

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

**BETWEEN:**

**FIRST SOURCE MORTGAGE CORPORATION**

**Applicant**

**-and-**

**DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.**

**Respondent**

**FIRST REPORT OF THE RECEIVER**

**SEPTEMBER 22, 2016**

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## INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated June 16, 2016 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (“**Dang Variety**”) acquired for, or used in relation to a business carried on by Dang Variety, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “A”.
2. The Receiver was authorized to, among other things, take possession of the Property, manage and operate the business of Dang Variety and market the Property for sale.
3. The Appointment Order, together with related Court documents, have been posted on the Receiver’s website, which can be found at <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/dang-variety-store-and-gas-bar-and-lucky-restaurant-inc>.

## PURPOSE OF FIRST REPORT

4. The purpose of this first report of the Receiver (the “**First Report**”) is to:
  - provide the Court with background information on the Property, the appointment of the Receiver and the mortgage and other secured interests registered against the Property;
  - report to the Court on the activities of the Receiver since the date of its appointment on June 16, 2016;
  - provide the Court with the details of the marketing efforts for the Property leading to the receipt of offers for the Property;
  - seek an order authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale between the Receiver and Aurora Hotel Group, in trust (“**Aurora**” or the “**Purchaser**”), dated August 11, 2016

together with amendments thereto (the “APS”), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Assets (as defined in the APS) and vesting title to the Assets in the Purchaser, or as it may further direct, in writing, upon the closing of the purchase and sale transaction contemplated in the APS (the “Closing”);

- seek an order approving the entering into by the Receiver of a listing agreement with Region-Wide Real Estate (“Region Wide”) in connection with the sale of the real property of Dang Variety and the payment to Region Wide of commissions contemplated in the listing agreement;
- seek an order sealing Appendices E and F to the First Report;
- provide the Court with a summary of the Receiver’s cash receipts and disbursements for the period June 16, 2016 to August 31, 2016;
- seek an order authorizing and directing the Receiver to distribute to First Source Mortgage Corporation (“First Source”), after payment of all costs and professional fees in connection with the administration of the receivership to the date of distribution, the Property and its sale, the proceeds from the sale less \$50,000;
- seek approval of the Receiver’s conduct and activities to September 20, 2016;
- seek an order approving the fees and disbursements of (i) the Receiver to August 31, 2016; and (ii) the Receiver’s primary legal counsel, Paliare, Roland Rosenberg Rothstein LLP (“Paliare Roland”) to August 31, 2016.

## TERMS OF REFERENCE

5. 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.

6. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

#### **BACKGROUND AND APPOINTMENT OF RECEIVER**

7. Dang Variety is an Ontario corporation that, until the date of the Appointment Order, operated a variety store, restaurant and gas bar at 406 King Street East in Cambridge, Ontario. The shareholders of Dang Variety are Ronald Schindler (“**Schindler**”) and Thanh Dang (“**Dang**”), who own 51% and 49% of the shares, respectively. Dang operated the variety store, gas bar and restaurant on a daily basis. Dang Variety’s primary asset is the land and building at the above-noted address (the “**Real Property**”).
8. On May 28, 2013, First Source completed a mortgage loan transaction (the “**First Source Loan**”) with Dang Variety in accordance with a letter of commitment dated April 19, 2013, as amended.
9. The First Source Loan contemplated a facility in the amount of \$1,430,000 at an interest rate of 9.75% per annum. The entire amount of the facility has been advanced by First Source. As security for the First Source Loan, Dang Variety granted a first mortgage in favour of First Source (the “**First Source Mortgage**”) over the Property. The First Source Mortgage was registered on title to the Property on May 28, 2013.
10. Additional security granted by Dang Variety in favour of First Source included: (i) an assignment of rents; (ii) a general security agreement; and (iii) an assignment of plans, agreements and contracts. First Source registered its security over Dang Variety’s

personal property under the *Personal Property Security Act* (the "PPSA") on May 28, 2013.

- 11. The First Source Loan was guaranteed by Schindler, Dang, Dang's spouse and various companies owned and controlled by Schindler.
- 12. The First Source Loan was due to be repaid on June 1, 2015. On that date, First Source and Dang Variety entered into an amending agreement (the "Amendment") which, among other things, extended the maturity and repayment date to August 31, 2015.
- 13. The First Source Loan was not repaid on August 31, 2015 in accordance with the Amendment.
- 14. Since August 31, 2015, Dang Variety has tried to refinance or sell the Property; however, none of its efforts were successful.
- 15. On May 4, 2016, First Source demanded repayment of the First Source Loan and issued its Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*.
- 16. By Notice of Application dated June 2, 2016 (the "Application Record"), First Source sought the appointment of a receiver in respect of the Property. On June 16, 2016, the Court made the Appointment Order.

**Secured Lenders**

- 17. As set out above, First Source advanced the First Source Loan on May 28, 2013 and on that same day, it registered both the First Source Mortgage and its personal property security. As at September 12, 2016, First Source was owed \$1,454,330 in respect of the First Source Loan and a copy of First Source's account statement as at that date is attached hereto as Appendix "B".
- 18. The Receiver understands that a second mortgage was granted by Dang Variety in favour of Red Rock Holdings Inc. and Christopher Purkis (collectively referred to herein as "Red Rock").

19. The Receiver has received a legal opinion (the “Legal Opinion”) from Gray & Associates Professional Corporation (“Gray & Associates”) that, subject to the assumptions and qualifications contained in the Legal Opinion, the First Source Mortgage is a valid first charge on the Real Property. In addition, the Legal Opinion sets out that the PPSA registration in favour of First Source is a valid registration and is subject and subordinate to the following:

- a PPSA registration granted by Dang Variety Store & Gas Bar & Lucky Restaurant Inc., Thi Mai Thy Nguyen and Ronald C. Schindler in favour of 1419768 Ontario Inc. and D&D Leasing registered as Registration No. 20130204 1156 1616 6810 on February 4, 2013; and
- a PPSA registration granted by Dang Variety Store and Gas Bar and Luck Restaurant Inc., Thi M. Nguyen and Ronald C. Schindler in favour of Excel Leasing Inc. registered as Registration No. 20130204 1403 1462 3992 on February 4, 2013.

A copy of the Legal Opinion is attached hereto as Appendix “C”.

20. Based on a PPSA search of Dang Variety dated May 25, 2016, the Receiver understands that the following parties, in addition to First Source, have registrations against the personal property of Dang Variety:

Secured Creditor	Registration Date	Collateral
1419768 Ontario Inc./D&D Leasing	February 4, 2013	Equipment
Excel Leasing Inc.	February 4, 2013	Walk-in Cooler/Freezer
Merchant Advance Capital Ltd.	May 5, 2014	All present and after acquired personal property

21. The Receiver is not aware of any liens or charges registered against the Property or Dang Variety, other than those described above.

22. Each of the above parties (the “Lessors”) was served with the Application Record. At the commencement of the receivership proceedings, Paliare Roland attempted to contact

each of the Lessors; however, it was unsuccessful at reaching anyone at the Lessors with any familiarity with any equipment located at Dang Variety. None of the Lessors has contacted the Receiver. The lessors are being served with this application.

**RECEIVER’S ACTIVITIES TO DATE**

23. A summary of the Receiver’s activities since its appointment, in accordance with the Appointment Order are set out below:

- reviewing and discussing with Paliare Roland materials for the appointment of the Receiver;
- discussing with Tert & Ross Ltd., a contractor engaged by the Receiver, among other things, the taking possession of the Property, changing locks and security alarm codes and performing an inventory count;
- reviewing Dang Variety’s existing insurance policies and discussing with the Receiver’s insurer, available and appropriate insurance coverage and costs therefor;
- drafting and finalizing a management agreement to be executed by the Receiver and a third party (the “Gas Bar Manager”) engaged by the Receiver to manage the operations of the gas bar;
- attending at the Property to take possession of same, including facilitating the changing of locks and security alarm provider, performing cash counts for funds held in the restaurant and gas bar and meeting with the Gas Bar Manager;
- corresponding with the financial institution used by Dang Variety to take possession of funds in Dang Variety’s bank account and opening a trust account in respect of the receivership administration;
- contacting Amco Petroleum Ltd. (“Amco”), Dang Variety’s fuel provider, to make arrangements for the delivery of fuel and payment for same;



- contacting Canada Revenue Agency to open a harmonized sales tax account under the Receiver's name;
- contacting a potential purchaser of the Real Property, identified by Schindler, and following up with the potential purchaser to determine its level of interest and whether it would submit an offer to purchase the Real Property;
- engaging Region Wide to advertise and market the Real Property for sale, including entering into a listing agreement for the sale of the Real Property;
- periodically liaising with Region Wide to obtain updates on the sales and marketing process;
- drafting and finalizing the Receiver's statement and notice pursuant to S. 245/246 of the *Bankruptcy and Insolvency Act*;
- liaising with the Gas Bar Manager to have the Property professionally cleaned and to arrange for a system of reporting to the Receiver the gas bar's cash sales and deposits;
- addressing on an ongoing basis issues that have arisen in respect of the operations of the gas bar;
- contacting Dang to arrange for him to retrieve his personal belongings from the Real Property and to request that he provide any records relating to Dang Variety in his possession;
- preparing a form of agreement of purchase and sale to be provided to interested parties and send same to Region Wide;
- corresponding with the City of Cambridge to ascertain the amount, and obtain a statement, of property taxes outstanding and payable in respect of the Real Property;
- arranging for interim funding from First Source to operate the gas bar and issuing Receiver's Certificates in connection therewith;

- contacting the Technical Standards and Safety Authority (“TSSA”) regarding outstanding amounts due to it and TSSA’s notice of operating license suspension and doing all things necessary to have the suspension lifted;
- periodically reconciling cash and credit/debit card sales and cash deposits to reports from Amco and the Gas Bar Manager and the Receiver’s bank statements;
- drafting and finalizing the Receiver’s First Report; and
- attending to administrative matters with respect to the receivership proceeding.

**RECEIVER’S MARKETING ACTIVITIES AND OFFERS RECEIVED**

24. As set out previously herein, Dang Variety commenced a marketing and sales process approximately one year prior to the commencement of the receivership. Dang Variety utilized the services of Region Wide.
25. The Receiver, upon its appointment and on the recommendation of Schindler, contacted Region Wide to advise of the Receiver’s appointment and to discuss an appropriate marketing and sales process. The Receiver confirmed that Region Wide was familiar with the Real Property and would be able to contact the parties interested in the Real Property prior to the Receiver’s appointment as well as other potential purchasers.
26. On July 11, 2016, the Receiver executed a listing agreement with Region Wide in respect of the Real Property, which authorized Region Wide to list the Real Property (the “**Listing Agreement**”). The Listing Agreement also provided that Region Wide would be entitled to a commission of 5% of the selling price, payable on closing. A copy of the Listing Agreement is attached hereto as Appendix “**D**”. The Receiver, in consultation with Region Wide, decided to list the Property at a nominal price and set August 10, 2016 as the date by which offers for the Property were to be received (the “**Bid Deadline Date**”).
27. Region Wide engaged in the following activities to market and sell the Real Property:
  - listed the Real Property on MLS;

- sent an email blast to 149 real estate agents advertising the Real Property for sale;
  - contacted two parties which are real estate agents/brokers that focus on gas bars/fuel stations, to apprise them of the opportunity;
  - contacted all prospects that previously contacted Region Wide during the marketing process that was conducted prior to the receivership, which comprised approximately 7-8 interested parties;
  - contacted Tim Hortons, 7-Eleven, Mac's, Shell, Parkland, Petro Canada, a local Esso dealer and Little Short Stop Stores to apprise them of the opportunity;
  - attended a meeting on-site at the Property with parties interested in the Real Property; and
  - communicated at length with another gas bar owner who had an interest in the Real Property and advised that it would make an offer.
28. On August 9, 2016, the Receiver was contacted by Schindler, who enquired about the Receiver's marketing efforts and in particular, the status of the party that he had referred to the Receiver at the outset of its appointment. The Receiver advised Schindler that it had been in contact with that party who advised that it would make an offer; however, upon following up with the party, the Receiver's calls were not returned. Schindler then advised that he knew of another party that may be interested in making an offer.
29. On the Bid Deadline Date, the Receiver received two (2) offers. The Receiver reviewed the offers with First Source.
30. Based on its discussions with First Source and Schindler, on August 12, 2016, the Receiver sent out, via email, to the two parties that made an offer and to the party identified by Schindler, an extension to the Bid Deadline Date to August 17, 2016 and requested that the offerors make their highest and best offer for the Property by the revised deadline date.
31. On August 17, 2016, the original two offerors submitted their final bids to the Receiver and the party identified by Schindler did not make an offer. On or about that same day, the Receiver received from each potential purchaser the initial deposit due under

- paragraph 4(a)(i) of the APS. A summary of the offers received is attached hereto as Appendix "E".
32. After reviewing the two (2) offers, the Receiver determined that the offer from Aurora was the highest and best offer. The Receiver reviewed both offers received with First Source. First Source advised the Receiver that it was supportive of the Receiver's position to pursue the offer received from Aurora.
  33. On August 19, 2016, the Receiver contacted Aurora to advise that its offer had been accepted. On that same day, the Receiver executed the APS and returned the APS to Aurora with certain amendments required to be agreed to by Aurora.
  34. On August 23, 2016, Aurora initialed the changes made by the Receiver and sent to the Receiver a fully executed version of the APS.
  35. Paragraph six (6) of the APS provided a conditional period of 20 days to allow the Purchaser to satisfy itself with all matters relating to the Assets (the "**Conditional Period**"). That paragraph required the Purchaser to provide a waiver of the condition to the Receiver on or before the expiry of the Conditional Period. In the event that a waiver was not provided by the Purchaser, the APS would be deemed to be null and void and the initial deposit paid by the Purchaser would be returned to it.
  36. On September 9, 2016, the Receiver received from Aurora a waiver of the condition in favour of the Purchaser. The form of waiver provided by Aurora was not acceptable as it was in the form of an amendment to the APS. The Receiver contacted Aurora to advise of same and provided Aurora with an acceptable form of waiver (the "**Amended Waiver**"). On September 13, 2016, the Receiver received the executed Amended Waiver. On September 16, 2016, the Receiver received from Aurora the additional deposit required under paragraph 4(a)(ii) of the APS.
  37. Closing of the sale is scheduled for the tenth (10) business day following the date on which the Approval and Vesting Order is obtained or such earlier or later date as agreed to by the parties. A copy of the APS is attached hereto as Appendix "F".

38. The Receiver has retained Gray & Associates as the Receiver's real estate counsel to complete the sale of the Property to Aurora, provided that the Court authorizes the Receiver to complete the sale.
39. The Receiver is requesting that the Court seal, until the Closing, the Appendices to this report containing the summary of offers (Appendix E) and the APS (Appendix F) since the public disclosure of the information contained therein could have a detrimental effect on the ability of the Receiver to complete a sale of the Assets to Aurora, or to another party in the event the sale to Aurora does not close.

## **OTHER MATTERS**

### **Harmonized Sales Tax Returns**

40. At the commencement of the receivership proceeding, upon taking possession of the Property, the Receiver requested of Dang whether there were any books and records on site at the Real Property. Dang advised that Schindler was in possession of all the books and records of Dang Variety.
41. Subsequent to its appointment, the Receiver contacted Canada Revenue Agency ("CRA") to open a harmonized sales tax ("HST") branch account under its name in order to file its HST returns and make any payments owed to, or collect refunds from, CRA during the receivership. The Receiver has not yet received documentation from CRA under the branch account; however, CRA has redirected Dang Variety's HST returns to the Receiver.
42. The Receiver contacted Schindler to obtain copies of the books and records and specifically, copies of Dang Variety's historical HST returns. Schindler advised that Dang Variety has never filed any HST returns because Dang never provided Schindler with any information with which to complete such returns.
43. On August 30, 2016, Schindler forwarded to the Receiver a copy of a letter dated August 5, 2016 and a requirement to pay dated August 16, 2016 (the "**Requirement to Pay**")

from CRA. Both documents were addressed to Schindler personally. The Requirement to Pay was for \$1,744, but did not set out the period to which the outstanding HST related.

- 44. During the first week of September 2016, the Receiver called CRA to ascertain the period to which the Requirement to Pay related and to ask various questions of CRA regarding Dang Variety's historical HST filings and the branch account that the Receiver had requested be opened.
- 45. CRA advised that Dang Variety has never filed any HST or corporate income tax returns and that the Requirement to Pay of \$1,744 relates to an arbitrary assessment made in December 2014 for the period July 1, 2013 to September 30, 2014. CRA also advised that there was nothing in its computer system regarding the Receiver's request to open an HST branch account number. The CRA representative indicated that he would initiate the request for a branch account to be opened in the Receiver's name immediately.
- 46. Based on the Receiver's statement of receipts and disbursements, which is discussed later in this report, the Receiver is in an HST refund position.
- 47. On September 13, 2016, the Receiver received from CIBC, the financial institution utilized by Dang Variety, documentation informing the Receiver that CIBC was presented with the Requirement to Pay and that it had paid \$239.16 to CRA from funds deposited to Dang Variety's account. While the Receiver forwarded the correspondence to Paliare Roland, the Receiver does not propose to take any steps to attempt to recover the \$239.16 since the costs that would be incurred would exceed any recovery.
- 48. The Receiver notes that it had communicated with CIBC at the commencement of the receivership and was advised by CIBC that the balances in the bank accounts of Dang Variety did not exceed \$12. CIBC further provided information which indicated that \$2,945 was withdrawn from the bank accounts of the Company on the morning of June 16, 2016, prior to the Appointment Order being granted. Unless requested by First Source, the Receiver does not intend to incur the costs to look into whether such withdrawals may be recoverable by the Receiver.

### Fuel Pump Certification Stickers

49. On July 14, 2016, the Gas Bar Manager advised that an inspector from Measurement Canada attended at the premises to confirm that the Dang Variety fuel pumps were affixed with valid current certification stickers. The Gas Bar Manager further advised that no stickers were on the fuel pumps and that Measurement Canada had the right to, if it so chose, shut the gas bar down for non-compliance. The Gas Bar Manager arranged for the inspector to re-attend at the facility 7-10 days later to confirm that valid certification stickers were on the pumps.
50. Over the course of the next week, the Gas Bar Manager arranged for the appropriate inspections and testing of the fuel pumps to be done and for the required certification stickers to be affixed to the Dang Variety fuel pumps. The Gas Bar Manager informed the Receiver that the inspector from Measurement Canada re-attended at the facility and confirmed that the required certification stickers were affixed to the fuel pumps.

### Tobacco Sales

51. At the outset of the receivership administration, the Receiver made the decision to shut down the restaurant and discontinue the sale of consumable products at the variety store, including the sale of tobacco products, as the Receiver was concerned that the costs of operating and supervising such sales could exceed the net realizations from the sales.
52. On August 16, 2016, the Gas Bar Manager advised the Receiver that he had been contacted by a Tobacco Enforcement Officer (the “**TE Officer**”) for the Region of Waterloo and that the TE Officer advised him that the Ministry of Health and Long Term Care (the “**MOH**”) had issued to Dang Variety an automatic prohibition for the sale of tobacco products (the “**AP**”) due to multiple violations for the sale of tobacco to minors prior to the Receiver’s appointment. The Receiver was advised that the issuance of the AP was made against the address of the infraction and not necessarily against the owner of same and the Receiver became concerned that the issuance of the AP could negatively impact on the value of the Real Property.

- 53. On August 17, 2016, the Receiver contacted the TE Officer and advised that it was a court-appointed officer overseeing the limited ongoing operations of the gas bar and that no tobacco was being sold by the Receiver. The Receiver emailed a copy of its Appointment Order to the TE Officer and advised that it was not aware and had not been previously apprised of any past violations.
- 54. The Receiver asked whether the AP could be reversed in light of the receivership and the fact that tobacco was not presently being sold at the facility. The Receiver also advised that part of its mandate included selling the Real Property and that the AP may negatively affect the purchase price. The TE Officer advised the Receiver that while it understood the Receiver's position, it was the MOH's decision whether to reverse the AP.
- 55. On August 30, 2016, the TE Officer contacted the Receiver to advise that the MOH had decided to reverse the AP, but that the MOH's decision did not impact any convictions that may have been made against individuals relating to Dang Variety.

**RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

- 56. Attached as Appendix "G" is the Receiver's Interim Statement of Receipts and Disbursements ("R&D") for the period June 16, 2016 to August 31, 2016. During this period, receipts were \$352,422 and disbursements were \$330,752, resulting in a net cash balance of \$21,670.

**PROPOSED DISTRIBUTION**

- 57. As previously discussed, Gray & Associates has provided its opinion that the First Source Mortgage is a valid first charge on the Real Property.
- 58. On the closing of the APS, the Receiver will receive the proceeds from the sale of the Property. From the proceeds of sale, the Receiver proposes to pay the following expenses (the "Expenses"):
  - the property tax arrears totaling approximately \$77,383;



- amounts to the municipal water supplier for unpaid arrears of approximately \$450 and to utilities suppliers for amounts owed for the period June 16, 2016 to the date of closing;
- Receiver's Certificates # 1 and # 2 totaling \$82,000, plus accrued interest thereon;
- the commission payable to Region Wide; and
- the fees and disbursements of the Receiver and its counsel to the date of the proposed distribution.

The sales proceeds, less the Expenses, are referred to herein as the "**Net Sales Proceeds**".

59. Following payment of the Expenses, the Receiver proposes to pay to First Source the Net Sales Proceeds less \$50,000 (the "**First Source Distribution**"). The funds held back by the Receiver will be used to fund the remaining activities of the Receiver to complete its administration of the receivership.
60. On September 16, 2016, the Receiver communicated in writing to CRA that it intended to pay the Net Sales Proceeds, after payment of the Expenses, to First Source since it is the Receiver's position that First Source's security has priority to CRA as, according to CRA, the arbitrary assessment for HST of \$1,744 relates to the period July 1, 2013 to September 30, 2014, which is after the date the First Source Mortgage was registered. The Receiver also requested that CRA advise the Receiver by October 7, 2016, the date on or about which the Receiver estimates the payment to First Source would be made, if CRA had an opposing position. In the event the Receiver receives any correspondence from CRA in this regard, the Receiver may seek the direction of the Court with respect to its proposed distribution following the closing of the sale of the Assets (as defined in the APS).
61. The Receiver also points out that CRA is being served with this application.

**STATUTORY NOTICES**

62. Attached hereto as Appendix “H” is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act.

**PROFESSIONAL FEES**

63. The Receiver’s accounts total \$62,128.50 in fees and \$229.26 in disbursements plus HST of \$8,106.52 for a total amount of \$70,464.28 from June 16, 2016 to August 31, 2016 (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 Arif Dhanani sworn September 21, 2016 that is attached as Appendix “I”.

64. The accounts of the Receiver’s counsel, Paliare Roland, total \$7,616.50 in fees and disbursements and \$990.15 in HST for a total of \$8,606.65 (the “Paliare Roland Accounts”) for the period ended August 31, 2016. A copy of the Paliare Roland Accounts, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Accounts, supported by the Affidavit of Sarita Sanasie sworn September 20, 2016 is attached as Appendix “J”.

**REQUESTS OF THE COURT**

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

- authorizing and directing the Receiver to enter into and carry out the terms of the APS between the Receiver and Aurora dated August 11, 2016 together with amendments thereto, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Assets (as defined in the APS) in Aurora, or as it may further direct in writing, upon Closing;

- approving the entering into by the Receiver of the listing agreement with Region Wide in connection with the sale of the Property and approving payment of the commission to Region Wide referred to therein;
- sealing Confidential Appendices E and F to the First Report;
- approving the R&D;
- authorizing and directing the Receiver to make the First Source Distribution;
- approving the Receiver's conduct and activities since the date of the Receiver's appointment to September 21, 2016; and
- approving the fees and disbursements of the Receiver and Paliare Roland to August 31, 2016.

All of which is respectfully submitted to this Court as of this 22<sup>nd</sup> day of September, 2016.

**COLLINS BARROW TORONTO LIMITED**

In its capacity as Court Appointed Receiver  
of Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
and not in its personal capacity



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

# APPENDIX A

Court File No. C-585-16

**ONTARIO****SUPERIOR COURT OF JUSTICE**

THE HONOURABLE )

THURSDAY, THE 16<sup>TH</sup> DAY  
OF JUNE, 2016JUSTICE Mr. Justice J. Sloan**FIRST SOURCE MORTGAGE CORPORATION**

Applicant

- and -

**DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.**

Respondent

**ORDER**

THIS APPLICATION for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited ("Collins Barrow") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Kitchener, Ontario.

ON READING the affidavit of David Mandel and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Respondent, no one else appearing, and on reading the consent of Collins Barrow to act as the Receiver,

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Application Record is hereby abridged and validated so that this motion 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, Collins Barrow 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 (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 of 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
  - (j) 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;
  - (k) 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;

- (l) 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, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;



- (p) 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;
- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- (t) 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.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. 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**

8. 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**

9. 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**

10. 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**

11. 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**

12. 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**

13. 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**

14. 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**

15. 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**

16. 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**

17. 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, 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.

18. 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 Ontario Superior Court of Justice.

19. 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 normal 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

20. 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 \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. 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.

22. 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.

23. 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.

**GENERAL**

24. 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.

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

26. 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.

27. 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.

28. 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.

29. 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.

**SEALING ORDER**

30. THIS COURT ORDERS that Confidential Exhibits "B" and "C" to the Supplementary Affidavit of David Mandel sworn June 15, 2016 be are hereby treated as confidential and are sealed and shall not form part of the public record pending further Order of this Court.

**Mr. Justice J. Sloan**

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ENTERED AT KITCHENER	
in Book No.	SC
As Document No.	872
on	JUN 16 2016
by	V. Scott

SCHEDULE "A"

RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor") 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 (the "Court") dated the \_\_\_ day of June, 2016 (the "Order") made in an action having Court file number \_\_\_\_\_, 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 \_\_\_\_\_, 2016

COLLINS BARROW TORONTO LIMITED,  
solely in its capacity as Receiver of the  
Property, and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

50

Court File No. C-585-16

FIRST SOURCE MORTGAGE CORPORATION

-and-

DANG VARIETY STORE AND GAS BAR AND LUCKY  
RESTAURANT INC.

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT KITCHENER

ORDER

Paliare Roland Rosenberg Rothstein LLP  
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35<sup>th</sup> Floor  
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Lawyers for the Applicant

# APPENDIX B

**ACCOUNT CLOSING STATEMENT**



ACCOUNT NO.	1149.13.04
STATEMENT CLOSING DATE	9/12/2016

STATEMENT SUMMARY	
Payoff Amount	\$1,454,330.58
Payoff Due Date	9/12/2016
After 9/12/2016, please pay an additional \$436.94 per day. This notice expires on 10/3/2016, at which time you are instructed to contact this office for additional instructions.	
Interest Rate	11.000%
Daily Periodic Rate	0.030556%
Average Daily Balance	\$1,430,000.00
Property: 406 King St. E Cambridge ON	

BORROWER
Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (Cambr) 360 Montrose St. N. Cambridge ON N3H 2H9

PLEASE DETACH THE TOP PORTION OF THIS STATEMENT AND RETURN IT WITH YOUR PAYMENT

**ACCOUNT ACTIVITY**

Date	Reference	Description	Charges	Credits	Balance
9/1/2016		Balance Forward			\$1,447,263.89
9/1/2016		Outstanding legal fees SRLaw Inv#73685	\$3,443.55		\$1,450,707.44
9/1/2016		Sched. A. 2(j): Each meeting required due to an issue	\$791.00		\$1,451,498.44
9/1/2016		Sched. A 2(h): Account Closing Statement (Discharge Statement)	\$395.50		\$1,451,893.94
9/1/2016		Sched. A 2(d): Failure to provide proof of current insurance coverage	\$791.00		\$1,452,684.94
9/1/2016		Extension Fee - 50% of 3 month Extension (June 1- Sept. 1/15)	\$7,150.00		\$1,459,834.94
9/1/2016		Sched. A 2 (c): Failure to provide proof of payment of preoperty taxes when	\$395.50		\$1,460,230.44
9/2/2016	DD	Payment Received - Thank You		\$13,120.69	\$1,447,109.75
9/12/2016		Sched. A 2(k): Each 3 phone attendances/e-mails required due to issues	\$1,977.50		\$1,449,087.25
9/12/2016		Interest Charge	\$5,243.33		\$1,454,330.58
			<u>\$20,187.38</u>	<u>\$13,120.69</u>	

**INTEREST CHARGE SUMMARY**

Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Finance Charges
9/1/2016	\$1,430,000.00	12	0.030556%	11.000%	\$5,243.33
		<u>12</u>			<u>\$5,243.33</u>

Note: Daily balances exclude finance charges, reserve balances, impound balances, late charges.

# APPENDIX C

# GRAY & ASSOCIATES

PROFESSIONAL CORPORATION

Barristers & Solicitors

Unit 37

111 Zenway Boulevard

VAUGHAN, Ontario

L4H 3H9

Telephone (905) 264-1040

or (905) 850-3110

Fax (905) 264-7020

Reply to: Vince Perricone

vperricone@graylaw.ca

Assistant: Anna Barone

abarone@graylaw.ca

**DELIVERED VIA EMAIL: andhanani@collinsbarrow.com**

September 19, 2016

Arif N. Dhanani

Vice President

Collins Barrow Toronto Limited

11 King St. W., Suite 700, Box 27,

Toronto, Ontario M5H 4C7

Dear Mr. Dhanani:

**Re: 406 King Street East, Cambridge, Ontario**

You have asked us in your capacity as court-appointed receiver of the property located at 406 King Street East, Cambridge, Ontario, having the legal description set out in Schedule "E" (the "**Property**"), to review certain loan, security and related documentation relating to the Property in connection with the indebtedness of DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC. (the "**Debtor**") to First Source Mortgage Corporation ("**First Source**").

## SCOPE OF REVIEW

The scope of our review is limited to a) those security and related documents listed in Schedule "A" hereto under the heading "Reviewed Documents" and b) the Search Results (defined below) (collectively, the "**Documents**"). The only searches and inquiries conducted by us are those referred to in this letter, the results of which are summarized in Schedule "D" attached hereto (the "Search Results").

We reviewed the Documents generally to identify any aspect of the Documents or any registrations which did not appear complete and regular on their face, or which appeared to raise material issues. We have also listed in Schedule "A" attached hereto documents that were not reviewed even though they are referenced in the Documents or were delivered at the time the indebtedness was incurred.

This report is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. We express no opinion with respect to the validity of



Documents to the extent such validity is governed by the laws of any other Jurisdiction.

### **ASSUMPTIONS AND QUALIFICATIONS**

Our opinion as to the validity of the Documents is subject to the assumptions and qualifications set out in Schedules "B" and "C", respectively, attached hereto.

### **SEARCH RESULTS**

#### **Corporate History**

Our corporate search conducted on September 19, 2016 reveals that the Debtor was incorporated on January 16, 2003 pursuant to the laws of the Province of Ontario.

#### **Personal Property Searches**

We conducted searches against the Debtor as noted in Schedule "D" under the following statutes:

1. *Bankruptcy and Insolvency Act* (Canada);
2. Section 427 of the *Bank Act* (Canada);
3. *Executions Act* (Ontario); and
4. *Personal Property Security Act* (Ontario) (the "PPSA").

The results of our searches are summarized in Schedule "D". The Province of Ontario does not have a system for registering title to personal property and, accordingly, we cannot confirm whether the Debtor holds title to any of the personal property referred to herein.

#### **Real Property Searches**

On September 15, 2016, we conducted a search of title to the Property. The following is a summary of the results of the search and is not a full investigation of title to the Property. Given the limited nature of a search we do not express any opinion as to title to the Property or the priority of any encumbrances affecting the Property.

The parcel register for the Property which we obtained as part of our search shows the following registrations:

#### **PIN No. 03776-0074LT**

1. Reference Plan registered as Instrument No. 67R3313 on June 8, 1989;
2. Easement in favour of Bell Canada registered as Instrument No. WS713446 on August 3, 1989;
3. A Transfer from Liu, Chen-Hong and Liao, Li-Hsueh in favour of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. registered as Instrument No. 1578982 on June 25, 2003;

4. Land Registrar's Order registered as Instrument No. WR166454 on October 24, 2005;
5. Charge/Mortgage granted by the Debtor in favour of First Source, in the original principal sum of \$1,430,000.00, registered as Instrument No. WR755770 on May 28, 2013 (the "Original First Source Mortgage");
6. Notice of Assignment of Rents General granted by the Debtor in favour of First Source, registered as Instrument No. WR755771 on May 28, 2013 (the "First Source Assignment of Rents");
7. Charge/Mortgage granted by the Debtor in favour of Red Rock Holdings Inc. and Purkis, Christopher, in the original principal sum of \$100,000.00, registered as Instrument No. WR755772 on May 28, 2013 (the "Original Red Rock Mortgage");
8. Notice of Agreement between the Debtor and Red Rock Holdings Inc. and Purkis, Christopher registered as Instrument No. WR769696 on August 1, 2013 whereby the Original Red Rock Mortgage was amended, among other things, by increasing the interest rate to 20% per annum and increasing the principal amount of the loan to \$210,000.00 (the "Red Rock Mortgage Amendment");
9. Notice of Agreement between the Debtor and First Source registered as Instrument No. WR898374 on August 5, 2015 whereby the Original First Source Mortgage was amended as set out therein (the "First Source Mortgage Amendment").

An execution search was conducted against the Debtor in the Regional Municipality of Halton (Milton) on September 19, 2016, which search revealed that there were no executions registered against the Debtor.

#### CERTIFICATE OF STATUS

We obtained a certificate of status dated September 19, 2016 in respect of the Debtor issued by the Ministry of Government Services confirming the corporate existence of the Debtor as at that date.

#### SECURITY REVIEW

Subject to the assumptions and qualifications set out in this letter, we have the following comments on and opinions with respect to the Documents.

##### **A. First Source Loan**

First Source loaned the Debtor the principal amount of \$1,430,000.00 on May 28, 2013. As security for the loan, the Debtor granted to First Source the Original First Source Mortgage and gave First Source a general assignment of rents, a general security agreement, and an Assignment of Plans, Agreements and Contracts. The Original First

Source Mortgage was amended pursuant to a Notice registered on August 5, 2015.

We understand that all of the indebtedness, liabilities and obligations of the Debtor to First Source pursuant to the Original First Source Mortgage were guaranteed by Woodland Investments Inc., Schindler Abroyd Inc., 2371799 Ontario Inc., Thanh Dang, Thi May Thy Nguyen and Ronald Schindler (collectively the "Guarantors") in favour of First Source (the "Guarantee"), however we have not reviewed the Guarantee or any associated documents in connection with this opinion, and are giving no opinion with respect to the Guarantee whatsoever. Notwithstanding the foregoing limitation to our opinion, the First Source Mortgage Amendment was not executed by Thanh Dang and Thi May Thy Nguyen and, accordingly the First Source Mortgage Amendment is not enforceable against Thanh Dang and Thi May Thy Nguyen.

1. *Mortgage.* The Original First Source Mortgage grants, by its terms, a fixed charge in favour of First Source in the Property.
2. *Assignment of Rents.* The Assignment of Rents was registered against title to the Property on May 28, 2013. The Assignment of Rents provides that the Debtor assigned to First Source all leases and rents derived from the tenants of the Property.
3. *Notice.* The Original First Source Mortgage has been amended pursuant to a Notice registered on August 5, 2015 pursuant to the terms contained therein.
4. *PPSA Registrations.* First Source is registered as a secured party against, among other things, the Debtor's "inventory", "equipment", "accounts" and "other" personal property.

#### **OPINIONS WITH RESPECT TO VALIDITY AND PRIORITY OF SECURITY**

In our opinion, based on the assumptions and subject to the qualifications set out herein, the Original First Source Mortgage is a valid first charge on the Property. For greater certainty, the First Source Mortgage Amendment does not rank in first priority, and the First Source Mortgage Amendment is subordinate and subject to the Original Red Rock Mortgage and the Red Rock Mortgage Amendment.

The First Source Mortgage Amendment was not executed by Thanh Dang and Thi May Thy Nguyen and, accordingly the First Source Mortgage Amendment is not enforceable against Thanh Dang and Thi May Thy Nguyen as guarantors.

In our opinion, based on the assumptions and subject to the qualifications set out herein, the Personal Property Security Act ("PPSA") Registration in favour of First Source registered as Registration No. 20130528 1043 1862 6341 on May 28, 2013 as amended by PPSA Registration No. 20160510 1415 1862 6029 is a valid registration, and subject and subordinate to the following:

- 58
- (a) a PPSA registration granted by Dang Variety Store & Gas Bar & Lucky Restaurant Inc., Thi Mai Thy Nguyen and Ronald C. Schindler in favour of 1419768 Ontario Inc. and D&D Leasing registered as Registration No. 20130204 1156 1616 6810 on February 4, 2013; and,
  - (b) a PPSA registration granted by Dang Variety Store and Gas Bar and Luck Restaurant Inc., Thi M. Nguyen and Ronald C. Schindler in favour of Excel Leasing Inc. registered as Registration No. 20130204 1403 1462 3992 on February 4, 2013.

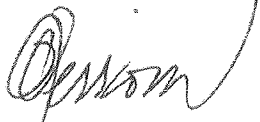
Notwithstanding a variation in the Debtors name in the PPSA registration set out in (a) and (b) above, it is our opinion that same would not be likely to mislead a reasonable person.

This review is provided to you in your capacity as court-appointed receiver of the Property pursuant to the order of the Honourable Mr. Justice J. Sloan dated June 16, 2016 (the "Receivership Order"). This letter may not be relied on by any other person without our prior written consent.

Please do not hesitate to contact us if you wish to discuss any of the foregoing.

Yours very truly,

**GRAY & ASSOCIATES PROFESSIONAL CORPORATION**



Per: Vince Perricone

## SCHEDULE "A"

### **DOCUMENTS REVIEWED**

Documents not defined below shall have the meaning ascribed to them in the body of the security review letter.

#### **First Source Loan and Security Documents:**

1. Charge/Mortgage granted by the Debtor in favour of First Source, in the original principal sum of \$1,430,000.00, registered as Instrument No. WR755770 on May 28, 2013.
2. Notice of Assignment of Rents General granted by the Debtor in favour of First Source, registered as Instrument No. on May 28, 2013 at instrument no. WR755771.
3. Notice granted by the Debtor in favour of First Source registered as Instrument No. WR898374 on August 5, 2015 whereby the Original First Source Mortgage was amended as set out therein.

### **DOCUMENTS NOT REVIEWED**

The following documents have not been reviewed as part of giving this opinion:

1. All loan and security documentation in respect of the Guarantee.
2. All loan and security documentation in connection with the loan from First Source to the Debtor other than the specific security above under the heading "Documents Reviewed".
3. Documents in connection with the Original Red Rock Mortgage registered on May 28, 2013.
4. Document in connection with the Red Rock Mortgage Amendment registered on August 5, 2015.

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SCHEDULE "B"

**ASSUMPTIONS**

For the purposes of conducting this review, we have assumed the following:

1. that the signatures on the Documents are genuine and that the Documents submitted to us as photocopies or facsimile copies conform to authentic original Documents, and that all Documents were fully completed prior to execution and delivery;
2. that the Debtor had at all relevant times the necessary corporate status, power and capacity, as applicable, to grant to First Source the Documents to which it is party and to perform its obligations under each of those Documents;
3. that the Documents were duly authorized, executed and delivered to and in favour of First Source;
4. that the Documents were provided, as the case may be, to First Source by the Debtor on the basis of informed consent and advice and for value;
5. that First Source holds proper evidence of the amount of indebtedness owed to it by the Debtor and the dates on which such indebtedness was incurred;
6. that none of the Documents has been assigned, amended, superseded, released, discharged or otherwise impaired, either in whole or in part;
7. that the Debtor holds legal and beneficial title to the Property and that the Property was, at the time of the granting of the relevant security interest, and is presently, in Ontario;
8. the accuracy and completeness of the descriptions of all property of the Debtor referred to in any Document;
9. that there are no agreements to which the Debtor is a party or was a party at the time of the execution of the Documents which might impair its ability to execute and deliver or grant any of the Documents to which it is a party or to perform any of its obligations thereunder;
10. that none of the Documents, originals or copies of which we examined, has been amended (except as set out in this letter), and there are no other agreements or understandings between the parties that would amend, supplement or qualify any provisions of the Documents;

11. to the extent that a security interest in investment property (as defined in the PPSA) has been granted by the Debtor to First Source, First Source has control of such investment property;
12. that no execution creditor or other person has seized or caused seizure of any asset of the Debtor; and
13. that the indices and filing systems maintained by public offices where we searched or enquired or have caused searches or enquiries to be made and such information and advice as provided to us by appropriate governmental, regulatory or other like authorities with respect to those matters referred to herein are accurate, current and complete.
14. assumed the legal capacity of all natural persons executing documents and the genuineness of all signatures;
15. that each of the parties to the Documents other than the Corporation has been duly created, organized and such party is subsisting as at the date of execution of the Documents to which it is a party.

SCHEDULE "C"

QUALIFICATIONS

1. We express no opinion with respect to title to any of the personal property or the Property charged by the Documents.
2. We express no opinion as to the priority of any security interest created by the Documents as against any statutory liens, charges, deemed trusts or other priorities.
3. We express no opinion as to any security interest created by the Documents with respect to any property of the Debtors that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtors that are not identifiable or traceable.
4. We express no opinion as to the creation or validity of any charge of, assignment or transfer of or security interest in any of the following property or any interest of the Debtors or the Guarantor therein: (i) any policy of insurance or contract of annuity; (ii) any permits, quotas, licenses and other property which is not personal property; and (iii) any property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively, the "Special Property") to the extent that the terms of the Special Property or any applicable law prohibits its assignment or requires as a condition of its assignability, a consent, approval, notice or other authorization or registration which has not been made or given.
5. No opinion is expressed under the terms of this opinion with respect to the laws of any jurisdiction (other than Ontario) to the extent that such laws may govern the validity, perfection, effect of perfection or non-perfection of the security interests created by the Documents as a result of the application of Ontario conflict of law rules.
6. We did not investigate whether, any steps were taken in connection with the registration of the Documents or of any of the interests created thereunder: (i) under the Patent Act (Canada), the Trade-marks Act (Canada), the industrial Designs Act (Canada), the Integrated Circuit Topography Act (Canada), the Copyright Act (Canada) or the Plant Breeders' Rights Act (Canada); (ii) in respect of any vessel which is registered or recorded under the Canada Shipping Act (Canada); (iii) in respect of any rolling stock to which the provisions of the Canada Transportation Act (Canada) or the Shortline Railways Act (Ontario) may apply; or (iv) under the Financial Administration Act (Canada).
7. Provisions of the Document which purport to exculpate any secured party from liability for its acts or which purport to confirm the continuance of obligations



notwithstanding any act or omission or other matter are subject to the discretion of an Ontario Court.

8. An Ontario Court may decline to enforce the rights of indemnity and contribution potentially available under the Documents to the extent that they are found to be contrary to equitable principles or public policy.
9. An Ontario Court may decline to enforce those provisions of the Documents which purport to allow a determination, calculation or certificate of a party thereto as to any manner provided for therein to be final, conclusive and binding upon any other party thereto if such determination is found to be inaccurate on its face or to have reached or made on an arbitrary or fraudulent basis.
10. Wherever any matter or thing is to be determined or done in the discretion of any secured party, such discretion may be required to be exercised in a commercially reasonable manner and in good faith.
11. With respect to the charge of, or transfer or pledge or assignment of, or the granting of a security interest in, any account or like personal property pursuant to the Documents, notice may have to be given to the obligor thereunder and the secured creditors may be subject to the equities between the obligor and the grantor of the security interest in the event that it wishes to enforce any such account or like personal property as against the obligor under such account or like personal property.
12. Powers of attorney contained in any of the Documents, although expressed to be irrevocable, may in some circumstances be revoked, including without limitation, pursuant to the Substitute Decisions Act (Ontario).
13. Pursuant to section 8 of the Interest Act (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears.

SCHEDULE "D"

**SUMMARY OF SECURITY SEARCHES AGAINST DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC. (the "DEBTOR")**

**Corporate History**

The Debtor was incorporated on January 16, 2003 pursuant to the laws of the Province of Ontario.

**Personal Property Security Act (Ontario)**

(File Currency: September 14, 2016)

**1. Secured Party: 1419768 Ontario Inc. and D&D Leasing**

Debtor: Dang Variety Store And Gas Bar And Lucky Restaurant Inc., Dang Variety Store & Gas Bar & Lucky Restaurant Inc., Ronald C. Schindler, Thi Mai Thy Nguyen

Collateral Classification: Equipment, Other

General Collateral Description: None.

Registration No.: 20130204 1156 1616 6810

File No. 684500877

Registration Date: May 13, 2013

Registration Period: 4 Years

Expiry Date: February 4, 2017

**2. Secured Party: Excel Leasing Inc.**

Debtor: Dang Variety Store And Gas Bar And Luck Restaurant Inc., Ronald C. Schindler, Thi M. Nguyen

Collateral Classification: Equipment

General Collateral Description: Walk-In Cooler/Freezer Combo  
Lease 10040GU

Registration No.: 20130204 1403 1462 3992

File No. 684505971

Registration Date: February 4, 2013

Registration Period: 4 Years

Expiry Date: February 4, 2017

**3. Secured Party: First Source Mortgage Corporation**

Debtor: Dang Variety Store And Gas Bar And Lucky Restaurant Inc.

Collateral Classification: Inventory, Equipment, Accounts, Other

General Collateral Description: Security Agreements and Assignment of Rents relating to the Property located at 406 King Street East, Cambridge, On, N3H 3M9

Registration No.: 20130528 1043 1862 6341 Registered on May 28, 2013

Registration No.: 20160510 1415 1862 6029 Registered on May 10, 2016

File No. 687227922

Registration Period: 3 Years and extended for 1 further year

Expiry Date: May 28, 2017

**4. Secured Party: Merchant Advance Capital Ltd.**

Debtor: Dang Variety Store And Gas Bar And Lucky Restaurant Inc., Pho Nam Thanh Restaurant Inc., Than Dang, Thi M. Nguyen

Collateral Classification: Other

General Collateral Description: All present and after-acquired personal property of the debtors

Registration No.: 20140505 1617 1793 5303

File No. 695844765

Registration Period: 3 Years

Expiry Date: May 5, 2017

**Bank Act (Ontario)**

Date of Search: September 19, 2016

CLEAR

**Office of the Superintendent of Bankruptcy (Bankruptcy)**

**BIA Estate No:** 35-124372

**BIA Estate Name:** Dang Variety Store and Gas Bar and Lucky Restaurant Inc.

**Estate Type:** Receivership

**Date of Proceeding:** June 16, 2016

**Total Liabilities:** \$0

**Total Assets:** \$0

**Executions: Waterloo (Kitchener)**

Date of Search: September 19, 2016

CLEAR

**SCHEDULE "E"****LEGAL DESCRIPTION OF REAL PROPERTY**

Municipal Address: 406 King Street East, Cambridge, Ontario

**PIN No. 03776-0074LT: LT 36 S/S KING ST & W/S POTTER ST PL 521  
CAMBRIDGE; PT LT 35 S/S KING ST & W/S POTTER ST PL 521 AS IN WS713446;  
CAMBRIDGE**

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# APPENDIX D

EXCLUSIVE AUTHORITY TO SELL AGREEMENT

BETWEEN:

REGION-WIDE REAL ESTATE INC.  
(hereinafter referred to as "Region-Wide")

and

COLLINS BARROW TORONTO LIMITED  
Solely in its capacity as Court-Appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. with no personal or corporate liability  
(hereinafter referred to as the "Vendor")

WHEREAS pursuant to a Court Order made on June 16, 2016, the Vendor was appointed as the Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor");

AND WHEREAS ~~Dang~~ <sup>the Debtor</sup> owns the property located at 406 King Street East, Cambridge, Ontario hereinafter referred to as the ("Property");

AND WHEREAS the Vendor intends to retain the brokerage services of Region-Wide to market the Property for sale.

NOW THEREFORE in consideration of Region-Wide's services in accordance with this Agreement, and for other good and valuable consideration given by Region-Wide to the Vendor, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. The Vendor hereby appoints Region-Wide as its sole and exclusive agent to offer the Property for sale, on such other terms which the Vendor and Region-Wide may mutually agree upon prior to the marketing of the Property.
2. Region-Wide agrees to place the Property on MLS with five (5) business days of the date of this agreement.
3. The Vendor agrees to pay Region-Wide, its successors or assigns, a commission, as set out in paragraph 5 hereof, on the successful completion of sale of the Property pursuant to any valid and binding Agreement of Purchase and Sale accepted by the Vendor during the term of this Agreement from any source whatsoever.
4. The Vendor and Region-Wide also agree that no commission or fee shall be payable to Region-Wide on any sale of the Property which is effected after the expiry of this Agreement.
5. The Vendor agrees to pay Region-Wide, its successors or assigns, a commission on the sale of the Property equivalent to five (5.0) % of the gross sale price of the Property.

If the Property is sold to a purchaser obtained on the MLS and represented by a Cooperating Agent, Region-Wide will allocate two (2.0) % of the fee to the Cooperating Agent with Region-Wide retaining three (3.0) %.

Region-Wide will waive its commission fee for the Property if the Property is sold to (i) 1753927 Ontario Inc. (or any entity affiliated with Wisam Behno), (ii) \_\_\_\_\_ (either party an "Excluded Party"). The Vendor will be responsible to pay to Region-Wide a fee of \$5,000.00 plus applicable taxes in the event of a sale during the Term of the Property to an Excluded Party and Region-Wide will not be responsible for any fees that may be owing to a Cooperating Agent representing the Excluded Party.

Applicable HST will be payable by the Vendor on fees charges by Region-Wide pursuant to this agreement.

- 6. The commission due to Region-Wide pursuant to this Agreement in respect of any transaction hereunder, shall be payable to Region-Wide immediately upon the successful completion of a sale of the Property.
- 7. The Vendor shall refer all inquiries and offers from any source whatsoever to Region-Wide forthwith on receipt. All negotiations relating to a prospective sale of the Property during the Term shall be conducted through Region-Wide. The Vendor shall permit Region-Wide to show prospective purchasers the Property during reasonable hours. Region-Wide is further authorized at its own costs to advertise the Property.
- 8. The Vendor acknowledges and agrees that from time to time Region-Wide may represent a purchaser in a dual agency relationship and the Vendor hereby consents to the possibility of limited dual agency wherein Region-Wide maintains confidentiality with respect to pricing intentions, corporate objectives and motivation. Third-party real estate agent(s) ("Cooperating Agent") will be permitted to cooperate in the sale of the Property and any Cooperating Agent shall comply with the terms of this Agreement and shall be paid by Region-Wide. Region-Wide hereby indemnifies the Vendor and agrees to save the Vendor harmless from and against any claim for compensation in connection with a sale of the Property by any Cooperating Agent or any person claiming to be a Cooperating Agent, if such claim arises from the conduct of Region-Wide.
- 9. Region-Wide agrees to act fairly with all parties to the transaction but acknowledges that its primary responsibility is to protect the interests of the Vendor.
- 10. The Vendor understands and acknowledges that Region-Wide or any of its affiliates may, if requested to do so by a purchaser, provide services to the purchaser in connection with its acquisition of the Property, including without limitation, arranging or providing debt or equity financing for the purchaser, provided that Region-Wide or one of its affiliates is paid by the purchaser for so doing, and that Region-Wide discloses in writing to the Vendor such arrangements and the restricted nature of services Region-Wide would provide such a purchaser in such a circumstance, prior to Region-Wide agreeing to provide such services to a purchaser.
- 11. This Agreement shall expire one minute before midnight on the 12th day of August, 2016 (the "Expiry Date"). The period commencing on the date of this Agreement and ending at 11:59 p.m. on the Expiry Date is referred to herein as the "Term".
- 12. The Vendor represents and warrants that it has been appointed as the Receiver of the Property pursuant to an Order of the Court made on June 16, 2016 and has the power and authority to enter into and execute this Agreement.



- 13. Region-Wide acknowledges and agrees that it will be offering the Property for sale on an "as is, where is" basis, and that any information on the Property that is or will be provided to Region-Wide is being provided with no representations or warranties whatsoever by the Vendor as to the accuracy or completeness of that information.
- 14. Region-Wide agrees to provide the Vendor's form of Agreement of Purchase and Sale to parties expressing an interest in making an offer for the Property.
- 15. This Agreement constitutes the entire agreement between the Vendor and Region-Wide and supersedes all prior discussions, negotiations and agreements, whether oral or written relating to the subject matter hereof. In case of any inconsistencies between this Agreement and any commission provisions in any Agreement(s) of Purchase and Sale, the provisions of this Agreement shall govern and be paramount. No amendment or alteration of this Agreement shall be valid or binding unless made in writing and signed by each of the Vendor and Region-Wide.
- 16. This Agreement shall be read with such changes of gender or number as may be required by the context. All of the parties hereto have agreed that this Agreement shall be prepared in English, and that this Agreement shall be exclusively governed by the laws in force and effect in the Province of Ontario, Canada.
- 17. The duly authorized officer hereby acknowledges that he or she has read and fully understands this Agreement and acknowledges this date having received a copy of same.
- 18. The Vendor acknowledges being advised that the broker of record and registered salesperson(s) is insured pursuant to Ontario Regulation 579/05 made under the Real Estate and Business Brokers Act (2002).
- 19. The Vendor and Region-Wide agree that this Agreement may be executed in counterparts, and that all such counterparts taken together shall be deemed to constitute one and the same document, and that a faxed or emailed copy of this Agreement, duly executed by all of the parties thereto shall have the same legal effect as an original.
- 20. This Exclusive Authority to Sell Agreement and any agreements, notices or other communications contemplated hereby may be transmitted by means of email, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Vendor by email shall be deemed to confirm the Vendor has retained a true copy of this Agreement.
- 21. The Vendor will not hold Region-Wide responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by Region-Wide or anyone else by any means, including theft or vandalism, other than loss or damage caused by Region-Wide's negligence or willful acts).
- 22. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, provided that neither of the parties hereto shall have the right to assign this Agreement without the prior written consent of the other of them.

23. Region-Wide Responsibilities:

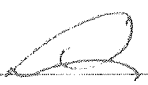
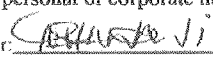
Region-Wide shall act as advisor to the Vendor in respect of this engagement and shall perform such financial and real estate advisory services as are required, including the following:

- a) Perform financial analysis and valuation work on the Property as may be required;

- b) Assemble and package due diligence materials prior to marketing launch;
- c) Prepare marketing materials for use in promoting the Property;
- d) Develop an appropriate marketing and disposition strategy for the Property;
- e) Advertise the Property for sale in the Globe and Mail national edition;
- f) Advise the Vendor of the various steps in achieving the sale of the Property;
- g) Compile a list of potential investors that may be interested in acquiring the Property;
- h) Execute a marketing program for the Property;
- i) Day-to-day management of the disposition program, including marketing, co-ordination of due diligence, assisting the Vendor and third parties, facilitating tours and information requests, and other duties as required;
- j) Receiving expressions of interest for the Property;
- k) Advise the Vendor with respect to such interest and offers;
- l) Assist the Vendor in negotiations, structuring and documentation of the transaction with the purchaser(s) until closing;
- m) Provide the Vendor with such written report(s) setting out Region-Wide's efforts in connection with the sale of the Property that may be requested by the Vendor; and
- n) Provide such other advice or services as may be required in order to carry out Region-Wide's responsibilities pursuant to this agreement.


Dated at Toronto this 11<sup>th</sup> day July 2016.

Collins Barrow Toronto Limited, solely in its capacity as Court-Appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. with no personal or corporate liability

Witness  )  
 ) Per:   
 ) I have the authority to bind the Corporation.

Dated at Cambridge this 11<sup>th</sup> day of July 2016.

) Region-Wide Real Estate Inc.  
)  
)

Witness \_\_\_\_\_ )  
 ) Per:   
 ) I have the authority to bind the Corporation.





COMMENTS

\* DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC. WITHOUT PERSONAL OR CORPORATE LIABILITY, FORMER CONVENIENCE STORE GAS BAR AND RESTAURANT BEING SOLD BY COURT APPOINTED RECEIVER, ALL OFFERS TO BE SUBMITTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE RECEIVERS STANDARD AGREEMENT ATTACHED ON OR BEFORE AUGUST 10TH 2016. FOR ADDITIONAL PROPERTY INFORMATION OR OFFER SUBMISSION REQUIREMENTS CONTACT LISTING BROKERAGE.

EXCLUSIONS (MAX. 250 CHARACTERS)

EXCLUSIONS (MAX. 250 CHARACTERS)

PROPERTY REALTOR REMARKS (MAX. 100 CHARACTERS)  
OFFERS MUST BE SUBMITTED ON RECEIVERS STANDARD AGREEMENT ATTACHED OR AVAILABLE FROM LISTING BROKERAGE ON OR BEFORE AUGUST 10TH 2016.

FINANCIAL INFORMATION

PROPERTY TAX 2015: 21 RENTAL INCOME 21: 22 PAYMENTS 22: 23 MONTHS 23: 24 DAYS 24: 25 PERCENTAGE 25:

HOURS OPEN

Table with columns for various expenses: TAXES, TAKEN EXPENSE, INSURANCE EXPENSE, MANAGEMENT EXPENSE, BUILDING MAINTENANCE, HYDRO EXPENSE, WATER EXPENSE, OTHER EXPENSES, OTHER'S INCOME / SALES, VACANCY ALLOWANCE, OPERATING EXPENSES, NET INCOME (BEFORE DEBT), EST. REV. VALUES AT COST, COMBOS AREA UPCHARGE, PERCENTAGE RENT, YEAR EXPENSES, MORTGAGE COMMENTS.

BROKERAGE INFORMATION

REALTOR 1 - NAME: JOHN MCCASH - BROKER OF RECORD REALTOR 1 - ID #: 1083  
BROKERAGE 1 - NAME: REGION-WIDE REAL ESTATE INC., BROKERAGE BROKERAGE 1 - ID #: 11478  
BROKERAGE 2 - NAME: BROKERAGE 2 - ID #: 2%

BROKERAGE TRUST ACCOUNT: INTEREST BEARING, NON-INTEREST BEARING, LOCKBOX, SHOW, OPEN HOUSE, OPEN PROPERTY INFORMATION STATEMENT, CREALTY CERTIFICATION, CERTIFICATION LEVEL.

APPOINTMENTS: CONTACT LISTING AGENT, VIRTUAL TOUR URL (30-60 SECONDS), VIRTUAL TOUR URL (REAR VIEW), VIRTUAL TOUR URL (WALKTHROUGH).

PHOTOS TO BE ORDERED VIA MY STORE (CACHED COPY), PHOTOS TO FOLLOW (MAX. 24 PER), PHOTO ATTACHED, SKETCH ATTACHED, FRONT VIEW ONLY, FRONT VIEW & BACK VIEW, SPECIAL INSTRUCTIONS.

SIGNATURE OF SELLER / LESSOR, SIGNATURE OF SELLER / LESSOR, COMM 09/2015, WEBForms 8 Sep 2015

COWAN'S BARROW TORONTO LIMITED  
Solely in its capacity as Court-appointed Receiver of  
Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
with no personal or corporate liability  
Per: Arif Dhanani, CPA, CA, CFP, LIT  
Vice - President

# APPENDIX E

# APPENDIX F

# APPENDIX G



**In the Matter of the Receivership of  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Receiver's Interim Statement of Receipts and Disbursements  
 For the Period June 16, 2016 to August 31, 2016**

*Note: the below statement of receipts and disbursements does not include the deposit received on account of the APS, professional fees of the Receiver or its counsel, the commissions payable to the real estate agent on closing or any unpaid property tax arrears.*

<b>RECEIPTS</b>		<u>Notes</u>
Cash on hand	\$ 3,974	
Advance from secured creditor	82,000	
Sales	224,888	1
HST collected	30,132	2
Miscellaneous refunds and receipts and interest	928	
Total receipts	<u>\$ 341,922</u>	
<b>DISBURSEMENTS</b>		
Gasoline purchases	\$ 239,276	1
Insurance	13,500	
Wage reimbursement	17,977	3
Management fees	7,000	4
Utilities	2,149	
TSSA fees	1,781	
HST paid	35,685	2
Inventory count and taking possession	3,590	
Repairs and maintenance	7,136	
Credit card fees	1,689	
Supplies and other items required for operations	447	
Administrative fees (Official Receiver, Ascend license fee, mail redirection)	523	
Total disbursements	<u>\$ 330,752</u>	5
Receipts over disbursements	<u>\$ 11,170</u>	

Notes:

1. Purchases of gasoline exceed sales as the Receiver was required to buy fuel at the outset of the Receivership in order to continue operating.

Cash and debit/credit card sales are reported to the Receiver by the gas bar operator and Amco Petroleum, respectively, on a weekly basis.

2. Based on the statement of receipts and disbursements, it appears that the Receiver will be in an HST refund position. HST paid does not include HST payable on the professional fees of the Receiver or its counsel, sales agent commissions and additional amounts payable to the Gas Bar Manager for management fees and costs.

3. The Receiver has reimbursed the Gas Bar Manager for wages paid to his staff until August 31, 2016.

4. The management agreement with the Gas Bar Manager sets out that the minimum management fee is for a 3 month period at \$3,500 per month. The Receiver has only paid for the period June 16, 2016 to August 15, 2016. The Receiver expects that a further invoices for \$3,500 plus HST per month for the period August 16, 2016 to closing will be sent to the Receiver by the Gas Bar Manager in due course.

5. As stated above, total disbursements do not include any professional fees for the Receiver or its counsel or commissions payable to the real estate agent on closing of the transaction with the purchaser.

# APPENDIX H

Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West  
Suite 700, Box 27  
Toronto, Ontario  
M5H 4C7 Canada

T. 416.480.0160  
F. 416.480.2646

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

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

In the matter of the receivership of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Company")

The receiver gives notice and declares that:

1. On the 16<sup>th</sup> day of June, 2016, the undersigned, Collins Barrow Toronto Limited, was appointed as receiver pursuant to an Order made by the Ontario Superior Court of Justice (the "Receiver") in respect of all of the assets, undertakings and properties of the Company, an insolvent person that is described below:

Cash	\$	1,100
Inventory (Note 1)		14,600
Property, plant and equipment (Note 2)		1,460,270

*Note 1: The inventory value represents the approximately retail value of inventory in the Dang Variety convenience store as at the date of the Receiver's appointment. The Receiver notes that a portion of the inventory in the convenience store has expiry dates that pre-date June 16, 2016.*

*Note 2: This balance represents the net book value of property, plant and equipment as reported on the Company's unaudited financial statements as at December 31<sup>st</sup>, 2014, being the latest financial statements viewed by the Receiver*

2. The undersigned became a receiver in respect of the property described above by virtue of being appointed by the Ontario Superior Court of Justice.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 16<sup>th</sup> day of June, 2016.
4. The following information relates to the receivership:
  - a) Address of insolvent company: 406 King Street East, Cambridge, Ontario
  - b) Principal line of business: gas station, convenience store and restaurant.

- c) According to the Company's records, the amounts owed by the Company to the creditors who appear to hold a security interest in the property described above include:

First Source Mortgage Corporation*	\$1,453,715	Mortgage
1419768 Ontario Inc./D&D Leasing Inc.	Unknown	Equipment
Excel Leasing Inc.	Unknown	Equipment
Merchant Advance Capital Ltd.	Unknown	Unknown

\*as at June 16, 2016

- d) A list of supplementary creditors has been compiled by the Receiver and is attached hereto as Appendix A. The Receiver has requested of the Company that the Company provide a listing of creditors that includes the names of the Company's creditors, their addresses and amounts owed to them; however, the Receiver has not yet been provided with same.
- e) The Receiver's intended course of action is to sell the assets of the Company and is currently considering the process it will use to obtain offers for the assets of the Company. Pending a sale, the operations of the gas bar are continuing. The operations of the variety store and the restaurant are not continuing at this time.
- f) Contact person for the Receiver:

Jeffrey Berger  
Collins Barrow Toronto Limited  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario M5H 4C7  
Telephone: (647) 726-0496  
Facsimile: (416) 480-2646  
E-mail: [jkberger@collinsbarrow.com](mailto:jkberger@collinsbarrow.com)

- g) Additional information: A copy of the receivership order is posted on the Receiver's website at <http://www.collinsbarrow.com/en/cbn/dang-variety-store-and-gas-bar-and-lucky-restaurant-inc>. Other pertinent public information will be posted to this website as that information becomes available.

Dated at Toronto this 23<sup>rd</sup> day of June, 2016.

**COLLINS BARROW TORONTO LIMITED**  
In its capacity as Court Appointed Receiver of Dang  
Variety Store and Gas Bar and Lucky Restaurant  
Inc. and not in its personal capacity

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

COLLINS BARROW TORONTO LIMITED  
In the Matter of the Receivahship of the Property of  
Dang Variety Store and Gas Bar and Lucky Restsuarnd Inc.

LIST OF CREDITORS

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Supplementary Mailing List

Canada Revenue Agency Ministry of Finance	Regional Intake Centre - Insolvency - Ontario Collections Branch, Bankruptcy and Insolvency Unit	451 Talbot Street, P.O. Box 5548 6th Floor, 33 King Street West	London, ON N6A 4R3 Oshawa, ON L1H 8H5
Office of the Superintendent of Bankruptcy	London Office	Federal Building, 451 Talbot Street, Suite 303	London, ON N6A 5C9
WSIB	Kitchener Office	55 King Street West, 3rd Floor	Kitchener, ON, N2G 4W1

# APPENDIX I

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**FIRST SOURCE MORTGAGE CORPORATION**

**Applicant**

- and -

**DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.**

**Respondent**

**AFFIDAVIT OF ARIF N. DHANANI  
(Sworn September 22, 2016)**

I, **ARIF N. DHANANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Vice-President of Collins Barrow Toronto Limited (“**CBTL**”) 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 the order herein dated June 16, 2016 (the “**Appointment Order**”), CBTL was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (“**Dang Variety**”) acquired for, or used in relation to a business carried on by Dang Variety, including all proceeds thereof (the “**Property**”).



3. For the period commencing May 24, 2016 to August 31, 2016 (the "Passing of Accounts Period"), the Receiver has been engaged in various activities in connection with the receivership proceeding and administration of the Property, in receivership. Particulars of the Receiver's conduct and activities during the Passing of Accounts Period are contained in the Receiver's report dated September 20, 2016 (the "First Report").
4. Attached hereto and marked as Exhibit "A" to this my affidavit is a summary of the fees charged and periodic accounts rendered by the Receiver in respect of the proceedings for the Passing of Accounts Period. Copies of the interim invoices which are referenced in the summary are appended to this affidavit as Exhibit "B".
5. In accordance with the provisions of paragraph 19 of the Appointment Order, 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 normal 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 the Court. As at the date of this affidavit, the Receiver has not paid any of its fees and disbursements, including legal fees and disbursements, out of the funds in its bank account.
6. In the course of its administration of the receivership during the Passing of Accounts Period, the Receiver's staff expended 165.7 hours of time in respect of the receivership administration, which aggregates to fees of \$62,128.50. The Receiver's average hourly billing rate is \$374.95.
7. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.
8. I verily believe that the Receiver's accounts are fair and reasonable in the circumstances.

9. This affidavit is sworn in support of the Receiver's motion for approval of its fees and disbursements by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario,  
This 22<sup>nd</sup> day of September, 2016.



A Commissioner, etc.

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)  
)  
)  
)  
)



ARIF N. DHANANI

Daniel Raphael Weisz, a Commissioner, etc.,  
Province of Ontario, for Collins Barrow  
Toronto LLP and Collins Barrow Toronto  
Limited. Expires June 8, 2019.

THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF ARIF N. DHANANI SWORN BEFORE  
ME THIS 22<sup>nd</sup> DAY OF SEPTEMBER, 2016




A Commissioner, etc.

Daniel Raphael Welsz, a Commissioner, etc.,  
Province of Ontario, for Collins Barrow  
Toronto LLP and Collins Barrow Toronto  
Limited. Expires June 8, 2019.

Calculation of Average Hourly Billing Rates of  
Collins Barrow Toronto Limited  
for the Passing of Accounts Period

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
1	May 24, 2016 to June 30, 2016	\$34,044.50	\$97.41	\$4,438.45	88.50	\$384.68	\$38,580.36
2	July 1, 2016 to July 31, 2016	\$12,528.50	\$0.00	\$1,628.71	35.80	\$349.96	\$14,157.21
3	August 1, 2016 to August 31, 2016	\$15,555.50	\$131.85	\$2,039.36	41.40	\$375.74	\$17,726.71
	<b>Grand Total</b>	<b>\$62,128.50</b>	<b>\$229.26</b>	<b>\$8,106.52</b>	<b>165.70</b>	<b>\$374.95</b>	<b>\$70,464.28</b>

**THIS IS EXHIBIT "B" REFERRED TO IN THE  
AFFIDAVIT OF ARIF N. DHANANI SWORN  
BEFORE ME THIS 22<sup>nd</sup> DAY OF SEPTMBER, 2016**

  
\_\_\_\_\_  
A Commissioner, etc.

Daniel Raphael Weisz, a Commissioner, etc.,  
Province of Ontario, for Collins Barrow  
Toronto LLP and Collins Barrow Toronto  
Limited. Expires June 8, 2019.



Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario  
M5H 4C7 Canada

To Collins Barrow Toronto Limited  
Court-appointed Receiver of Dang Variety Store and Gas  
Bar and Lucky Restaurant Inc.  
11 King Street West, Suite 700  
Toronto, ON M5H 4C7

T. 416.480.0160  
F. 416.480.2646

www.collinsbarrow.com

Date July 13, 2016

GST/HST: 80784 1440 RT 0001

Client File 112384-34519

Invoice 1

No. C000306

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("Dang Variety" or the "Company") for the period May 24, 2016 to June 30, 2016.

Date	Professional	Description
5/24/2016	Daniel Weisz	Review draft affidavit, Court order and consent provided by J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare").
5/26/2016	Daniel Weisz	Discussion with J. Larry regarding status of the Company and application to Court; prepare, review and forward documents regarding engagement of Collins Barrow Toronto Limited ("CBTL") to J. Larry; execute consent to act.
6/6/2016	Daniel Weisz	Prepare for and attend conference call with J. Larry and B. Tannenbaum regarding file; discussion with J. Tertigas of Tert & Ross Ltd. ("T&R"); review materials served on the Company and email to J. Larry regarding same; review insurance policies provided and email to J. Larry regarding same.
6/6/2016	Bryan Tannenbaum	Discussions with D. Weisz and telephone call with J. Larry.
6/7/2016	Daniel Weisz	Meet with B. Wong regarding status of the Company; conference call with B. Wong and J. Tertigas; prepare for and attend conference call with D. Mandel, J. Larry, W. Kaufmann and B. Tannenbaum to discuss the status of the Company.
6/9/2016	Daniel Weisz	Exchange emails with J. Larry regarding status enquiry; preliminary review of updated insurance policy provided and discussion with B. Wong on same.
6/13/2016	Daniel Weisz	Exchange emails with J. Larry regarding status; review emails with insurer; conference call with B. Wong and T. Thompson of HUB regarding insurance; emails to W. Kaufmann in response to his; exchange emails with W. Behno regarding possible engagement to operate the gas station.
6/14/2016	Arif Dhanani	Meet with D. Weisz to discuss pending receivership; telephone call with W. Behno regarding operating gas bar, practical considerations and insurance.
6/14/2016	Daniel Weisz	Prepare for call today; conference call with W. Behno and A. Dhanani to discuss potential operation of gas station; review insurance quote; email to W. Behno; prepare for and attend conference call with J. Larry and A. Dhanani to discuss status and matters relating to Court application on Thursday.

Date	Professional	Description
6/15/2016	Arif Dhanani	Meet with J. Berger regarding planning for receivership; telephone call with D. Weisz and J. Tertigas; telephone call with W. Behno regarding management agreement and email summary of discussion to D. Weisz and J. Larry; subsequent emails from/to W. Behno; review draft management agreement sent by D. Weisz, amend and send to J. Larry for comments.
6/15/2016	Daniel Weisz	Discussion with A. Dhanani and J. Berger regarding pending receivership; various emails to J. Larry and T. Thompson regarding pending appointment; conference call with A. Dhanani and J. Tertigas regarding status; discussion with A. Dhanani on his discussion with W. Behno; draft management agreement; various discussions with A. Dhanani regarding planning for receivership; discussions with J. Larry regarding various matters.
6/16/2016	Daniel Weisz	Review list of proposed duties provided by proposed manager, update draft management agreement for same and forward to J. Larry; exchange emails with J. Larry regarding Court order obtained; email to T. Thompson regarding insurance; discussion with A. Dhanani on attending at the premises; arrange for website posting; review J. Larry comments on draft management agreement; review of regulations regarding sale of tobacco; update draft management agreement; discussion with J. Larry; conference call with A. Dhanani, J. Berger, J. Tertigas and W. Behno regarding status of taking possession; voicemail for J. Larry on status; discussion with J. Tertigas regarding inventory count.
6/16/2016	Jeffrey Berger	Attend at Dang Variety to take possession of the property, including supervising removal of personal items.
6/16/2016	Arif Dhanani	Attend at Dang Variety to take possession, including meeting Dang and others at the Company premises; meeting with J. Tertigas regarding lock and alarm code changes; meeting with W. Behno, proposed operator of gas bar; performing cash count and update reporting to D. Weisz; review email from R. Schindler and forward same to HUB; brief discussion with D. Weisz regarding scope of work for gas station manager.
6/17/2016	Daniel Weisz	Discussion with A. Dhanani on status; review PPSA listing and email to J. Larry regarding same; discussion with A. Dhanani regarding fuel purchases; review and update management agreement; message left for A&A Environmental Consultants; review emails regarding fuel purchases and discussion with A. Dhanani on same; email to J. Larry regarding various matters; discussion with J. Berger on balance in debtor's bank accounts and his discussion with CIBC.
6/17/2016	Jeffrey Berger	Correspondence with BMO and CIBC regarding the establishment of a new trust account (BMO) and the freezing of all the debtor's accounts (CIBC); review of correspondence with Amco.
6/17/2016	Arif Dhanani	Email to J. Larry regarding fuel levels and Amco; telephone call with W. Behno regarding fuel purchases; telephone call to Amco to make arrangements for purchase of fuel; emails to/from counsel to Amco regarding fuel purchases; telephone call with Amco regarding fuel levels and arrangements; various discussions with D. Weisz regarding Amco and other matters; telephone call with J. Tertigas regarding inventory count.

Date	Professional	Description
6/20/2016	Daniel Weisz	Review emails regarding inventory count, alarm call, company transactions prior to receivership; discussion with A. Dhanani on various matters; prepare points for discussion with J. Larry; attempt to reach A&A Environmental; prepare for and attend conference call with J. Larry and A. Dhanani to discuss the status of the receivership; preliminary review of offer to purchase and email to J. Larry regarding same; discussion with A. Rasoul of A&A Environmental regarding proposal requested; emails to A&A Environmental and J. Larry regarding same; discussion with A. Dhanani on status of discussions with Amco regarding fuel ordering and payment.
6/20/2016	Jeffrey Berger	Commence drafting the notice and report pursuant to sections 245 and 246 of the Bankruptcy and Insolvency Act ("BIA Notice").
6/20/2016	Arif Dhanani	Review various emails from J. Berger regarding acknowledgement and receipt of W. Behno, bank account and transfers, HUB insurance, T&R and respond to same; email to Amco regarding follow up on supply of fuel; email to J. Larry regarding withdrawals from Company bank account on June 16, 2016 and scheduling time for call; discussion with D. Weisz; telephone call with W. Behno regarding cleaning facility, personal belongings of Mr. Dang et al and fuel purchases; telephone call with J. Larry to discuss various issues including marketing of property, personal items of Mr. Dang et al, withdrawals from company's bank accounts.
6/21/2016	Jeffrey Berger	Continue drafting the BIA Notice.
6/21/2016	Daniel Weisz	Discussion with A. Dhanani on status of various matters; discussion with J. Larry on status; forward wire information regarding advance to Receiver.
6/21/2016	Arif Dhanani	Email to J. Larry with comments on offer received from potential purchaser of property, contact with real estate agent and funding for Receiver; discussions with D. Weisz; telephone call with J. McCash of Region-Wide Real Estate Inc.; emails from/to Amco regarding fuel supply; responding to J. Berger regarding the BIA Notice.
6/22/2016	Arif Dhanani	Emails from/to J. Tertigas regarding alarm at premises; telephone call with D. Weisz and J. McCash regarding sales process prior to commencement of receivership administration; emails from/to First Source Mortgage Corporation ("First Source") regarding funding of receivership and insurance premiums; emails from/to Amco regarding fuel supply and payment arrangements; telephone call with W. Behno regarding Mr. Dang et al retrieval of personal items, fuel required and expired products; telephone call with J. Larry regarding various matters.
6/22/2016	Daniel Weisz	Discussion with A. Dhanani regarding alarm at the premises; prepare for and attend conference call with J. McCash and A. Dhanani regarding status of listing of the property for sale, subsequent conference call with J. Larry and A. Dhanani regarding status of sale of property; work on draft agreement of purchase and sale and forward to J. Larry for comments; review emails; review J. Larry changes to agreement of purchase and sale.
6/22/2016	Donna Nishimura	Sort, recount and deposit cash on hand at the bank.
6/23/2016	Jeffrey Berger	Correspond with the City of Cambridge regarding property taxes for Dang Variety; redirecting mail to CBTL offices, drafting correspondence regarding same.
6/23/2016	Daniel Weisz	Update draft agreement of purchase and sale, email to J. Larry regarding

Date	Professional	Description
		same; review bank account regarding First Source funding; review documents; review email regarding TSSA suspension of license, discussion with various individuals at TSSA regarding same and procedure to remove suspension, discussion with A. Dhanani on same, J. Larry on same; email to J. Marshall of TSSA confirming payments of arrears; review, update and sign the BIA Notice.
6/23/2016	Arif Dhanani	Meet with J. Berger and review and amend correspondence to be sent to City of Cambridge regarding property taxes; review email from W. Behno; execute management agreement and send back to W. Behno; meet with J. Berger to discuss contacting City of Cambridge regarding property tax arrears, payments due, etc., and contacting utility suppliers; email First Source regarding funding for receivership; email exchange with Amco, review invoice and approve for payment; call with party interested in property and discuss offer to come in on Monday; meet with B. Wong to set up Receiver's G/L; amend and the BIA Notice; draft Receiver's Certificate for advance made by First Source; review notice received from TSSA, meet with D. Weisz in this regard, call TSSA to make payment and forward payment details to D. Weisz; emails to and from insurer regarding TSSA and telephone call with W. Behno in this regard.
6/23/2016	Donna Nishimura	Sent out the BIA Notice to known creditors.
6/24/2016	Jeffrey Berger	Correspond with the City of Cambridge regarding property tax arrears; correspond with Energy + Inc. and Union Gas Limited regarding the transfer of utility accounts to the Receiver, draft correspondence regarding same.
6/24/2016	Arif Dhanani	Contact operator to confirm number of fire extinguishers at property; emails to/from insurer regarding TSSA and fire extinguishers; review email from J. Berger regarding property tax arrears and email to First Source in this regard; arrange for courier of Amco cheque for payment of fuel; review of TSSA reports and forward relevant information to gas bar operator for comment; discussions with D. Weisz.
6/24/2016	Daniel Weisz	Review email from TSSA lifting license suspension and forward same to J. Larry, W. Kaufmann and R. Schindler; review emails regarding insurance; review information regarding property taxes outstanding and discussion with A. Dhanani on same; review correspondence from TSSA enclosing report and discussion with A. Dhanani on same; discussion with A. Dhanani on funding status.
6/27/2016	Daniel Weisz	Review email regarding alarm issues; discussion with A. Dhanani regarding outstanding items, review emails regarding same.
6/27/2016	Arif Dhanani	Commence drafting cash flow for July 2016 as requested by secured lender; messages to/from W. Behno regarding sales reporting and deposits; meet with D. Weisz about outstanding items and send email to J. Larry regarding same; discussion with J. Berger regarding tracking of sales and deposits; review sales and cash receipts amounts reported by W. Behno and compare to credit card report from Amco, email to W. Behno regarding differences; finalize cash flow for secured lender funding and send same to First Source.
6/28/2016	Daniel Weisz	Discussion with A. Dhanani on his discussion with a party interested in submitting an offer for the property and the form of agreement of purchase and sale; review online bank activity and discussion with A. Dhanani on same.



July 13, 2016  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Invoice 1  
 Page 5

Date	Professional	Description
6/28/2016	Arif Dhanani	Email to H. Di Lecce regarding offer status; review of fuel supply invoice from Amco and approve for payment; telephone call with interested party regarding purchase and email to D. Weisz regarding agreement of purchase and sale; telephone call with T&R regarding billing and activities undertaken; amend agreement of purchase and sale and send to potential purchaser; follow up call to H. Di Lecce regarding interested purchaser; discussion with D. Weisz regarding sales process; update email to J. Larry regarding interested purchasers; reconcile sales transaction receipts from Dang Variety to deposits on bank statement and to Amco reports for the period June 17 to 26, 2016 and send email to W. Behno regarding differences between sales receipts and Amco reports.
6/29/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
6/29/2016	Arif Dhanani	Status update call with J. Larry and D. Weisz; email to H. Di Lecce regarding offer submission; message for J. McCash regarding listing property; discussion with C. Baeta regarding banking and cheques to be processed.
6/29/2016	Daniel Weisz	Prepare for and attend conference call with J. Larry and A. Dhanani to discuss the status of the receivership.
6/30/2016	Daniel Weisz	Discussion with A. Dhanani on status of various matters.
6/30/2016	Arif Dhanani	Emails to J. Larry regarding obtaining information on HST returns filed by Dang Variety, update on sales process and response from R. Schindler regarding bank drafts; telephone call with J. McCash regarding listing agreement; review sales receipts for June 16-29 for HST on sales and filing returns; emails to/from First Source regarding Receiver's borrowings; emails from/to AMCO regarding payment for fuel delivered.
		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.

14J

July 13, 2016  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Invoice 1  
 Page 6

**FEE SUMMARY**

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.4	\$ 525	\$ 210.00
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	27.9	\$ 495	13,810.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	46.5	\$ 375	17,437.50
Jeffrey K. Berger, CPA, CA	Senior Analyst	12.7	\$ 195	2,476.50
Cindy Baeta	Estate Administrator	0.7	\$ 110	77.00
Donna Nishimura	Estate Administrator	0.3	\$ 110	33.00
<b>Total hours and professional fees</b>		<b>88.5</b>		<b>\$ 34,044.50</b>
<b>Disbursements</b>				
Travel			\$ 89.27	
Photocopies			5.31	
Postage			2.83	
<b>Total disbursements</b>				<b>97.41</b>
<b>Total professional fees and disbursements</b>				<b>\$ 34,141.91</b>
HST @ 13%				4,438.45
<b>Total payable</b>				<b>\$ 38,580.36</b>

PAYMENT BY VISA ACCEPTED

VISA NUMBER \_\_\_\_\_ Expiry Date \_\_\_\_\_  
 Name on Card \_\_\_\_\_ Amount \_\_\_\_\_

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce  
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

**PLEASE RETURN ONE COPY WITH REMITTANCE**

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.  
 The Collins Barrow trademarks are used under license





Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario  
M5H 4C7 Canada

To Collins Barrow Toronto Limited  
Court-appointed Receiver of Dang Variety Store and Gas  
Bar and Lucky Restaurant Inc.  
11 King Street West, Suite 700  
Toronto, ON M5H 4C7

T. 416.480.0160  
F. 416.480.2646

www.collinsbarrow.com

Date August 11, 2016

Client File 112384-34519

GST/HST: 80784 1440 RT 0001

Invoice 2  
No. C000317

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("Dang Variety" or the "Company") for the period July 1, 2016 to July 31, 2016.

Date	Professional	Description
7/1/2016	Daniel Weisz	Review bank account to confirm receipt of advance from First Source Mortgage Corporation ("First Source") and email to First Source in respect of same.
7/5/2016	Arif Dhanani	Email and telephone call to K. McArthur of AMCO Petroleum Ltd. ("AMCO") and discuss same with D. Weisz.
7/5/2016	Daniel Weisz	Prepare and sign Receiver Certificate #2 and send to First Source; review email from J. McCash of Region-Wide Real Estate Inc. enclosing proposed MLS Listing Agreement and MLS Commercial Data Form, prepare listing agreement, email to J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare") to request comments; email to Sentex; exchange emails with J. Larry regarding proposed listing agreement.
7/6/2016	Daniel Weisz	Review email from AMCO regarding fuel delivery and forward same to W. Behno; exchange emails with W. Behno; review and update form of listing agreement and email to W. Behno in connection with same.
7/7/2016	Daniel Weisz	Email to K. McArthur regarding fuel delivery, discussion with J. Larry and email to A. Dhanani on same; email with J. Larry regarding status of interest in the property, email to J. Larry regarding same; exchange emails with K. McArthur regarding fuel delivery invoice; exchange email with W. Behno regarding fuel delivery.
7/8/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend; prepare bank reconciliations.
7/8/2016	Jeffrey Berger	Sales reconciliation for June 30 - July 7, 2016.
7/8/2016	Daniel Weisz	Review file and email to J. Larry regarding pre-receivership transactions; review and sign cheques; email to AMCO regarding payment; discussion with J. Larry; discussion with J. McCash and forward agreement of purchase and sale to him; review email from J. McCash and forward to J. Larry.

August 11, 2016  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Invoice 2  
 Page 2

Date	Professional	Description
7/11/2016	Arif Dhanani	Review of email from TSSA regarding compliance report and propane cylinder exchange and email to W. Behno in this regard; discussion with D. Weisz regarding sales process; review and amend listing agreement provided by J. McCash; emails to/from AMCO regarding payment for last fuel delivery; email to J. Larry regarding request for prior HST returns from R. Schindler; attend to filing emails and file administration.
7/11/2016	Daniel Weisz	Review emails; exchange emails with J. Larry regarding listing of the property; discussion with A. Dhanani regarding J. McCash; review signed listing agreement, discussion with R. Schindler and A. Dhanani on same; review emails.
7/12/2016	Jeffrey Berger	Correspond with Energy Plus regarding Dang Variety accounts and continued service for the Receiver.
7/12/2016	Daniel Weisz	Discussion with A. Dhanani on revised listing agreement to be forwarded to J. McCash, review and update summary of activities; discussion with T. Hunter of National Leasing regarding request to repossess equipment, review leases provided and email to J. Larry regarding same, discussion with J. Larry re same; discussion with A. Dhanani on email from First Source; review and respond to email from National Leasing.
7/12/2016	Arif Dhanani	Review of standard listing agreement, amend, meet with D. Weisz regarding same and send amended agreement to J. McCash; message for W. Kaufmann regarding request for copies of past HST returns; draft email report to D. Mandel and send same.
7/13/2016	Jeffrey Berger	Review of invoices from various creditors; correspond with creditors (Rogers, Waste Management) regarding the receivership proceedings and charges on accounts.
7/13/2016	Daniel Weisz	Discussion with A. Dhanani regarding communication from J. McCash regarding listing of the property for sale; review listing sheet; discussion with J. Larry regarding sales process and discussion with A. Dhanani on same; email to J. Larry regarding National Leasing.
7/13/2016	Arif Dhanani	Email to J. McCash regarding additional interested parties; email to W. Kaufmann to follow up on Receiver's request for HST records.
7/14/2016	Arif Dhanani	Review invoice received from AMCO for fuel purchases; email to/from K. McArthur; approve various invoices from suppliers for payment.
7/15/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
7/15/2016	Daniel Weisz	Review email from J. Larry and respond thereto; discussion with A. Dhanani regarding inspection conducted at gas station.
7/15/2016	Jeffrey Berger	Follow up calls and corresponding with creditors (Rogers, Waste Management) regarding the receivership and charges on accounts.
7/18/2016	Jeffrey Berger	Review of mail; review of final 2016 tax bill and arrears.
7/18/2016	Arif Dhanani	Email to and call with W. Behno regarding cleaning services and charges therefor; review various supplier invoices and approve for payment.
7/19/2016	Jeffrey Berger	Drafting correspondence to CRA regarding receivership notice and new HST accounts.

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August 11, 2016  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Invoice 2  
 Page 3

Date	Professional	Description
7/19/2016	Arif Dhanani	Review sales receipts for June 27, 2016 to July 14, 2016, record same and separate HST payable; telephone call with R. Schindler regarding concerns and prior HST returns; discussions with J. Berger regarding opening HST account with CRA for Receiver; review draft letters to CRA and amend same; update email to J. Larry.
7/20/2016	Arif Dhanani	Discussion with W. Behno regarding premises cleaning charges; review of cleaning and disposal invoices and approve for payment; email to J. McCash regarding update on sales process.
7/21/2016	Arif Dhanani	Email to/from W. Behno; telephone call with J. McCash regarding marketing and sales process and email update to D. Mandel, J. Larry and D. Weisz.
7/22/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
7/22/2016	Bryan Tannenbaum	Review and sign cheques.
7/22/2016	Arif Dhanani	Email to J. McCash regarding conditional offers; email to HUB insurance regarding completion of inspection and testing and receipt of fuel pump compliance stickers.
7/25/2016	Jeffrey Berger	Correspond with Rogers regarding change of ownership and cancellation of television service.
7/25/2016	Daniel Weisz	Discussion with A. Dhanani on status of various matters; review emails.
7/25/2016	Arif Dhanani	Discussion with J. Berger regarding Rogers; email to W. Behno regarding return of equipment to Rogers; emails from/to AMCO regarding payment for gas delivery.
7/26/2016	Arif Dhanani	Email to J. McCash regarding purchaser; telephone call with W. Behno regarding operational issues and other matters.
7/26/2016	Daniel Weisz	Discussion with A. Dhanani on leased assets, status of sales process; review of emails.
7/27/2016	Arif Dhanani	Reviewing sales receipts to July 21, 2016.
7/28/2016	Daniel Weisz	Discussion with A. Dhanani on status of sales process.
7/28/2016	Jeffrey Berger	Discussion of HST with A. Dhanani.
7/28/2016	Arif Dhanani	Reconcile debit/credit sales to AMCO report and cash sales to bank statement for the period July 14-20, 2016; email to and call with W. Behno regarding July 21 sales receipt and cash deposit.
7/28/2016	Donna Nishimura	Deposit cheque at the bank.
7/29/2016	Arif Dhanani	Email to J. McCash regarding methodology for conveyance of title; telephone call with J. McCash regarding interested party; update email to First Source and discussion with J. Larry regarding sales process; email to J. McCash regarding financing; discussions with D. Weisz regarding Mr. Dang and contact with purchasers.
7/29/2016	Daniel Weisz	Discussion with A. Dhanani on status of sales process; review emails.
		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.

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August 11, 2016  
Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
Invoice 2  
Page 4

### FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.2	\$ 525	\$ 105.00
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	8.9	\$ 495	4,405.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	16.8	\$ 375	6,300.00
Jeffrey K. Berger, CPA, CA	Senior Analyst	7.4	\$ 195	1,443.00
Cindy Baeta	Estate Administrator	2.4	\$ 110	264.00
Donna Nishimura	Estate Administrator	0.1	\$ 110	11.00
<b>Total hours and professional fees</b>		<b>35.8</b>		\$ 12,528.50
HST @ 13%				1,628.71
<b>Total payable</b>				<b>\$ 14,157.21</b>

#### PAYMENT BY VISA ACCEPTED

VISA NUMBER \_\_\_\_\_ Expiry Date \_\_\_\_\_

Name on Card \_\_\_\_\_ Amount \_\_\_\_\_

#### WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce  
Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

**PLEASE RETURN ONE COPY WITH REMITTANCE**

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts  
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Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West  
Suite 700, PO Box 27  
Toronto, Ontario  
M5H 4C7 Canada

To Collins Barrow Toronto Limited  
Court-appointed Receiver of Dang Variety Store and Gas  
Bar and Lucky Restaurant Inc.  
11 King Street West, Suite 700  
Toronto, ON M5H 4C7

T. 416.480.0160  
F. 416.480.2646

toronto.collinsbarrow.com

Date September 15, 2016

GST/HST: 80784 1440 RT 0001

Client File 112384-34519

Invoice 3

No. C000338

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("**Dang Variety**" or the "**Company**") for the period August 1, 2016 to August 31, 2016.

Date	Professional	Description
8/1/2016	Silvia Paredes	Prepare disbursement cheques; post deposits to Ascend.
8/2/2016	Daniel Weisz	Meet with A. Dhanani to discuss status of HST returns and outstanding items; review emails; discussion with A. Dhanani on email received from J. McCash of Region-Wide Real Estate Inc. regarding comments from a potential purchaser.
8/2/2016	Arif Dhanani	Email to J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare") regarding pre-receivership HST returns; email to T. Dang regarding filing of pre-receivership HST returns for the Company and information therefor; reconcile sales tax receipts to July 27, 2016; email to insurer regarding insurance certificates; review of email forwarded by J. McCash and respond thereto.
8/3/2016	Daniel Weisz	Review email from HUB regarding insurance.
8/3/2016	Arif Dhanani	Correspond with W. Behno regarding invoice for hourly labour supplied; review Receiver's G/L and request for change to posting entries for management fees; telephone call with P. Green of Pallett Valo LLP representing potential purchaser.
8/4/2016	Sandra Pereira	Prepare disbursement cheque.
8/4/2016	Daniel Weisz	Discussion with A. Dhanani on management agreement.
8/4/2016	Arif Dhanani	Draft correspondence to go with cheque for AMCO Petroleum Ltd. ("AMCO").
8/8/2016	Arif Dhanani	Review of daily sales receipts from July 29 to August 3, 2016 and reconcile same to bank statement; review of AMCO report for July 27 to August 2, 2016 and reconcile same to daily sales receipts; follow up email to and telephone call with J. McCash regarding interested purchasers; review pump test receipts and reconcile same to July 21 sales receipts; email to W. Behno regarding August 2, 2016 deposit.
8/9/2016	Arif Dhanani	Email to J. McCash requesting sales update; emails to/from D. Weisz and J. Larry regarding sales process; reconcile cash deposits to August 3, 2016

Date	Professional	Description
		and complete documentation to reflect sales and HST in Receiver's G/L.
8/10/2016	Arif Dhanani	Emails to/from and telephone call with potential purchaser's counsel; telephone calls with J. McCash regarding update to sales process and offer to be made; draft Receiver's statement of receipts and disbursements to August 3, 2016 and send same to First Source Mortgage Corporation ("First Source"); review of offer received and email to J. McCash regarding changes made to form of agreement of purchase and sale provided by the Receiver, telephone call with J. McCash; discussion with D. Weisz.
8/10/2016	Daniel Weisz	Discussion with A. Dhanani on status of sales process and on offers received.
8/11/2016	Daniel Weisz	Discussion with A. Dhanani regarding status of offers; review and update summary of activities; conference call with J. Larry and A. Dhanani regarding status of sales process; review of emails.
8/11/2016	Arif Dhanani	Email to J. McCash regarding offer received; emails from/to J. Larry; discussions with D. Weisz regarding offers and status thereof; telephone calls with offeror regarding offer; create offer summary; review of fuel invoice from AMCO and approve same for payment; record daily credit and debit sales for the period August 4 to 10, 2016; telephone call with J. Larry and D. Weisz regarding offers; review of offer received and compare to form of agreement of purchase and sale provided by the Receiver.
8/12/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
8/12/2016	Daniel Weisz	Review agreement of purchase and sale; update summary schedule of offers and discussion with A. Dhanani on same; discussion with A. Dhanani on his discussion with Cameron Brown and status of the sale of the property; conference call with A. Dhanani and J. Larry regarding offers received and form of agreement of purchase and sale; review draft email to offerors and discussion with A. Dhanani on same.
8/12/2016	Arif Dhanani	Email copies of offers received and summary of same to J. Larry and First Source; telephone call with J. McCash regarding email to be sent to offerors; telephone call with R. Schindler; telephone call with C. Brown regarding potential interest and email to C. Brown with Receiver's form of offer; email to offerors requesting highest and best bid by Wednesday, August 17, 2016.
8/15/2016	Daniel Weisz	Discussion with A. Dhanani on status of offers and on his discussion with First Source.
8/15/2016	Donna Nishimura	Prepare paperwork for deposit of cheque.
8/15/2016	Arif Dhanani	Email to offerors with change to Receiver's offer document; telephone call with First Source regarding offers; email to the offeror regarding requirement for future deposit and closing monies, if successful, to be paid by certified cheque or bank draft.
8/16/2016	Daniel Weisz	Review email from J. Larry regarding status of offers, discussion with A. Dhanani on same and email to J. Larry; conference call with J. Larry and A. Dhanani on offers received and extension requested; review email from J. Larry.
8/16/2016	Donna Nishimura	Prepare paperwork for deposit of cheque.



Date	Professional	Description
8/17/2016	Arif Dhanani	Telephone call with and email to C. Tinney, tobacco enforcement officer; telephone call with W. Behno regarding update on air pump revenues and tobacco enforcement issue; telephone call with and emails from/to AIR-Serve Canada Inc. regarding air pump at gas bar and revenue allocation; emails to/from J. Larry regarding sales process; discussion with an offeror regarding submission of revised offer.
8/17/2016	Daniel Weisz	Discussion with A. Dhanani regarding his discussion with C. Tinney of Region of Waterloo regarding tobacco sales.
8/18/2016	Daniel Weisz	Review email from W. Kauffmann and discussion with A. Dhanani regarding status of offers and his discussion with R. Schindler.
8/18/2016	Arif Dhanani	Reconciling AMCO invoice to credit/debit card sales; telephone call with R. Schindler and update meeting with D. Weisz; reconcile AMCO credit/debit card sales to sales receipts and reconcile cash sales to bank statement for August 5 to August 14, 2016; telephone call with J. Larry regarding offers; telephone calls with offerors.
8/19/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend; prepare bank reconciliations.
8/19/2016	Arif Dhanani	Email to counsel and First Source regarding sales process status; meet with D. Weisz regarding Receiver's recommendation on sales process; telephone call with counsel and secured lender regarding Receiver's recommendation on acceptance of offer; email to offerors; telephone calls with an offeror and J. McCash.
8/19/2016	Daniel Weisz	Discussion with A. Dhanani on status of sales transaction; prepare for and attend conference call with First Source, J. Larry and A. Dhanani to discuss offers received and Receiver's proposed course of action; review agreement of purchase and sale and sign same; review emails.
8/22/2016	Arif Dhanani	Follow up email to the successful purchaser regarding sending to Receiver fully executed agreement of purchase and sale; telephone call with J. McCash; telephone call with the purchaser; update meeting with D. Weisz; receipt and review of cheque from Air Serve Canada Inc.
8/22/2016	Daniel Weisz	Discussion with A. Dhanani regarding his discussion with the purchaser.
8/23/2016	Daniel Weisz	Review emails and file same.
8/23/2016	Donna Nishimura	Prepare paperwork for deposit of cheque.
8/24/2016	Arif Dhanani	Contact Sentex regarding invoice for September 2016 for credit/debit card processing services; review email from J. McCash and respond; review email from W. Behno and telephone call with W. Behno; email to J. Larry with sales process update; email to AMCO regarding invoice for gas delivery; approve various supplier invoices for payment; meet with J. Berger regarding call from T. Dang regarding Waterdown location gas shut off, telephone call with J. Berger to T. Dang regarding gas shut off at Waterdown location; telephone call from R. Schindler.
8/25/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
8/25/2016	Arif Dhanani	Review of supporting documentation and execute cheques to suppliers; telephone call with Union Gas regarding service at 406 King Street East in Cambridge and shut off of service at another address being unrelated to receivership; telephone call with D. Detenbeck of Kitchener Coin Machine Company Limited regarding ABM at premises and details related to same.

September 15, 2016  
 Dang Variety Store and Gas Bar and Lucky Restaurant Inc.  
 Invoice 3  
 Page 4

Date	Professional	Description
8/25/2016	Daniel Weisz	Review and sign cheques.
8/26/2016	Daniel Weisz	Review consent requested by the purchaser; discussion with A. Dhanani on his discussion with J. Larry regarding closing of the sale.
8/26/2016	Arif Dhanani	Email to Kitchener Coin regarding stop payment on cheques not cashed; telephone call with J. Larry regarding discussion with First Source and information requests from guarantor's counsel; draft statement of receipts and disbursements to August 26, 2016 ("R&D") with notes; email to J. Larry with Receiver's R&D, invoices rendered to date and costs, statements of unpaid property taxes and water; facilitate return of deposit to unsuccessful offeror.
8/29/2016	Arif Dhanani	Review and sign Consent and Acknowledgement requested by the purchaser and send to J. Larry; filing various emails.
8/29/2016	Daniel Weisz	Discussion with A. Dhanani on status of the sale of the property.
8/30/2016	Arif Dhanani	Email to W. Behno requesting sales reporting receipts after August 17, 2016; reconcile sales receipts to AMCO listings and bank statements for the period August 18-28, 2016; review CRA correspondence forwarded by R. Schindler; telephone call to CRA and leave message; telephone call to AMCO and leave message.
8/30/2016	Daniel Weisz	Discussion with A. Dhanani on correspondence from CRA regarding HST.
8/31/2016	Cindy Baeta	Prepare disbursement cheques; post deposits to Ascend.
8/31/2016	Arif Dhanani	Email to J. Larry regarding CRA Requirement to Pay; lengthy discussion with CRA; email to J. Larry and D. Weisz providing summary of CRA call; telephone call with R. Schindler regarding books and records at premises; telephone call to W. Behno with respect to Company books and records on site; commence drafting first report of the Receiver.
8/31/2016	Daniel Weisz	Discussion with A. Dhanani regarding operations and on his discussion with CRA regarding HST.
		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.

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**FEE SUMMARY**

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	7.1	\$ 495	\$ 3,514.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	31.2	\$ 375	11,700.00
Cindy Baeta/Silvia Paredes	Estate Administrator	2.7	\$ 110	297.00
Donna Nishimura/Sandra Pereira	Estate Administrator	0.4	\$ 110	44.00
<b>Total hours and professional fees</b>		<u>41.4</u>		\$ 15,555.50
<b>Disbursements</b>				
Couriers			\$ 131.85	
<b>Total disbursements</b>				131.85
<b>Total professional fees and disbursements</b>				\$ 15,687.35
HST @ 13%				2,039.36
<b>Total payable</b>				<b>\$ 17,726.71</b>

**PAYMENT BY VISA ACCEPTED**

VISA NUMBER \_\_\_\_\_ Expiry Date \_\_\_\_\_  
 Name on Card \_\_\_\_\_ Amount \_\_\_\_\_

**WIRE PAYMENT DETAILS**

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce  
 Branch No 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

**PLEASE RETURN ONE COPY WITH REMITTANCE**

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# APPENDIX J

Court File No: C-585-16

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**B E T W E E N:**

**FIRST SOURCE MORTGAGE CORPORATION**

**Applicant**

**- and -**

**DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.**

**Respondent**

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

**AFFIDAVIT OF SARITA SANASIE  
(Sworn September 20, 2016)**

I, Sarita Sanasie, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant at law firm of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Mr. Justice Sloan dated June 16, 2016 (the "Appointment Order"), Collins Barrow Toronto Limited was appointed the receiver (the "Receiver") of the lands and premises municipally known as Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Property").
3. Pursuant to the Appointment Order, Paliare Roland has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoice

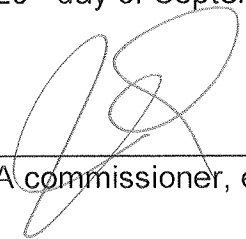
attached hereto and marked as **Exhibit "A"** (the "Dockets") set out Paliare Roland's fees and disbursements from June 17, 2016 to August 31, 2016.

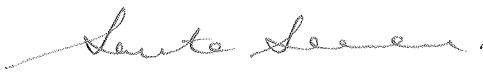
4. The Dockets describe the services provided and the amounts charged by Paliare Roland.

5. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$595/hr	12.8	\$7,716.00
Total		12.8	7,616.00

**SWORN BEFORE ME**, at the City of Toronto, in the Province of Ontario this 20<sup>th</sup> day of September, 2016.

  
\_\_\_\_\_  
A commissioner, etc.

  
\_\_\_\_\_  
Sarita Sanasie



35th Floor  
155 Wellington St. West  
Toronto, Ontario M5V 3H1  
Canada

416.646.4300  
paliareroland.com

Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West, Suite 700  
Toronto, Ontario M5H 4C7

August 31, 2016  
Invoice No.: 73694  
Our File No.: 6595-92785

Attention: Bryan Tannenbaum

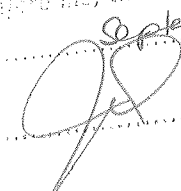
**RE: Dang Variety**

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending August 31, 2016:

Total Fees	\$ 7,616.00
Total Disbursements subject to HST	0.50
Total HST	<u>990.15</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 8,606.65</u></u></b>

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

Per:   
Jeffrey Larry

This is Exhibit "A" referred to in the affidavit of SARITA SANASIE sworn before me, this 20th day of September, 2016  
  
A Notary Public for Ontario



35th Floor  
155 Wellington St. West  
Toronto, Ontario M5V 3H1  
Canada

416.646.4300  
paliareroland.com

ISS

Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West, Suite 700  
Toronto, Ontario M5H 4C7

August 31, 2016  
Invoice No.: 73694  
Our File No.: 6595-92785

Attention: Bryan Tannenbaum

**RE: Dang Variety**

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FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending August 31, 2016:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
17/06/16	JL	Various discussions with A. Dhanani and D. Weisz; Telephone call with Amco's counsel re: fueling issues; correspondence with D. Mandel;	595.00	0.70	416.50
20/06/16	JL	Conference call with A. Dhanani and D. Weisz re: various issues; review and respond to emails;	595.00	0.70	416.50
21/06/16	JL	Correspondence with W. Kauffman; correspondence with D. Mandel; consider and address issues re: listing and offers;	595.00	0.80	476.00
22/06/16	JL	Discussion with W. Kauffman; discussion with D. Mandel; correspondence with A. Dhanani re: listing; review and make revisions to Agreement of Purchase and Sale;	595.00	0.80	476.00
23/06/16	JL	Various discussions with A. Dhanani re: funding issues and potential purchasers;	595.00	0.80	476.00
27/06/16	JL	Consider and address issues with Receiver; email correspondence and telephone calls;	595.00	0.40	238.00
28/06/16	JL	Correspondence with A. Dhanani;	595.00	0.30	178.50
29/06/16	JL	Conference call with Receiver to discuss sales process;	595.00	0.50	297.50



Collins Barrow Toronto Limited

Invoice No.: 73694

Our File No.: 6595-  
92785

Page No.: 2

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		correspondence with D. Mandel; correspondence with W. Kauffman;			
30/06/16	JL	Email correspondence with Receiver; email correspondence with W. Kauffman;	595.00	0.40	238.00
07/07/16	JL	Various email correspondence with Collins Barrow;	595.00	0.30	178.50
08/07/16	JL	Telephone call with W. Kauffman; various email correspondence;	595.00	0.50	297.50
11/07/16	JL	Email correspondence with D. Weisz re: listing agreement and details;	595.00	0.40	238.00
12/07/16	JL	Correspondence with A. Dhanani re: listing; update to D. Mandel re: sales process;	595.00	0.40	238.00
15/07/16	JL	Correspondence with A. Dhanani re: various issues;	595.00	0.30	178.50
21/07/16	JL	Receive update on marketing process; correspondence to D. Mandel;	595.00	0.30	178.50
25/07/16	JL	Email correspondence with A. Dhanani re: listing and marketing;	595.00	0.30	178.50
02/08/16	JL	Correspondence with K. Henshell; correspondence with A. Dhanani;	595.00	0.40	238.00
11/08/16	JL	Conference call with Collins Barrow re: next steps in sales process;	595.00	0.30	178.50
12/08/16	JL	Review and respond to email from D. Weisz re: form of APS;	595.00	0.20	119.00
16/08/16	JL	Telephone call with A. Dhanani re: outstanding issues and offers; Telephone call with D. Mandel; correspondence with W. Kauffman;	595.00	0.80	476.00
18/08/16	JL	Correspondence with Receiver re:	595.00	0.40	238.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		final offer; correspondence with W. Kauffman; correspondence with D. Mandel;			
25/08/16	JL	Discussions with A. Dhanani; Telephone call with D. Mandel;	595.00	0.40	238.00
26/08/16	JL	Telephone call with A. Dhanani; email correspondence;	595.00	0.60	357.00
26/08/16	JL	Telephone call with W. Kauffman; email correspondence to W. Kauffman re: Receiver's receipts and disbursements; revise Consent and Authorization; correspondence with A. Dhanani;	595.00	0.90	535.50
29/08/16	JL	Telephone call with D. Mandel;	595.00	0.30	178.50
30/08/16	JL	Telephone call with A. Dhanani; correspondence with A. Dhanani and D. Weisz;	595.00	0.20	119.00
31/08/16	JL	Discussion with A. Dhanani re: CRA issues; email correspondence with A. Dhanani; Telephone call with D. Mandel;	595.00	0.40	238.00

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Jeffrey Larry (JL)	Partner	12.80	595.00	7,616.00
OUR FEES				\$ 7,616.00
HST at 13%				990.08

Taxable Disbursements:

Laser Copies	0.50
HST at 13%	0.07

**INVOICE TOTAL**

**\$ 8,606.65**



35th Floor  
155 Wellington St. West  
Toronto, Ontario M5V 3H1  
Canada

416.646.4300  
paliareroland.com

158

Collins Barrow Toronto Limited  
Collins Barrow Place  
11 King Street West, Suite 700  
Toronto, Ontario M5H 4C7

August 31, 2016  
Invoice No.: 73694  
Our File No.: 6595-92785

Attention: Bryan Tannenbaum

**RE: Dang Variety**

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**REMITTANCE COPY  
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 7,616.00
Total Disbursements subject to HST	0.50
Total HST	990.15
	<hr/>
<b>INVOICE TOTAL</b>	<b>\$ 8,606.65</b>
	<hr/> <hr/>