as of the 19th day of March, 2019 and appended to the Second Report of the Receiver dated April 5, 2019 (the "**Second Report**"), and vesting in and to the Purchaser all of 2492167's right, title and interest in and to the assets



described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record and the Second Report of the Receiver, and upon hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Cathy Garbig sworn on April 9 and April 17th 2019, the affidavits of Robert MacDonald, Timothy P. Fagan, and Maurice Fleming, each sworn April 17th 2019, filed:

SERVICE:

1. **THIS COURT ORDERS AND DECLARES** that the timing and method for service of this Motion and the Motion Record herein are properly returnable today and hereby dispenses with further service thereof.

SALE APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of 2492167 and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of 2492167's right, title and interest in and to the Purchased Assets described in the Sale Agreement and summarized in **Schedule B** hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances, licences, leaseholds, or

charges created by the Order of the Honourable Justice McEwan dated July 26, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Scarborough, in the City of Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby authorised and directed to enter the Purchaser as the owner of the Real Property in fee simple, and is hereby further directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

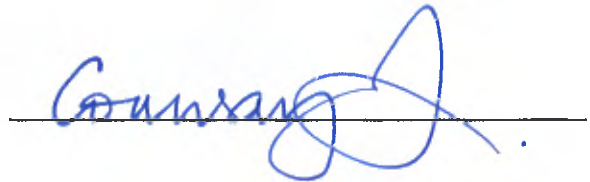
7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 2492167 and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of 2492167;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 2492167 and shall not be void or voidable by creditors of 2492167, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **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.



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

APR 18 2019

PER/PAR: *RW*

Schedule A – Form of Receiver’s Certificate

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

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

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice McEwan of the Ontario Superior Court of Justice (the "**Court**") dated July 26, 2018, RSM Canada Limited was appointed as the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of 2492167 Ontario Ltd. ("**2492167**" or the "**Company**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to an Order of the Court dated [DATE] (the "Vesting Order"), the Court approved the agreement of purchase and sale made as of March 19, 2019 (the "**Sale Agreement**") between the Receiver and 2647766 Ontario Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Receiver’s and 2492167’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ► [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Manager of 2492167
Ontario Ltd. and not in its personal or corporate
capacity and without personal or corporate liability**

Per:

Name: ► _____

Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and the Company's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) including, without limitation, the following Real Property:

MUNICIPAL ADDRESS: 5810-5818 Sheppard Avenue East, City of Toronto, Ontario

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

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

The following Instruments are to be discharged upon registration of the Approval and Vesting Order:

- i) Instrument AT4808931, dated February 23, 2018, being a charge/mortgage to Vida Parsi in the amount of \$400,000
- ii) Instrument AT4808932, dated February 23, 2018, being a notice of assignment of rents to Vida Parsi
- iii) Instrument AT4294665 dated July 19, 2016, being a charge/mortgage to Cameron Stephens Financial Corporation in the amount of \$6,240,000

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

(unaffected by the Approval and Vesting Order)

Permitted Encumbrances with respect to the Real Property (as defined in the Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register for the Real Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
5. Any encroachments, minor defects or irregularities indicated on any survey of the Real Property or which may be disclosed on an up-to-date survey of the Real Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Defects or irregularities in title to the Real Property;
10. The following instruments registered on title to the Real Property: Instrument #AT4944645, being the Appointment Order.

CAMERON STEPHENS FINANCIAL
CORPORATION
Applicant

and

2492167 ONTARIO LTD.
Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

FOGLER, RUBINOFF LLP

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

Maurice V. Fleming (LSO# 200450)

mfleming@foglers.com

Tel: 416.941.8812

Fax: 416.941.8852

Lawyers for the Receiver,
RSM Canada Limited

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) THURSDAY, THE 18TH DAY
JUSTICE CONWAY) OF APRIL, 2019

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent



ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all of the assets, undertaking and properties of 2492167 Ontario Ltd. ("**2492167**"), including the free standing gas bar, convenience store, and commercial buildings (collectively, the "**Property**") located on lands known municipally as 5810-5818 Sheppard Avenue East, Toronto, Ontario and further identified in **Schedule A** hereto (the "**Real Property**"), for an order with respect to ancillary relief requested in the Second Report of the Receiver dated April 5, 2019 (the "**Second Report**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record and the Second Report of the Receiver, and upon hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Cathy Garbig sworn on April 9 and April 17th 2019, the affidavits of Robert MacDonald, Timothy P. Fagan, and Maurice Fleming, each sworn April 17th 2019, filed:

SERVICE:

1. **THIS COURT ORDERS AND DECLARES** that the timing and method for service of this Motion and the Motion Record herein are properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE SECOND REPORT

2. **THIS COURT ORDERS AND DECLARES** that the Second Report, and the conduct and activities of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements as of March 31, 2019 as set out in the Second Report, be and is hereby approved.

4. **THIS COURT ORDERS** that Confidential Appendix "S" to the Second Report be sealed until the closing of the sale of the Purchased Assets.

LEASE TERMINATION AND VACANT POSSESSION

5. **THIS COURT ORDERS AND DECLARES** that all prior or existing actual or purported leases on the Real Property, including those for Units #101, 102, 104, 200, and 201-203, and 206, are hereby terminated on condition that the tenants thereunder are, subject to the Receiver's consent in respect of Unit #104, allowed to remain in the leased premises until 5:00 pm on the 30th day of April, 2019 provided that all rents are paid thereunder, and all other terms and conditions under their said leases, if any, as they were prior to termination, are in good standing to the satisfaction of the Receiver.

and Mr Litowitz³ &c

6. **THIS COURT ORDERS AND DECLARES** that, save and except for video material requested by the Toronto Police Services, all other contents of Unit #104 may be immediately sold or disposed of, by and in the sole discretion of the Receiver. The Receiver shall hold and preserve such video material until further order of this Court.

Be / Police Services forthwith after it takes possession of such video material.

7. **THIS COURT ORDERS** that, with the exception of Units 101, 102, 200, 201-203, and 206, the Receiver may immediately sell or otherwise dispose of the contents of any other leased or formerly occupied units remaining on the Real Property, including any personal property that may belong to individuals related to the Debtor, or former tenants, or any financial or other records at the Property. Such removal and sale or disposal of such property shall be completed by and in the sole discretion of the Receiver.

8. **THIS COURT ORDERS AND DECLARES** that the hall cameras^{✓ equipment ✓} installed by any occupiers of the leased units on the Real Property may be immediately removed and otherwise sold or disposed of by and in the sole discretion of the Receiver.

INTERIM DISTRIBUTION


9. **THIS COURT ORDERS** that the Receiver is authorized to pay to Cameron Stephens Financial Corporation, from the proceeds of sale of the Purchased Assets, an amount not exceeding the outstanding indebtedness of 2492167 to Cameron Stephens Financial Corporation secured by Cameron Stephens Financial Corporation's first mortgage over the Real Property.

10. **THIS COURT ORDERS** that the Receiver may hold back amounts to cover unpaid operating expenses, potential deemed trust claims and future professional fees.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES

11. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, respectively, for the period ended February 28, 2019 and March 31, 2019, as set out in the Second Report, be and are hereby approved.

12. **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.



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

APR 18 2019

PER / PAR: *RW*

Schedule A Purchased Assets

All of the Receiver's (if any) and the Company's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) including, without limitation, the following Real Property:

MUNICIPAL ADDRESS: 5810-5818 Sheppard Avenue East, City of Toronto, Ontario

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

and

2492167 ONTARIO LTD.
Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Approval and Vesting Order)**

FOGLER, RUBINOFF LLP

Lawyers

77 King Street West

Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

Maurice V. Fleming (LSO# 200450)

m Fleming@foglers.com

Tel: 416.941.8812

Fax: 416.941.8852

Lawyers for the Receiver,
RSM Canada Limited

Garbig, Cathy

From: Tibando, Franca
Sent: Thursday, April 18, 2019 1:30 PM
To: Ben Boston; Diane Winters; Jonathan Chiasson; Karunadevi Nadarajal; Kevin O'Hara; Michael A. McKee; Rizwan Ahmad Mirza; Syed Naqvi
Cc: Fleming, Maurice V.
Subject: 2492167 Ontario Ltd.
Attachments: Ancillary Order Conway J (April 18, 2019).pdf; Approval Order Conway J (April 18, 2019).pdf; Decision - April 18 2019 (2492167 Ontario Ltd.) (003).pdf

Please find attached the Endorsement of the Court, and the issued and entered Orders.

If you have any questions, please do not hesitate to contact us.

Thank you
Franca Tibando on behalf of Maurice Fleming

Franca Tibando
Legal Assistant
Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
Direct: 416.864.9700 x157
Main: 416.864.9700
Toll Free: 1.866.861.9700
Fax: 416.941.8852
Email: ftibando@foglers.com
foglers.com



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

May 1, 2019

Hand-Delivered

Name
Address 1
Address 2
Address 3

Dear Sirs:

**In the matter of the receivership of 2492167 Ontario Ltd. (the "Company")
Re: 5818 Sheppard Avenue East, Toronto, Ontario (the "Property")**

We are writing to you solely in our capacity as Receiver and Manager of the Company (the "Receiver").

On April 18, 2019, the Honourable Justice Conway of the Ontario Superior Court of Justice (the "Court") issued the Sale Approval and Vesting Order (the "AVO"). Paragraph 3 of the AVO grants title to the Purchaser free and clear of all licenses and leases. Further, in paragraph 5 of the ancillary order issued by the Court on April 18, 2019 ("Ancillary Order") the Court stated that "...all prior or existing actual or purported leases on the Real Property, including those for Units #101, 102, 104, 200, and 201-203, and 206 are hereby terminated...", but are allowed to remain in the leased premises until 5:00 pm on the 30th day of April, 2019". A copy of the AVO and Ancillary Order (the "Orders") are enclosed again, for your ease of reference, but our legal counsel served you with a copy of the Orders on April 18, 2019.

As of 5:00 pm on April 30, 2019, it appears that you have not yet surrendered possession of your unit. We hereby demand that you immediately, and without further notice, vacate the premises. If you require our accommodation for more time to do so, we will consider allowing an extended possession period ending no later than 5:00 pm on May 8, 2019, if we receive a written request from you to do so. If you do not request such an extension, or otherwise refuse to vacate your unit in the times stipulated in the Orders, then the Receiver will make an application to the Court for a further order enforcing the requirements for vacant possession of your unit.

Kindly contact Jeffrey Berger of the Receiver's office at 647-726-0496 or jeff.berger@rsmcanada.com to advise the Receiver when you will vacate your unit at the premises, or if you need an extension. Should you have any questions, please contact Mr. Berger.

Yours truly,

RSM Canada Limited, in its capacity as
Court-Appointed Receiver and Manager of 2492167 Ontario Ltd.,
and not in its personal or corporate capacity

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



9:30am

COUNSEL SLIP

COURT FILE NO. CV-18-601116-CL

DATE: THURS. APRIL 18, 2019

No. ON LIST Add-On

TITLE OF PROCEEDING CAMERON STEPHENS FINANCIAL CORP. v 2492167 ONTARIO LTD.

COUNSEL FOR: Receiver
Plaintiff (s)
Applicant (s) MAURICE FLEMING
Petitioner (s) [Signature]

Phone & Fax No
416-941-8812
416-941-8402

COUNSEL FOR:
Defendant (s)
Respondent (s)

Phone & Fax No

April 18/19

1. I am now satisfied w/ service of this motion
record on the debtor. It is unopposed by
all, including the tenants whose leases are
being terminated. AVO signed by me.

2. Order signed re lease terminations & vacant
possession. The Receiver will be taking
possession of the video ^{material} re Unit 104, holding onto
it pending further court order, & notifying the TPS
& Mr Litowitz that it has done so. ~~Even if~~ Any of
the Receiver, the TPS & Mr Litowitz may arrange
an attendance before me at 9:30 on notice to
the others for further order or direction wRT this
video material. Counsel to provide a copy of this
endorsement & the
order to the TPS & Mr L. Conway

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

Province: Ontario	Bankruptcy Division: Toronto
Estate No.	Court File No. 31-OR-208389-T

MASTER *Jian*) TUESDAY, THE 6TH
)
) DAY OF AUGUST, 2019

IN THE MATTER OF THE BANKRUPTCY OF
2492167 ONTARIO LTD.,
of the City of Toronto,
in the Province of Ontario

BANKRUPTCY ORDER

UPON READING the Application of Cameron Stephens Financial Corporation; the Affidavit of Verification of Statements in Application sworn June 27, 2019, filed; the Affidavit of Tim Ryder, sworn July 29, 2019 with attached exhibits, filed; the Affidavit of Marva M. Brooks, sworn August 1, 2019, filed; the Affidavits of Service of Lucy Silvestre and Theresa Salema, filed; the Affidavit of Attempted Service of Qi Jiang, filed; the Consent of RSM Canada Limited, filed; and upon hearing submissions from counsel for the Applicant; and it appearing to the Court that 2492167 Ontario Ltd. has committed an act of bankruptcy in ceasing to meet its liabilities generally as they become due,

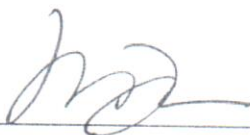
1. **THIS COURT ORDERS** that this Application is properly returnable today and hereby dispenses with any further requirement for service thereof.

2. **THIS COURT HEREBY ORDERS** that 2492167 Ontario Ltd., of the City of Toronto, Province of Ontario, be and is hereby adjudged bankrupt and a bankruptcy order is made on this date.

3. **THIS COURT FURTHER ORDERS** that RSM Canada Limited of the City of Toronto, Province of Ontario, be and is hereby appointed Trustee of the estate of the said bankrupt.

4. **THIS COURT FURTHER ORDERS** that the said Trustee shall give security in an amount to be fixed by the Official Receiver, pursuant to Subsection 16(1) of the *Bankruptcy and Insolvency Act*.

5. **THIS COURT FURTHER ORDERS** that the costs of and incidental to this Application and Bankruptcy Order be paid to the Trustee out of the estate of the bankrupt on taxation of the estate.



Master Jia

	Court File No. 31-OR-208389-T
TO: 2492167 ONTARIO LTD.	ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY
	IN THE MATTER OF THE BANKRUPTCY OF 2492167 ONTARIO LTD., of the City of Toronto, in the Province of Ontario <hr/> BANKRUPTCY ORDER <hr/> Garfinkle Biderman LLP Barristers & Solicitors 1 Adelaide Street East Suite 801 Toronto, Ontario M5C 2V9 Jeffrey A.L. Kriwetz, LSUC #32318V Telephone: (416) 869-7618 Facsimile: 416) 869-0547 jkriwetz@garfinkle.com Lawyers for Applicant, Cameron Stephens Financial Corporation

District of Ontario
Division No.: 09 - Toronto
Estate No. - Pending
Court No. 31-OR-208389-T

IN THE MATTER OF THE BANKRUPTCY OF
2492167 ONTARIO LTD.,
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

Trustee's Preliminary Report to the Creditors

BACKGROUND

1. A bankruptcy application was made by Cameron Stephens Financial Corporation ("**Cameron Stephens**") on or about June 28, 2019. At the hearing of the bankruptcy application held on August 6, 2019, the Ontario Superior Court of Justice (the "**Court**") issued a Bankruptcy Order against 2492167 Ontario Ltd. ("**249**" or the "**Company**") in which RSM was appointed as Trustee in Bankruptcy of the Estate of 249.
2. On July 26, 2018, RSM Canada Limited ("**RSM**") was appointed as the receiver and manager (the "**Receiver**") without security, of all of the assets, undertakings and properties of 249 pursuant to an Order (the "**Appointment Order**") issued by the Commercial List of the Court. Cameron Stephens made the application to the Court for the appointment of the Receiver.
3. 249 owned and operated the real property located at 5818 Sheppard Ave East, Scarborough, Ontario (the "**Property**"). The Property consisted of a gas station, convenience store and a commercial office building.
4. The Company derived the majority of its revenue from two sources: (i) the rental of commercial and retail units located at the Property, and (ii) the operation of the gas station and convenience store located on the Property.
5. The Receiver sold the Property on June 14, 2019.
6. Despite requests by the Receiver, the Company did not provide any financial statements or other financial records to the Receiver, other than limited payroll information. Accordingly, the Receiver is administering the receivership on the assumption that the only assets of 249 are the Property and amounts that may have been owing to 249 by its tenants.
7. Details of the Receiver's activities are set out in the Receiver's reports to the Court, which are available on the Receiver's website at:

<https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/2492167-ontario-ltd.html>

SECTION A: PRELIMINARY EVALUATION OF ASSETS

8. The Trustee compiled a statement of affairs based on the information that is available to it. A draft of the Statement of Affairs was provided to the officer of 249 for review on August 13, 2019. On August 23, 2019, the officer of 249 returned to the Receiver the draft statement of affairs in which only certain pages were signed and the document was not sworn.

9. On August 26, 2019, the Trustee made some amendments to the draft statement of affairs (the "**Revised Draft Statement of Affairs**"). The Trustee sent the Revised Draft Statement of Affairs to the officer of 249 on August 26, 2019 and has requested that the officer attest to the accuracy of the Revised Draft Statement of Affairs.

10. According to the Revised Draft Statement of Affairs, the assets of the Bankrupt as at the date of bankruptcy consist of the following:

	Estimated to Realize
Cash	\$51,313.22
HST refund	<u>47,466.09</u>
Total assets	<u>\$98,779.31</u>

a) Cash

The cash balance represents the funds remaining in the Receiver's trust account as at the date of bankruptcy.

b) Accounts Receivable

The HST refund represents a refund due from Canada Revenue Agency in respect of the Company's December 31, 2018 HST return.

SECTION B: CONSERVATORY AND PROTECTIVE MEASURES

11. The Trustee has not taken any conservatory or protective measures based on the nature of 249's assets as at the date of bankruptcy.

SECTION C: LEGAL PROCEEDINGS

12. The Trustee is not involved in any legal proceedings.

SECTION D: PROVABLE CLAIMS

13. The claims filed by creditors as of 9:00 a.m. on August 26, 2019, are as follows:

	Per Statement of Affairs	Filed as of August 26, 2019
Secured	\$98,779.31	-
Unsecured	2,867,189.34	\$2,565,955.65
Preferred	-	-
Contingent	-	-
<u>Total</u>	<u>\$2,965,968.65</u>	<u>\$2,565,955.65</u>

14. The Trustee will review the differences between the amounts set out in the Proofs of Claim filed and the amounts included in the Revised Draft Statement of Affairs in the event there are funds available for distribution to 249's creditors in these bankruptcy proceedings.

SECTION E: SECURED CREDITORS

15. As of the date of the Appointment Order, the following parties had security over assets of the Company:

- (i) Cameron Stephens;
- (ii) TD Bank; and
- (iii) Vida Parsi.

16. The Receiver received an opinion from Fogler Rubinoff LLP, independent counsel to the Receiver that, subject to the qualifications and assumptions contained in the opinion:

- (i) the general security agreement to and in favour of Cameron Stephens appears to create a good and valid security interest in all of 249's personal property, undertaking and assets;
- (ii) the mortgage in favour of Cameron Stephens appears to create a good and valid first ranking mortgage and charge in the Property; and
- (iii) the general assignment of rents and leases appears to create a good and valid first ranking charge and security interest in the rents and leases.

17. Pursuant a Court Order made on April 18, 2019, on June 17, 2019 the Receiver made an interim distribution of \$3,251,658.90 to Cameron Stephens in respect of 249's indebtedness to Cameron Stephens. Cameron Stephens has filed a Proof of Claim in respect of the balance still owing to Cameron Stephens by the Company.

SECTION F: ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

18. Based on the amount owed to Cameron Stephens and the realizations from 249's assets, it is expected that there will be no funds available in the bankruptcy proceedings for distribution to 249's secured or unsecured creditors.

SECTION G: TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS

19. The Receiver identified a number of transactions that may be considered to be preference payments or transfers at undervalue. The Trustee will review this matter further with the Inspector(s) to be elected at the First Meeting of Creditors.

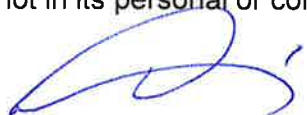
SECTION H: OTHER MATTERS

20. The Trustee has not received a guarantee of its fees and disbursements. The Receiver will be seeking the approval of the Court to pay the Trustee's fees and disbursements from funds held by the Receiver.

21. By email correspondence dated August 23, 2019, counsel to the officer of 249 advised the Trustee that the officer of 249 would be unable to attend the First Meeting of Creditors due to "ongoing health problems".

Dated at Toronto, Ontario, this 26th day of August, 2019.

RSM CANADA LIMITED in its capacity as
Trustee of the Estate of 2492167 Ontario Ltd., a bankrupt
and not in its personal or corporate capacity



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

District of Ontario
 Division No. 09 - Toronto
 Court No. 31-2549662
 Estate No. 31-2549662

DRAFT

Form 12
 Final Statement of Receipts and Disbursements

Final

RECEIPTS

1. Miscellaneous		
Interest allocation	0.39	
Miscellaneous other receipts	1,478.02	1,478.41
TOTAL RECEIPTS		1,478.41

DISBURSEMENTS

2. Fees Paid		
To registrar	150.00	
To official receiver	150.00	300.00
3. Notice of first meeting		
Local paper	954.00	954.00
4. Notice of final dividend and trustee discharge		
To 5 creditors	1.75	
Postage	9.45	11.20
5. Other notices and reports		
Postage	38.85	38.85
6. Inspector		
Fees	20.00	20.00
7. Trustee's remuneration		
Trustee's fees	14,549.60	
HST charged on Trustee remuneration	1,891.45	16,441.05
8. Federal and Provincial taxes		
HST on legal fees	614.26	614.26
9. Miscellaneous		
Photocopies	63.00	
HST paid (ITC)	172.68	
Other misc disbursements	21.20	
Courier	50.00	
Legal fees/disbursements	4,725.00	
Ascend License Fee	190.00	5,221.88
TOTAL DISBURSEMENTS		23,601.24

Note: How much of the total disbursements was paid for services provided by persons related to the trustee? 0.00

Amount available for distribution		-22,122.83
10. Levy payable under section 147 of the Act		0.00
11. Unsecured creditors		
Proved claims of	0.00	

Notes:

(1) RSM Canada Limited was appointed as the Court-appointed Receiver and Manager of 2492167 Ontario Ltd. on July 26, 2018 and the assets of the debtor fell under the administration of the receivership.

(2) The total funds transferred from the receivership estate to the bankruptcy estate are \$<*> and are recorded under the line

District of Ontario
Division No. 09 - Toronto
Court No. 31-2549662
Estate No. 31-2549662

DRAFT

Form 12 --- Concluded
Final Statement of Receipts and Disbursements

Final

"miscellaneous other receipts".

Dated at the City of Toronto in the Province of Ontario, this 8th day of December 2020.

RSM Canada Limited - Licensed Insolvency Trustee
Per:

Daniel Weisz - Licensed Insolvency Trustee
11 King Street W., Suite 700, Box 27
Toronto ON M5H 4C7
Phone: (416) 480-0160 Fax: (647) 730-1345

Approved by the following inspectors:

Jeffrey Kriwetz

Taxed at the sum of \$ _____, this _____ day of _____.

Registrar

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 December 9, 2020

Receipts	
Land and Building	\$ 4,725,000
Advances from secured lenders	600,000
Fuel Sales	500,589
Store Sales	43,945
Commission Revenue	15,770
Rent	47,810
Insurance Refund	9,749
Miscellaneous	22,746
Interest	2,596
HST Refund	137,156
HST collected	13,803
Total receipts	<u>\$ 6,119,165</u>
Disbursements	
Insurance	\$ 28,846
Miscellaneous	39,343
Store purchases	68,915
Fuel purchases	500,589
Property management fees	48,002
Commissions	189,000
Property taxes	90,306
Utilities	36,774
Repairs and maintenance	125,916
Security and possession	55,856
Wages	27,491
Repayment of advances to secured creditor	600,000
Receiver's fees	330,813
Legal fees	387,277
HST paid	157,609
Super Priority	1,022
Transfer to Bankruptcy trustee	1,478
Total disbursements	<u>\$ 2,689,236</u>
Excess of receipts over disbursements	<u>\$ 3,429,929</u>
Distribution to Secured Creditor	(3,251,659)
Cash on hand	<u><u>\$ 178,270</u></u>

E&OE

This Appendix forms part of the Receiver's Report to the Court dated December 10, 2020 and should only be read in conjunction therewith

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

AFFIDAVIT OF DANIEL WEISZ
(Sworn December 10, 2020)

I, **DANIEL WEISZ**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.
2. Pursuant to an order of the Court dated July 26, 2018, RSM was appointed receiver and manager (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, including all proceeds thereof.

3. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices issued by RSM for fees incurred by RSM in respect of the receivership proceedings for the period March 1, 2019 to November 30, 2020 (the "Period"). The total fees charged for the Period are \$67,610.30 plus HST of \$8,789.34 for a total of \$76,399.65. The average hourly rate charged during the Period was \$397.71.

4. The invoices are a fair and accurate description of the services provided and the amounts charged by RSM for the Period.

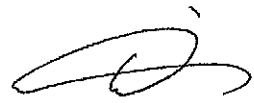
5. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged.

6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 10th day of December, 2020


A Commissioner, etc.

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)
)
)
)
)



DANIEL WEISZ

Dyan Allan Vannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 10th DAY OF DECEMBER, 2020**



A Commissioner, etc.

**Bryan Allan Tannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021**



GST/HST: 80784 1440 RT 0001

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

To 2492167 Ontario Ltd.
c/o RSM Canada Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 22, 2019

Client File 784-102-3

Invoice 9

No. 5652337

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2492167 Ontario Ltd. ("249") for the period March 1, 2019 to March 31, 2019.

Date	Professional	Description
03/01/2019	Brenda Wong	Review February bank statement and J. Berger re deposits made, prepare paperwork for processing of receipts and posting of NSF rent payment in January.
03/04/2019	Daniel Weisz	Emails to T. Ryder and B. Hughes, and CBRE re timing of review of offers.
03/05/2019	Brenda Wong	Review online banking for processing of monthly insurance PAD and prepare cheque requisition re same; review February statement for transactions that have not been posted to Ascend and follow up with J. Berger re NSF rent cheque in February.
03/05/2019	Daniel Weisz	Discussion with D. Shvartsman re timing of review of offers; arrange time for conference call between lenders, the Receiver and CBRE to discuss offers received and various emails relating to same.
03/06/2019	Daniel Weisz	Prepare for and attend conference call with D. Shvartsman, E. Turner, J. Berger and M. Fleming to review the offer summary sheet re offers received for the property.
03/07/2019	Daniel Weisz	Review email from D. Shvartsman re search of title, review list of offers received; prepare for call with the lenders; prepare for and attend conference call with representatives of CBRE and Cameron Stephens, B. Hughes and M. Fleming to discuss offers received for the property.
03/08/2019	Anne Baptiste	Prepare disbursement cheques; prepare February bank reconciliation; posting deposits.
03/08/2019	Daniel Weisz	Review emails from D. Shvartsman and emails to M. Fleming re same; discussion with M. Fleming; reply to emails from D. Shvartsman and discussion with D. Shvartsman regarding same; discussion with T. Ryder re status of sale process; discussion with D. Shvartsman re information and potential financing option.

Date	Professional	Description
03/11/2019	Daniel Weisz	Work on updating report to court; discussion with M. Fleming re status of updated legal opinion on security; review request for information from J. Kriwetz and discussion with M. Fleming re same.
03/11/2019	Jeff Berger	Arranging for the removal of the ATM from the convenience store.
03/12/2019	Daniel Weisz	Review email from CBRE re timeline re status of offers and email to M. Fleming regarding same; discussion with M. Fleming re Cameron Stephens position re possibility of financing potential purchasers; discussions with D. Shvartsman re same.
03/13/2019	Daniel Weisz	Discussion with M. Fleming re sales process status.
03/14/2019	Daniel Weisz	Review account of Fogler Rubinoff and email to M. Fleming re same; email to T. Ryder re the accounts; review of emails; exchange emails with B. Hughes re Receiver's cash position.
03/15/2019	Daniel Weisz	Review summary of second round of offers, discussion with J. Berger on same, email to CBRE on same, discussion with M. Fleming re status of offers; prepare for and attend conference call with M. Czestochowski, E. Stewart, D. Shvartsman and J. Berger re updated offers and Receiver's intended course of action; review schedule re funds available after closing and discussion with J. Berger on same; discussion with J. Berger re report to court; draft email for offer summary to be circulated on March 18; update report to court.
03/15/2019	Jeff Berger	Review of second round offers and phone call with CBRE and D. Weisz regarding same; prepare a schedule of estimated realizations.
03/18/2019	Daniel Weisz	Prepare for and attend conference call with representatives of CBRE and Cameron Stephens, B. Hughes and M. Fleming to discuss the results of the second round of offers; subsequent discussions with D. Shvartsman, B. Hughes and T. Ryder; review agreement of purchase and sale (the "APS") and email to M. Fleming re same.
03/18/2019	Jeff Berger	Conference call with CBRE and the secured lenders to discuss the results of the second round of offers; discussion with Canada Revenue Agency re status of HST and source deductions.
03/19/2019	Daniel Weisz	Review bankruptcy notice from the principals of the debtor; review M. Fleming comments re the APS, review the APS and discussion with J. Berger on same, email to D. Shvartsman re changes to be addressed in the APS received; meet with J. Berger re draft report and update report; review and compile documents re the APS received from CBRE; compile the APS and sign same and forward same to CBRE; discussion with D. Shvartsman; email to T. Ryder re status of the APS.
03/20/2019	Daniel Weisz	Review email from Fogler Rubinoff re status of purchaser deposit and respond thereto; discussion with J. Kriwetz and email to M. Fleming with respect to same; review and update draft letter to tenants; review files and review and update confidential report appendix to the report; work on report to the court.
03/21/2019	Daniel Weisz	Review request from A. Brown, M. Fleming on same and reply to A. Brown; update report; discussion with J. Berger re information needed from CBRE.
03/21/2019	Jeff Berger	Update the Receiver's second report regarding the marketing and sale of the property; discussion with D. Shvartsman regarding same.
03/22/2019	Anne Baptiste	Posting deposits; prepare disbursement cheques.

Date	Professional	Description
03/22/2019	Daniel Weisz	Review CBRE marketing update; review and sign cheques; review and file emails; discussion with D. Shvartsman re matters relating to the sale of the property; review D. Shvartsman email re the Receiver's report and marketing efforts.
03/22/2019	Jeff Berger	Draft letter to tenants re the sale of the property, discussing same with D. Weisz; editing the Receiver's second report.
03/25/2019	Daniel Weisz	Review email from D. Shvartsman re communication to tenants and respond to same; discussion with M. Fleming re the status of various matters.
03/25/2019	Usama Emad	Review the rental payments and declined payments for a tenant unit; prepare a reconciliation to the bank statements.
03/26/2019	Usama Emad	Complete the review of the rental payments made and declined.
03/26/2019	Jeff Berger	Review of rent reconciliation for the tenant unit.
03/27/2019	Daniel Weisz	Review email from M. Fleming re status of court date and email to T. Ryder re same.
03/28/2019	Daniel Weisz	Review email from M. Fleming re court date; review the APS and email to M. Fleming; discussion with J. Berger on same; discussion with M. Fleming re revised court date; review M. Fleming changes to draft letter to tenants and email M. Fleming re same; finalize and sign letters to tenants and discussion with J. Berger on same.
03/28/2019	Jeff Berger	Finalizing the letter to tenants re sale of the property and the requirement for vacant possession, discussion with D. Weisz re same.
03/29/2019	Jeff Berger	Attending at the property to deliver the notice of sale to the tenants.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	25.8	\$ 525	\$ 13,545.00
Brenda Wong, CIRP, LIT	Senior Manager	0.5	\$ 395	197.50
Jeffrey K. Berger, CPA, CA	Manager	11.6	\$ 295	3,422.00
Usama Emad, CPA	Senior Associate	3.0	\$ 195	585.00
Anne Baptiste	Estate Administrator	2.5	\$ 110	275.00
Total hours and professional fees		<u>43.4</u>		\$ 18,024.50
HST @ 13%				2,343.19
Total payable				\$ 20,367.69

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

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

www.rsmcanada.com

To 2492167 Ontario Ltd.
c/o RSM Canada Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 23, 2019

Client File 784-102-3

Invoice 10

No. 5700189

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2492167 Ontario Ltd. ("249") for the period April 1, 2019 to April 30, 2019.

Date	Professional	Description
04/01/2019	Daniel Weisz	Discussion with J. Berger re tenant acknowledgements of letters delivered; discussion with M. Fleming of Fogler Rubinoff LLP ("Foglers") re status of materials re Receiver's application to court.
04/02/2019	Daniel Weisz	Discussion with M. Fleming re matters relating to the upcoming application to the court; forward to M. Fleming correspondence from the Receiver to the tenants.
04/03/2019	Daniel Weisz	Review and filing of emails; review Confirmation of Co-Operation and Representation Agreement and forward to M. Fleming for comments; review comments and sign form and return same to CBRE; review draft court order, review file, update the draft order and email to M. Fleming re same.
04/04/2019	Anne Baptiste	Filing re banking.
04/04/2019	Donna Nishimura	Prepare Fee Affidavit - Summary of Fees.
04/04/2019	Daniel Weisz	Work on report to court, fee affidavit, etc.
04/05/2019	Brenda Wong	Review of report appendices, making changes and compiling to send to counsel.
04/05/2019	Daniel Weisz	Finalize report to court and attend at Foglers.
04/08/2019	Daniel Weisz	Review account rendered by Foglers; discussion with M. Fleming re status and request for a conference call with J. Kriwetz; email to J. Kriwetz and M. Fleming re same; discussion with T. Ryder.
04/09/2019	Daniel Weisz	Prepare for and attend conference call with M. Fleming and J. Kriwetz; discussion with M. Fleming re parties to whom motion record served; discussion with M. Fleming re call he received from Litowitz Pettie re Receiver's application to the court and relief requested; discussion with J. Berger re same.

Date	Professional	Description
04/11/2019	Daniel Weisz	Prepare form of reimbursement agreement and forward same to M. Fleming for comments.
04/11/2019	Anne Baptiste	Prepare March bank reconciliation; preparation of pre-authorized payments.
04/15/2019	Daniel Weisz	Exchange emails with M. Fleming re tomorrow's court attendance; review M. Fleming's comments on draft reimbursement agreement and email to M. Fleming re same; review draft court orders and email to M. Fleming re same.
04/16/2019	Daniel Weisz	Prepare for and attend in court in Receiver's application for approval of the sale of the property and other ancillary relief; email to T. Ryder re the results of the court application; review agreement of purchase and sale and email to M. Fleming re same.
04/17/2019	Daniel Weisz	Exchange emails with R. MacDonald of Foglers re communications from counsel to a tenant and discussion with R. MacDonald re same; exchange emails with M. Fleming re contents of court order to be requested; review updated draft court orders and discussion with M. Fleming re same.
04/17/2019	Anne Baptiste	Posting deposits.
04/18/2019	Usama Emad	Attend at the Sheppard location to pick up the DVR from Unit 104.
04/18/2019	Daniel Weisz	Attend in court re Receiver's application for approval of the sale of the property; email to T. Ryder re approval and vesting order obtained; email to D. Shvartsman re same; discussion with J. Berger re attending at the premises to retrieve video from unit 104; discussion with B. Hughes; review email from B. Hughes and respond to same; review emails from M. Fleming; review court order issued; discussion with D. Shvartsman re same and subsequent email to D. Shvartsman; discussion with M. Fleming re closing of sale considerations.
04/22/2019	Daniel Weisz	Emails with M. Fleming re correspondence with the purchaser's counsel; review and update summary of activities.
04/23/2019	Daniel Weisz	Exchange emails with M. Fleming re status of communication from purchaser's counsel; email to D. Shvartsman in response to his.
04/24/2019	Anne Baptiste	Prepare March bank reconciliation; filing re banking.
04/26/2019	Daniel Weisz	Exchange emails with D. Shvartsman re closing date; discussion with J. Berger re matters to attend to re closing of the sale transaction.
04/29/2019	Daniel Weisz	Review exchange of emails between M. Fleming and purchaser's counsel; conference call with M. Fleming and J. Berger re status of closing and tenant vacancy status, review emails between M. Fleming and purchaser's counsel.
04/30/2019	Daniel Weisz	Review email from purchaser's counsel and email to M. Fleming re same; discussion with M. Fleming re his discussion with purchaser's counsel; discussion with J. Berger on same; discussion with B. Hughes; email to T. Ryder re status of closing of the transaction; review email from CBRE re status of purchaser request re tenancies; update letter to tenants and discussion with M. Fleming re same; discussion with T. Ryder re status of closing; review M. Fleming comments to draft letter and discussion with M. Fleming on same and on extension to closing date; review letter to purchaser's counsel and discussion with M. Fleming re same; exchange emails with M. Fleming re tenancies.

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	24.6	\$ 525	12,915.00
Brenda Wong, CIRP, LIT	Senior Manager	1.5	\$ 395	592.50
Usama Emad, CPA	Senior Associate	1.0	\$ 195	195.00
Anne Baptiste/Donna Nishimura	Estate Administrator	1.2	\$ 110	132.00
Total hours and professional fees			<u>28.3</u>	\$ 13,834.50
HST @ 13%				1,798.49
Total payable				\$ 15,632.99

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



GST/HST: 80784 1440 RT 0001

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

To 2492167 Ontario Ltd.
c/o RSM Canada Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 17, 2019

Client File 784-102-3

Invoice 11

No. 5715159

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2492167 Ontario Ltd. ("249") for the period May 1, 2019 to May 31, 2019.

Date	Professional	Description
05/01/2019	Daniel Weisz	Review email from I. Arora re closing date for the sale of the property and discussion with M. Fleming of Fogler Rubinoff LLP ("Foglers") re same; email to T. Ryder re request to amend closing date; discussion with B. Hughes re same; email to M. Fleming re Receiver's agreement to extended closing date; review and sign letters to tenants; discussion with J. Berger re his meeting with certain tenants today; discussion with M. Fleming on same; email to R. MacDonald of Foglers to follow up re Toronto Police Service ("TPS").
05/01/2019	Usama Emad	Prepare cheque requisitions.
05/01/2019	Jeff Berger	Draft letters to tenants re vacating the premises; attending at 5818 Sheppard to deliver the letters to tenants.
05/02/2019	Anne Baptiste	Prepare disbursement cheques; posting deposits.
05/02/2019	Daniel Weisz	Discussion with J. Berger re his discussions with occupants yesterday at the property; exchange emails with R. MacDonald re corresponding with TPS; review email from a tenant and discussion with J. Berger on same; review email re Foglers discussion with TPS and email to Foglers in respect of same; review and respond to email from Extreme Media.
05/06/2019	Jeff Berger	Correspond with various tenants regarding their intention to vacate the premises; discuss same with D. Weisz and M. Fleming.
05/06/2019	Daniel Weisz	Review emails from tenants, discussion with J. Berger on same and discussion with a tenant.
05/07/2019	Daniel Weisz	Discussion with J. Berger re status of occupancy; review draft email to tenant of units 201 and 203 and discussion with J. Berger on same; review draft email to tenant of unit 202 and discussion with J. Berger on same; discussion with J. Berger re his discussion with the tenant of units 201-203; review further draft email to tenant of units 201 and 203, update same and forward draft to M. Fleming for comments.

Date	Professional	Description
05/07/2019	Jeff Berger	Correspond with various tenants regarding the sale of the property and the requirement for tenants to vacate the property; discuss same with D. Weisz and M. Fleming.
05/08/2019	Daniel Weisz	Review M. Fleming comments re email to tenant of units 201-203 and discussion with J. Berger on same; discussion with J. Berger re his discussion with the tenant and review exchange of emails; discussion with J. Berger re status of tenants vacating the premises.
05/08/2019	Jeff Berger	Correspond with tenants regarding their efforts to vacate the property and discuss same with D. Weisz.
05/09/2019	Daniel Weisz	Review email re tenancy of pharmacist and discussion with J. Berger on same; review and finalize update to lender; discussion with M. Fleming re letter to tenant of units 201-203, update letter and forward to M. Fleming in draft.
05/09/2019	Jeff Berger	Drafting letter to remaining tenants re vacating the premises.
05/10/2019	Daniel Weisz	Discussion with J. Berger re his attendance at the premises; discussion with M. Fleming and J. Berger re documentation to be signed by tenant of units 201-203; discussion with J. Berger re status of insurance.
05/10/2019	Jeff Berger	Call re insurance with H. Debi to advise of the new vacancies at the property and the pending sale of the property; attending on site to assess the remaining assets and inspect the recently vacated units; finalizing release letter for units 201-203 and discuss same with D. Weisz and M. Fleming.
05/13/2019	Jeff Berger	Correspond with tenants re vacating the premises.
05/13/2019	Anne Baptiste	Prepare disbursement cheques, prepare April bank reconciliation; filing re banking.
05/13/2019	Daniel Weisz	Discussion with J. Berger re remaining items at the property and his discussion with D. Shvartsman of CBRE; review insurance termination cancellation to be provided by the Receiver and discussion with J. Berger on same.
05/14/2019	Daniel Weisz	Discussion with J. Berger re Canam-Appraiz attendance at the premises today; review agreement of purchase and sale re same; review email from counsel to the purchaser and respond to same; discussion with M. Fleming re remaining assets at the premises and review court order relating to same; review status of pharmacist occupation and scheduled date to vacate the premises.
05/14/2019	Jeff Berger	Attend on site to meet with Canam-Appraiz re all remaining assets and convenience store inventory; discussion with tenant re plans to vacate the property by May 24, 2019; discussion with D. Weisz re same.
05/15/2019	Daniel Weisz	Discussion with J. Berger re his attendance at the property yesterday and discuss disposition of remaining inventory and assets at the premises; email to M. Fleming re reimbursement agreement.
05/21/2019	Usama Emad	Call with the City of Toronto regarding amount of outstanding property taxes and discuss same with J. Berger; review invoices and prepare cheque requisitions.
05/21/2019	Daniel Weisz	Discussion with J. Berger re closing of sale.
05/22/2019	Anne Baptiste	Prepare disbursement cheques; filing re banking.
05/22/2019	Usama Emad	Arrange for utility accounts and other services to be closed in advance of the anticipated closing of the sale of the property.

Date	Professional	Description
05/22/2019	Daniel Weisz	Email to Foglers re status of closing of the sale of the property; discussion with R. Rotchtin of Foglers regarding same; review email from B. Hughes and reply to same; review and sign cheques.
05/22/2019	Jeff Berger	Discussion with D. Weisz and M. Fleming re liquidation of assets, remaining tenancies and correspondence with Parkland; call with S. Mizrahi of Canam-Appraiz re liquidation of assets; discussion with L. Pender of Foglers re property taxes and other adjustments.
05/23/2019	Daniel Weisz	Review email from Parkland and discussion with J. Berger on same; review emails re closing and discussion with J. Berger re same; review summary of activities.
05/24/2019	Daniel Weisz	Review email from R. Rotchtin regarding closing of the sale of the property and subsequent discussion with R. Rotchtin regarding same; email to R. Rotchtin re Parkland attendance at the premises; conference call with I. Arora, the purchaser and J Berger re status of Parkland; discussion with J. Berger re removal of Parkland equipment from the premises and email to R. Rotchtin on same; discussion with J. Berger on status of removal of assets from the premises.
05/24/2019	Jeff Berger	Correspond with the purchaser and Parkland re removal of Parkland equipment from the property; review request from a tenant to extend time by which it was to vacate the property and respond to same.
05/27/2019	Daniel Weisz	Review draft auction services agreement and update same, discussion with J. Berger on same; discussion with J. Berger re auction services agreement and sign same; discussion with J. Berger re removal of items from the property; prepare for and attend conference call with T. Ryder, B. Hughes, J. Kriwetz and M. Fleming re status of the receivership; email to Foglers re status of Parkland and the purchaser; review agreement of purchase and sale re same; review indemnity sent to counsel for the purchaser.
05/27/2019	Jeff Berger	Attend on site at the Sheppard property to complete a walkthrough of vacant units and meet with representatives of the liquidator.
05/28/2019	Daniel Weisz	Discussion with R. Rotchtin re closing of the sale; attend at Foglers to sign closing documents; review request for extension to closing; conference call with R. Rotchtin, M. Fleming and J. Berger to discuss extension request; discussion with L. Malaka of CBRE re information required; discussion with J. Berger re his discussion with the property manager and provide comments on proposed email re same; email to T. Ryder re status of closing of the sale of the property.
05/28/2019	Jeff Berger	Prepare a schedule of estimated net realizations and discuss same with D. Weisz; review of purchaser's request for an extension of the closing date and contact various parties re insurance, property management, etc., re change to closing date.
05/29/2019	Anne Baptiste	Prepare disbursement cheque; filing re banking.
05/29/2019	Daniel Weisz	Discussion with R. Rotchtin re email from I. Arora; review emails re extension to closing date; email to T. Ryder re status of extension of closing; work on schedule re estimated funds for distribution upon closing of the sale and email to T. Ryder and B. Hughes re same; review M. Fleming comments re email to property manager and comments to J. Berger.

Date	Professional	Description
05/29/2019	Jeff Berger	Correspond with the property manager re status of agreement due to revised closing date.
05/29/2019	Usama Emad	Contact utility companies re change of the closing date; prepare various cheque requisitions for utilities.
05/30/2019	Jeff Berger	Prepare the Receiver's Statement of Receipts and Disbursements through to May 29, 2019 ("R&D").
05/30/2019	Daniel Weisz	Review the R&D, discussion with J. Berger on same; draft email to T. Ryder enclosing the R&D.
05/31/2019	Daniel Weisz	Review email from B. Hughes, review files and email to B. Hughes in response to same.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	13.6	\$ 525	7,140.00
Jeffrey K. Berger, CPA, CA	Manager	21.2	\$ 295	6,254.00
Usama Emad, CPA	Senior Associate	6.1	\$ 195	1,189.50
Anne Baptiste	Estate Administrator	2.1	\$ 110	231.00
Total hours and professional fees		<u>43.0</u>		\$ 14,814.50
HST @ 13%				1,925.89
Total payable				\$ 16,740.39

PAYMENT BY VISA / MC ACCEPTED

Card Number _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of RSM Canada Limited, Account No. 90-21116, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

ONLINE/TELEPHONE BANKING available at major financial institutions under the account "RSM Canada Limited"



RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

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

www.rsmcanada.com

To 2492167 Ontario Ltd.
c/o RSM Canada Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date July 12, 2019

Client File 784-102-3

Invoice 12

No. 5733131

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2492167 Ontario Ltd. ("249") for the period June 1, 2019 to June 30, 2019.

Date	Professional	Description
06/05/2019	Daniel Weisz	Email to Fogler Rubinoff LLP ("Foglers") re closing, exchange emails with L. Pender re same; discussion with D. Shvartsman of CBRE re closing.
06/06/2019	Daniel Weisz	Exchange emails with Foglers re amended closing documents to be signed; attend at Foglers to sign the closing documents.
06/07/2019	Anne Baptiste	Prepare disbursement cheques.
06/07/2019	Daniel Weisz	Review and update summary of activities.
06/11/2019	Daniel Weisz	Exchange emails re closing of the sale, discussion with R. Rotchtin of Foglers.
06/13/2019	Jeff Berger	Arranging for final inspection of the property prior to closing; attending to various administrative matters re closing of the sale of the transaction.
06/13/2019	Daniel Weisz	Exchange various emails re closing of the sale and distribution of funds.
06/14/2019	Daniel Weisz	Review and exchange emails re closing and distribution of funds.
06/14/2019	Anne Baptiste	Prepare disbursement cheques; posting deposits; prepare May bank reconciliation.
06/14/2019	Brenda Wong	Confirm receipt of refund from Imperial Tobacco and arrange for posting of same.
06/17/2019	Brenda Wong	Prepare documents re recording of receipt of sale proceeds; draft letter to BMO for transfer of funds to Cameron Stephens and follow up re same.
06/17/2019	Daniel Weisz	Attend to receipt and distribution of net closing proceeds including exchanges of emails and discussions with L. Pender, R. Rotchtin, D. Shvartsman, B. Hughes, T. Ryder, G. Mauro; calculation of interest payable on Receiver Certificates; review and sign cheques and wire transfer; review email from purchaser's counsel and conference call with J. Berger and R. Rotchtin regarding same; prepare enclosure letters; review draft email re removal of chattels from the premises.

Date	Professional	Description
06/18/2019	Daniel Weisz	Discussion with R. Rotchtin re purchaser's claim to chattels; discussion with J. Berger re Parkland status; email to D. Shvartsman re payment to CBRE; review draft email to Parkland re sale of the property and discussion with J. Berger re same; review and update insurance cancellation form and sign same.
06/18/2019	Jeff Berger	Arranging for cancellation of the insurance policy for the property; call with Canam-Appraiz re return of certain chattels to the property and arranging logistics re same; email to Parkland to advise of the sale of the property and the Receiver's position re Parkland assets remaining on site.
06/19/2019	Jeff Berger	Arranging for certain items to be delivered to the purchaser of the property.
06/20/2019	Anne Baptiste	Filing re banking.
06/20/2019	Daniel Weisz	Discussion with J. Berger re status of return of chattels to the property.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	6.1	\$ 525	3,202.50
Brenda Wong, CIRP, LIT	Senior Manager	0.4	\$ 395	158.00
Jeffrey K. Berger, CPA, CA	Manager	2.7	\$ 295	796.50
Anne Baptiste	Estate Administrator	0.9	\$ 110	99.00
Total hours and professional fees		10.1		\$ 4,256.00
HST @ 13%				553.28
Total payable				\$ 4,809.28

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.



RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

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To 2492167 Ontario Ltd.
c/o RSM Canada Limited
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date December 8, 2020

Client File 7841023
Invoice 13
No. 6188612

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Manager of 2492167 Ontario Ltd. ("249") for the period July 1, 2019 to November 30, 2020.

Date	Professional	Description
07/03/2019	Daniel Weisz	Discussion with J. Berger re the email from Parkland and Canada Revenue Agency ("CRA").
07/08/2019	Usama Emad	Prepare cheque requisition for Enbridge.
07/10/2019	Daniel Weisz	Discussion with M. Fleming of Fogler Rubinoff LLP on status; review status of the receivership proceedings.
07/11/2019	Anne Baptiste	Prepare disbursement cheques.
07/11/2019	Daniel Weisz	Discussion with J. Berger on status of various matters; review and sign cheques.
07/11/2019	Usama Emad	Call to Enbridge re finalization of accounts.
07/18/2019	Usama Emad	Prepare cheque requisition for Toronto Hydro and email correspondence re the closing of the accounts.
07/18/2019	Daniel Weisz	Discussion with J. Berger re emails from Parkland; review draft email and comments to J. Berger.
07/18/2019	Jeff Berger	Review of email from Parkland re outstanding balances on account and assets missing from premises; discuss Parkland email with D. Weisz and respond to Parkland.
07/22/2019	Daniel Weisz	Review letter from CRA regarding source deductions claim.
07/23/2019	Usama Emad	Attend to various cheque disbursements.
07/24/2019	Usama Emad	Attend to cheque requisition re GFL.
07/26/2019	Daniel Weisz	Review and sign cheques.
07/26/2019	Anne Baptiste	Prepare June bank reconciliation; prepare cheque requisition; prepare disbursement cheques.
07/31/2019	Anne Baptiste	Filing re banking.

Date	Professional	Description
08/01/2019	Daniel Weisz	Discussion with J. Berger re his discussion with CRA re status of HST refund.
08/01/2019	Jeff Berger	Call with CRA re status of HST refund; discuss same with D. Weisz.
08/08/2019	Anne Baptiste	Filing re banking.
08/13/2019	Daniel Weisz	Review statement of claim issued by Royal Bank of Canada including statement of defense and counterclaim filed; meet with J. Berger to discuss same; conference call with J. Berger and M. Fleming on same; call in to G. Bowden of Lee Bowden Nightingale.
08/13/2019	Usama Emad	Follow up on revised GFL invoice from vendor.
08/14/2019	Usama Emad	Prepare cheque requisition for revised GFL invoice.
08/15/2019	Daniel Weisz	Email to G. Bowden re lawsuit commenced against the company; discussion with G. Bowden.
08/16/2019	Anne Baptiste	Prepare disbursement cheques.
08/16/2019	Daniel Weisz	Review email from M. Fleming and email to G. Bowden re same.
08/20/2019	Daniel Weisz	Call with S. Hunwicks of Toronto Hydro and discussion with J. Berger re accounts outstanding.
08/20/2019	Jeff Berger	Call with representative of Toronto Hydro re outstanding balances on account; review of outstanding hydro invoices and call with Toronto Hydro re errors found on same.
08/22/2019	Anne Baptiste	Filing re banking.
08/23/2019	Donna Nishimura	Deposit cheque at the bank.
08/28/2019	Jeff Berger	Review of email from Bell re outstanding charges on account and respond to same.
09/04/2019	Anne Baptiste	Prepare bank reconciliation; posting deposits.
09/18/2019	Daniel Weisz	Review and filing of emails.
09/20/2019	Anne Baptiste	Posting deposits; prepare disbursement cheques.
09/20/2019	Daniel Weisz	Review Fogler Rubinoff account and exchange emails with M. Fleming re same.
09/23/2019	Jeff Berger	Review of statement from Toronto Hydro and call with Toronto Hydro re incorrect date of account termination; email to Toronto Hydro with support for sale of property on June 14, 2019.
09/27/2019	Anne Baptiste	Prepare bank reconciliation.
10/03/2019	Anne Baptiste	Prepare disbursement cheques; filing re banking.
10/16/2019	Daniel Weisz	Review email from M. Fleming and provide questions re upcoming examination by J. Kriwetz; review information request from J. Kriwetz, review files and email to M. Fleming with the information.
10/28/2019	Anne Baptiste	Filing re banking.
11/01/2019	Anne Baptiste	Prepare disbursement cheques; posting deposits.
11/07/2019	Anne Baptiste	Posting deposits; prepare bank reconciliation; filing re banking.
11/14/2019	Daniel Weisz	Discussion with J. Berger re matters outstanding and email to M. Fleming re same.
11/14/2019	Anne Baptiste	Filing re banking; prepare bank reconciliation.

Date	Professional	Description
11/20/2019	Daniel Weisz	Prepare for and attend call with J. Berger and M. Fleming to discuss the status of the receivership proceedings.
11/28/2019	Daniel Weisz	Discussion with T. Ryder and forward information requested.
12/06/2019	Anne Baptiste	Filing re banking.
12/12/2019	Daniel Weisz	Discussion with J. Kriwetz re status of the receivership administration.
01/17/2020	Anne Baptiste	Prepare bank reconciliation.
01/24/2020	Anne Baptiste	Filing re banking.
02/07/2020	Anne Baptiste	Prepare disbursement cheques; prepare bank reconciliation.
02/21/2020	Anne Baptiste	Filing re banking.
02/25/2020	Daniel Weisz	Begin drafting report to court.
02/26/2020	Brenda Wong	Prepare letter, Trustee remittance form and cheque requisition for payment of WEPP super priority claim.
02/27/2020	Daniel Weisz	Continue drafting report to court.
02/28/2020	Daniel Weisz	Work on report to court.
03/02/2020	Daniel Weisz	Work on report to court.
03/03/2020	Echa Odeh	Phone call to CRA regarding HST returns.
03/04/2020	Daniel Weisz	Conference call with M. Fleming and J. Berger to discuss finalization of the receivership administration.
03/06/2020	Anne Baptiste	Prepare disbursement cheque; filing re banking.
03/10/2020	Echa Odeh	Review of webpage relating to the receivership and organize for additional documents to be uploaded.
03/13/2020	Anne Baptiste	Filing re banking.
03/19/2020	Echa Odeh	Print GL and prepare interim statement of receipts and disbursements ("SRD").
03/20/2020	Echa Odeh	Finalize draft SRD and email sent to J. Berger requesting further information.
03/20/2020	Anne Baptiste	Prepare bank reconciliation.
04/22/2020	Anne Baptiste	Prepare bank reconciliation.
05/11/2020	Daniel Weisz	Review email re status of HST refunds.
05/11/2020	Echa Odeh	Listen to voicemail from CRA regarding outstanding returns.
05/13/2020	Anne Baptiste	Prepare bank reconciliation.
05/14/2020	Daniel Weisz	Discussion with J. Berger re the status of the HST refund and finalization of the receivership.
05/14/2020	Jeff Berger	Discussion with D. Weisz re outstanding HST refund and corporate tax returns.
05/20/2020	Echa Odeh	Discussion with J. Berger; prepare nil return and cover letter to CRA for HST RT0001 account; prepare Request by an Insolvency Practitioner for a Waiver of the Requirement to File a T2 Corporation Income Tax Return Under Subsection 220(2.1) of the Income Tax Act for the 2018 and 2019 taxation years ("RC342").
05/20/2020	Jeff Berger	Call with CRA re pending HST refunds and release of same; discuss same with D. Weisz.
05/22/2020	Daniel Weisz	Discussion with J. Berger re his discussion with CRA.

Date	Professional	Description
05/26/2020	Daniel Weisz	Review and update email to Cameron Stephens re status of the receivership administration and finalize and send.
05/26/2020	Jeff Berger	Draft email to secured lenders re status of the Receiver's administration and outstanding HST issues; discuss same with D. Weisz.
06/18/2020	Anne Baptiste	Prepare bank reconciliation.
06/23/2020	Daniel Weisz	Discussion with J. Berger re status of tax issues; discussion with T. Ryder re status of CRA refunds; email to M. Fleming re outstanding accounts.
06/24/2020	Daniel Weisz	Review and update RC 342 for the 2018 and 2019 taxation years and enclosure correspondence relating thereto; discussion with J. Berger re same.
06/24/2020	Echa Odeh	Save and merge documents for faxing to CRA; fax RC342 to CRA Shawinigan and fax HST return to CRA Sudbury; save fax confirmations to the file.
07/08/2020	Daniel Weisz	Review file and prepare email to Cameron Stephens re funds potentially available for distribution.
07/08/2020	Jeff Berger	Email to CRA regarding the status of the HST refund owing to the estate; receipt and review of response from CRA and forward to D. Weisz.
07/09/2020	Daniel Weisz	Review email from T. Ryder; J. Berger re same; review email from CRA and reply to T. Ryder email.
07/16/2020	Anne Baptiste	Prepare bank reconciliation.
08/12/2020	Anne Baptiste	Prepare bank reconciliation.
09/10/2020	Daniel Weisz	Review email re status of HST refund and email to T. Ryder re same.
09/10/2020	Jeff Berger	Call with CRA re status of HST refund; discuss same with D. Weisz.
09/16/2020	Anne Baptiste	Prepare bank reconciliation.
10/06/2020	Echa Odeh	Prepare interim SRD and Report pursuant to Section 246(2) of the Bankruptcy and Insolvency Act ("246(2) Report").
10/07/2020	Daniel Weisz	Review 246(2) Report and update.
10/07/2020	Echa Odeh	Make amendments to 246(2) Report and emailed to D. Weisz for signing.
10/08/2020	Daniel Weisz	Review updated 246(2) Report and sign.
10/09/2020	Jeff Berger	Call with CRA re status of HST refund; follow-up call with CRA; discuss findings with D. Weisz.
10/15/2020	Daniel Weisz	Send update memo to T. Ryder.
11/09/2020	Daniel Weisz	Exchange emails with J. Berger re HST refund received; discussion with J. Berger; email to T. Ryder.
11/16/2020	Brenda Wong	Prepare Receipts Processing Form re CRA cheque received.
11/20/2020	Anne Baptiste	Posting receipt.
11/23/2020	Daniel Weisz	Discussion with J. Berger re finalization of file.
11/24/2020	Daniel Weisz	Discussion with J. Berger on status; conference call with M. Fleming and J. Berger re finalization of the receivership.
11/27/2020	Daniel Weisz	Email to M. Fleming re status of court date.
11/27/2020	Echa Odeh	Prepare draft affidavit of fees, collate documents for appendices, prepare calculations for final SRD.
11/30/2020	Daniel Weisz	Review and update report to court.

December 8, 2020

Invoice 13

Page 5

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Average Hourly Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	19.2	\$ 557	\$ 10,694.40
Brenda Wong, CIRP, LIT	Senior Manager	0.5	\$ 437	218.50
Jeffrey K. Berger, CPA, CA	Manager	8.6	\$ 339	2,915.40
Echa Odeh	Senior Associate	7.0	\$ 225	1,575.00
Usama Emad, CPA	Senior Associate	2.9	\$ 175	507.50
Anne Baptiste/Donna Nishimura	Estate Administrator	7.0	\$ 110	770.00
Total hours and professional fees		<u>45.2</u>		\$ 16,680.80
HST @ 13%				2,168.50
Total payable				\$ 18,849.30

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 10th DAY OF DECEMBER, 2020**



A Commissioner, etc.

Bryan Allan Tannenbaum, a Commissioner, etc.
Province of Ontario, for RSM Canada LLP
and RSM Canada Limited.
Expires January 5, 2021

**In the Matter of the Receivership of
2492167 Ontario Ltd.
Summary of Receiver's Fees
For the Period March 1, 2019 to November 30, 2020**

Invoice #	Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
9	22-Apr-19	March 1, 2019 to March 31, 2019	43.4	\$ 18,024.50	\$ 2,343.19	\$ 20,367.69	\$ 415.31
10	23-May-19	April 1, 2019 to April 30, 2019	28.3	13,834.50	1,798.49	15,632.99	\$ 488.85
11	17-Jun-19	May 1, 2019 to May 31, 2019	43.0	14,814.50	1,925.89	16,740.39	\$ 344.52
12	12-Jul-19	June 1, 2019 to June 30, 2019	10.1	4,256.00	553.28	4,809.28	\$ 421.39
13	8-Dec-20	July 1, 2019 to November 30, 2020	45.2	16,680.80	2,168.50	18,849.30	\$ 369.04
Total			170.0	\$ 67,610.30	\$ 8,789.34	\$ 76,399.65	\$ 397.71

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

CAMERON STEPHENS FINANCIAL CORPORATION

Applicant

- and -

2492167 ONTARIO LTD.

Respondent

AFFIDAVIT OF CATHERINE GARBIG
SWORN DECEMBER 10, 2020

I, Catherine Garbig, of the Town of Oakville, in the Regional Municipality of Halton, MAKE OATH AND SAY AS FOLLOWS:

1. I am a law clerk with the law firm of Fogler, Rubinoff LLP ("FR") and have knowledge of the matters hereinafter deposed to.

2. Attached hereto are redacted copies of the interim accounts by FR to RSM Canada Limited., in its capacity as Receiver of the Respondent (the "Receiver"), which accounts set out the amounts billed by FR with respect to this matter dated:

- (a) May 29, 2019, rendered for the period of March 29, 2019 to May 29, 2019; (Exhibit "1");
- (b) June 27, 2019, rendered for the period May 30, 2019 to June 20, 2019; (Exhibit "2");

(c) September 24, 2019, rendered for the period of July 4, 2019 to September 5, 2019 (Exhibit "3");

(d) November 27, 2019, rendered for the period of September 23, 2019 to November 20, 2019, (Exhibit "4");

3. The total of the interim fees, disbursements and applicable taxes from March 29, 2019, to November 29, 2019 is the sum of \$125,656.58. The said accounts by FR to the Receiver are summarized as follows:

Date	Fees	Disbursements	HST	Total
May 29, 2019	\$81,647.65	\$3,562.72	\$11,035.74	\$96,246.11
June 27, 2019	\$15,525.00	\$264.89	\$2,044.32	\$17,824.21
September 24, 2019	\$ 5,535.00	\$ 36.65	\$ 724.32	\$ 6,295.97
November 27, 2019	\$ 4,522.50	\$ 159.17	\$ 608.62	\$ 5,290.29
TOTAL	\$107,230.15	\$4,023.43	\$14,413.00	\$125,656.58

4. The unbilled fees and estimated fees for the completion of this matter is \$16,350.00.

5. The following are the billing rates of the lawyer who has worked on the matter together with their year of call.

Timekeeper	Hourly Rate	Year of Call
Maurice V. Fleming	\$675.00	1984

6. The hourly billing rates applied are FR's normal hourly rates for this client.

SWORN remotely by Catherine Garbig of the Town of Oakville, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on December 10, 2020 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

Maurice V. Fleming



CATHERINE GARBIG

This is Exhibit "1" referred to in the Affidavit of Catherine Garbig sworn December 10, 2020.

A handwritten signature in black ink, appearing to read "Maurice V. Fleming". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail on the "g".

Commissioner for Taking Affidavits (or as may be)

MAURICE V. FLEMING

Invoice Num: 21907442

May 29, 2019

RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto ON
M5H 4C7
Attention: Daniel Weisz
Senior Vice-President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

fogler
rubinoff

Our File: R2683 / 183719
2492167 Ontario Limited - Receivership - 5818 Sheppard Avenue East, Toronto

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter to May 29, 2019, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Mar-29-19	MVF		3.30	675.00	2,227.50
Apr-01-19	MVF		0.80	675.00	540.00
Apr-02-19	MVF		4.20	675.00	2,835.00
Apr-03-19	MVF		5.20	675.00	3,510.00
Apr-04-19	RBM		0.75	395.00	296.25
Apr-04-19	CG		3.89	295.00	1,147.55

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Apr-04-19	MVF		6.60	675.00	4,455.00
Apr-05-19	RBM		0.30	395.00	118.50
Apr-05-19	CG		2.80	295.00	826.00
Apr-05-19	RDP		3.10	275.00	852.50
Apr-05-19	MVF		2.90	675.00	1,957.50
Apr-08-19	MVF		0.70	675.00	472.50
Apr-09-19	CG		1.82	295.00	536.90
Apr-09-19	RDP		0.25	275.00	68.75
Apr-09-19	MVF		3.10	675.00	2,092.50
Apr-10-19	CG		0.33	295.00	97.35
Apr-10-19	MVF		2.20	675.00	1,485.00

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Apr-11-19	MVF		2.60	675.00	1,755.00
Apr-11-19	MVF		2.20	675.00	1,485.00
Apr-12-19	MVF		0.70	675.00	472.50
Apr-12-19	MVF		1.30	675.00	877.50
Apr-14-19	MVF		0.60	675.00	405.00
Apr-15-19	CG		0.30	295.00	88.50
Apr-15-19	MVF		3.90	675.00	2,632.50
Apr-15-19	MVF		1.50	675.00	1,012.50
Apr-16-19	RBM		1.20	395.00	474.00
Apr-16-19	CG		1.49	295.00	439.55
Apr-16-19	MVF		6.50	675.00	4,387.50
Apr-17-19	RBM		1.50	395.00	592.50

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Apr-17-19	CG		3.34	295.00	985.30
Apr-17-19	MVF		5.30	675.00	3,577.50
Apr-18-19	RBM		0.30	395.00	118.50
Apr-18-19	MVF		6.90	675.00	4,657.50
Apr-22-19	RBM		0.20	395.00	79.00
Apr-22-19	MVF		0.60	675.00	405.00
Apr-23-19	RBM		0.30	395.00	118.50
Apr-23-19	MVF		0.30	675.00	202.50
Apr-24-19	MVF		0.70	675.00	472.50

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Apr-29-19	MVF		3.50	675.00	2,362.50
Apr-30-19	RMR		1.20	675.00	810.00
Apr-30-19	MVF		2.90	675.00	1,957.50
May-01-19	RBM		0.10	395.00	39.50
May-01-19	MVF		1.60	675.00	1,080.00
May-02-19	RBM		0.80	395.00	316.00
May-02-19	MVF		1.20	675.00	810.00
May-06-19	MVF		1.10	675.00	742.50
May-07-19	MVF		0.90	675.00	607.50
May-08-19	MVF		0.60	675.00	405.00
May-09-19	MVF		0.40	675.00	270.00

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
May-10-19	MVF		0.90	675.00	607.50
May-13-19	MVF		0.70	675.00	472.50
May-14-19	RMR		2.10	675.00	1,417.50
May-14-19	MVF		0.50	675.00	337.50
May-15-19	MVF		1.40	675.00	945.00
May-17-19	MVF		0.60	675.00	405.00
May-21-19	MVF		1.60	675.00	1,080.00
May-22-19	RMR		1.50	675.00	1,012.50
May-22-19	MVF		1.60	675.00	1,080.00
May-23-19	RMR		1.20	675.00	810.00
May-23-19	MVF		1.40	675.00	945.00
May-24-19	RMR		2.50	675.00	1,687.50



<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
May-24-19	MVF		3.90	675.00	2,632.50
May-27-19	RMR		1.50	675.00	1,012.50
May-27-19	MVF		3.20	675.00	2,160.00
May-28-19	RMR		3.50	675.00	2,362.50
May-28-19	MVF		3.30	675.00	2,227.50
May-29-19	RMR		1.50	675.00	1,012.50
May-29-19	MVF		1.90	675.00	1,282.50

TOTAL FEES: **\$81,647.65**

OUR FEE HEREIN **\$81,647.65**

Summary of Fees

<u>Initials</u>	<u>Total Time</u>
RBM	5.45
CG	13.97
MVF	95.30
RMR	15.00
RDP	3.35

Disbursements



Taxable	Binding Supplies	\$232.90	
Taxable	Colour Copies	\$132.00	
Taxable	Copies of Instruments	\$9.00	
Taxable	Courier & Delivery	\$278.61	
Exempt	File Notice of Motion/Application	\$320.00	
Taxable	Local travel - mileage/cabs	\$53.75	
Taxable	Prints	\$2,075.70	
Taxable	Scanning	\$31.25	
Taxable	Search of Title	\$30.05	
Taxable	Service of Documents	\$278.00	
Taxable	Tax Certificate	\$68.65	
Taxable	Water Department Clearance	\$52.81	
	Total Disbursements		\$3,562.72
	Total Fees and Disbursements		\$85,210.37
	HST @ 13% on Fees and Taxable Disbursements		\$11,035.74
	Total Fees, Disbursements and Taxes this Bill		\$96,246.11
	<i>Plus outstanding balance from previous accounts</i>		<i>\$271,051.80</i>
			<hr/>
		Balance Due:	\$367,297.91

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E. **GST/HST No : R119420859**
Please return a copy of this account with your payment. Thank you.

Maurice V. Fleming



For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "2" referred to in the Affidavit of Catherine Garbig sworn December 10, 2020.

A handwritten signature in black ink, appearing to read "Maurice Fleming". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail on the "y".

Commissioner for Taking Affidavits (or as may be)

MAURICE V. FLEMING

Invoice Num: 21909357

June 27, 2019

RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto ON
M5H 4C7
Attention: Daniel Weisz
Senior Vice-President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

fogler
rubinoff

Our File: R2683 / 183719
2492167 Ontario Limited - Receivership - 5818 Sheppard Avenue East, Toronto

FOR PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter to June 27, 2019, including:

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
May-30-19	MVF		0.60	675.00	405.00
May-31-19	MVF		0.20	675.00	135.00
Jun-03-19	MVF		0.50	675.00	337.50
Jun-05-19	MVF		0.30	675.00	202.50
Jun-06-19	MVF		0.80	675.00	540.00
Jun-07-19	MVF		2.30	675.00	1,552.50
Jun-10-19	MVF		0.80	675.00	540.00
Jun-11-19	MVF		0.80	675.00	540.00
Jun-12-19	RMR		2.20	675.00	1,485.00

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>	<u>Rate</u>	<u>Fees</u>
Jun-12-19	MVF		2.20	675.00	1,485.00
Jun-13-19	MVF		1.10	675.00	742.50
Jun-14-19	RMR		1.20	675.00	810.00
Jun-14-19	MVF		4.10	675.00	2,767.50
Jun-17-19	RMR		0.50	675.00	337.50
Jun-17-19	MVF		2.20	675.00	1,485.00
Jun-18-19	RMR		0.50	675.00	337.50
Jun-18-19	MVF		1.60	675.00	1,080.00
Jun-19-19	MVF		0.50	675.00	337.50
Jun-20-19	MVF		0.60	675.00	405.00

TOTAL FEES: \$15,525.00

OUR FEE HEREIN \$15,525.00

Summary of Fees

<u>Initials</u>	<u>Total Time</u>
MVF	18.60
RMR	4.40

Disbursements

Taxable Courier & Delivery \$110.14



Exempt	Discharge	\$64.40	
Taxable	Prints	\$54.60	
Taxable	Teranet remote registration charge	\$10.75	
Taxable	Wired Funds Charge	\$25.00	
	Total Disbursements		\$264.89
	Total Fees and Disbursements		\$15,789.89
	HST @ 13% on Fees and Taxable Disbursements		\$2,044.32
	Total Fees, Disbursements and Taxes this Bill		\$17,834.21
		Balance Due:	\$17,834.21

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

Maurice V. Fleming

For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "3" referred to in the Affidavit of Catherine Garbig sworn December 10, 2020.

A handwritten signature in black ink, appearing to read "Maurice V. Fleming". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail on the "g".

Commissioner for Taking Affidavits (or as may be)

MAURICE V. FLEMING

Invoice Num: 21913024

September 24, 2019

RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto ON
M5H 4C7
Attention: Daniel Weisz
Senior Vice-President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

fogler
rubinoff

Our File: R2683 / 183719
2492167 Ontario Limited - Receivership - 5818 Sheppard Avenue East, Toronto

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>
Jul-04-19	MVF		1.10
Jul-05-19	MVF		0.40
Jul-10-19	MVF		0.70
Jul-11-19	MVF		0.50
Jul-22-19	MVF		0.20
Jul-30-19	MVF		2.50
Aug-08-19	MVF		0.40
Aug-23-19	MVF		0.20
Aug-26-19	MVF		0.20
Aug-28-19	MVF		0.30
Sep-04-19	MVF		0.90
Sep-05-19	MVF		0.80

OUR FEE HEREIN **\$5,535.00**

Summary of Fees

<u>Initials</u>	<u>Total Time</u>
MVF	8.20

Disbursements

Taxable	Copies of Instruments	\$3.00	
Taxable	Prints	\$3.60	
Taxable	Search of Title	\$30.05	
	Total Disbursements		\$36.65
	Total Fees and Disbursements		\$5,571.65
	HST @ 13% on Fees and Taxable Disbursements		\$724.32
	Total Fees, Disbursements and Taxes this Bill		\$6,295.97
			<hr/>
	Balance Due:		\$6,295.97

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

Maurice V. Fleming

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.

This is Exhibit "4" referred to in the Affidavit of Catherine Garbig sworn December 10, 2020.

A handwritten signature in black ink, appearing to read "Maurice Fleming". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail on the "g".

Commissioner for Taking Affidavits (or as may be)

MAURICE V. FLEMING

Invoice Num: 21916422

November 27, 2019

RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto ON
M5H 4C7
Attention: Daniel Weisz
Senior Vice-President

IN ACCOUNT WITH
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
TD Centre North Tower
P.O. Box 95
Toronto, ON
M5K 1G8
Telephone: 416-864-9700
Fax: 416-941-8852
www.foglers.com

fogler
rubinoff

Our File: R2683 / 183719
2492167 Ontario Limited - Receivership - 5818 Sheppard Avenue East, Toronto

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>
Sep-23-19	MVF	
Sep-23-19	MVF	
Sep-25-19	MVF	
Sep-27-19	MVF	
Sep-30-19	MVF	
Oct-02-19	MVF	
Oct-15-19	MVF	
Oct-16-19	MVF	
Oct-17-19	MVF	
Nov-14-19	MVF	
Nov-15-19	MVF	
Nov-19-19	MVF	
Nov-20-19	MVF	

OUR FEE HEREIN \$4,522.50

Summary of Fees

<u>Initials</u>	<u>Total Time</u>
MVF	6.70

Disbursements

Taxable	Courier & Delivery	\$6.67
Taxable	Prints	\$36.00



Taxable Scanning

\$116.50

Total Disbursements	\$159.17
Total Fees and Disbursements	\$4,681.67
HST @ 13% on Fees and Taxable Disbursements	\$608.62
Total Fees, Disbursements and Taxes this Bill	\$5,290.29

Balance Due: \$5,290.29

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**

Maurice V. Fleming

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

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- Wire transfer (please reference your file or account number).
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- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglers.com.