

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

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**THIRD REPORT OF THE RECEIVER**

(Dated June 2, 2025)

**I. INTRODUCTION**

1. This third report ("**Third Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver (in such capacity, the "**Receiver**") appointed, without security, over all of the assets, undertakings and properties (together, the "**Property**") of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**" and, together with 224Co., the "**Companies**") by Order of the Ontario Superior Court of Justice, Commercial List (the "**Court**"), dated December 1, 2022 (the "**Appointment Order**"), made pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended ("**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O 1990, c. 43, as amended. The application which resulted in the Appointment Order was commenced by 2046245 Ontario Inc. ("**204**"), 2222228 Ontario Inc. ("**222**"), 2473560 Ontario Inc. ("**560**") and 2473441 Ontario Inc. ("**441**") (collectively, the "**Lenders**"). A copy of the Appointment Order along with the

endorsement of Justice Kimmel made December 1, 2022 (the “**Endorsement**”) is attached hereto as **Appendix “A”**.

2. In accordance with the Endorsement, the Appointment Order went into effect as of December 13, 2022 at 9 a.m. (Toronto time) (the “**Appointment Date**”).

3. On July 19, 2023, on a motion made by the Receiver (the “**July 19 Motion**”), the Honourable Justice Steele granted several orders approving, among other things, the following:

- a. the sale transaction (the “**224Co. Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and 1000567934 Ontario Inc. dated June 15, 2023 (the “**224Co. Purchase Agreement**”) and vesting in 1000567934 Ontario Inc. all of 224Co.’s right, title and interest in and to the assets described in the 224Co. Purchase Agreement (the “**224Co. AVO**”). A copy of the 224Co. AVO is attached hereto as **Appendix “B”**;
- b. the sale transaction (the “**Airport Road Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and 2484460 Ontario Inc. dated June 14, 2023 (the “**152Co. Purchase Agreement**”) and vesting in 2484460 Ontario Inc. all of 152Co.’s right, title and interest in and to the assets described in the 152Co. Purchase Agreement (the “**152Co. AVO**”). A copy of the 152Co. AVO is attached hereto as **Appendix “C”**; and,
- c. the first report of the Receiver dated July 7, 2023 (the “**First Report**”), which was filed in connection with the July 19 Motion, and the Receiver’s activities described therein (the “**July Activity Approval Order**”). A copy of the July Activity Approval Order and related endorsement are attached together as **Appendix “D”** and a copy of the First Report, without appendices, is attached hereto as **Appendix “E”**.

4. On November 29, 2023, the Honourable Justice Penny approved and authorized, among other things, the Receiver to assigned both 224Co. and 152Co. into bankruptcy and for AGI to act as Trustee of the bankruptcy estates. Attached hereto as **Appendix “F”** is a copy of the Order issued by Justice Penny along with the related Endorsement.

5. On December 1, 2023, 224Co. and 152Co. were assigned into bankruptcy Attached hereto as **Appendix “G”** are copies of the bankruptcy certificates issued by the Office of the Superintendent of Bankruptcy Canada confirming the assignments.

## **II. PURPOSE OF THIS REPORT**

6. The Third Report is filed to:

- a. report on the Receiver’s activities in these receivership proceedings since the date of the Second Report; and,
- b. request an Order, among other things:

- i. approving this Third Report and the actions and activities of the Receiver described herein;
- ii. approving the Receiver's final statement of receipts and disbursements as of June 2, 2025 (the "**Final SRDs**"), including the estimated fee accruals to complete its mandate as set out on the Final SRDs (defined below as the Estimated Final Accruals);
- iii. approving the fees and disbursements of the Receiver and its legal counsel, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**") as outlined herein and detailed in the supporting fee affidavits appended hereto;
- iv. discharging AGI as Receiver and releasing AGI from all liability upon the filing with the Court of the certificate (the "**Discharge Certificate**") included as Schedule "A" to the draft form of Order which is included with the Receiver's motion materials, which certificate shall be filed subsequent to the Receiver completing the Remaining Activities (defined below) as set out below; and,
- v. such further and other relief as this Honourable Court may deem just.

### III. SCOPE AND TERMS OF REFERENCE

7. In preparing this Third, the Receiver has obtained and relied upon certain unaudited financial information and records of the Companies. In addition, the Receiver has had ongoing discussions with Jaskunwar Gill (the "**Lenders' Representative**"), a representative of the Lenders, and the Lenders' legal counsel and relied on certain loan information provided by the Lenders.

8. While the Receiver has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises ("**ASPE**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE or IFRS or otherwise with respect to such information except as expressly stated herein.

9. This Third Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose.

10. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

11. Capitalized terms not otherwise defined in this Third Report shall have the meanings ascribed to them in the First Report and Second Report.

12. This Third Report, and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver's website at: <https://www.albertgelman.com/corporate-solutions/other-engagements/> (the "**Case Website**") and will remain available on the website for a period of at least six (6) months following the Receiver's discharge.

#### **IV. BACKGROUND INFORMATION**

13. 152Co. and 224Co. were incorporated in Ontario on ~~by~~ 29 , 2002 and December 7, 2016, respectively. The directors of 152Co. are Harcharan Tiwana and Jagdish Tiwana. Jagdish Tiwana is the sole director of 224Co.
14. The business of 152Co. and 224Co. was managed by Sajan Sandeep Tiwana (a.k.a. Sunny Tiwana) and Jagdish Tiwana. Sunny Tiwana is the adult son of Jagdish Tiwana ("**Father**").
15. 152Co. owned the real property municipally known as 12016 Airport Road, Caledon, Ontario (the "**Airport Road Property**").
16. 224Co. owned the real property municipally known as 35 Cherrycrest Drive, Brampton, Ontario (the "**Cherrycrest Property**").
17. Both the Airport Road Property and the Cherrycrest Property were sold by the Receiver in accordance with the 152Co. AVO and 224Co. AVO. Both sale transactions have closed as further described in the Second Report.
18. Further details about the Companies and the events leading up to the appointment of the Receiver can be found in: (a) the First Report; and, (b) the affidavit of Jaskunwar Gill sworn November 11, 2022, which was filed in support of the Lenders' application.

#### **V. ACTIONS AND ACTIVITIES OF THE RECEIVER**

19. Since the date of the Second Report, the Receiver undertook, among other things, the following actions and activities:
  - a. in accordance with the July Activity Approval Order the Receiver distributed the remaining balance owing to the Lenders. The total distribution amounts paid to the Lenders are set out on the Final SRDs. The Lenders secured indebtedness has now been repaid in full;
  - b. assigned both Companies into bankruptcy on December 1, 2023.
  - c. filed interim reports pursuant to subsection 246(2) of the BIA on January 26, 2024, ~~by~~ 16, 2024, September 18, 2024 and January 20, 2025.
  - d. completed and filed T2 corporate income tax returns for the year ended November 30, 2023 for both 152Co. and 224Co.; and,
  - e. responded to requests of the CRA for records and information in relation to their HST trust examinations of both the pre and post receivership periods for both 152Co. and 224Co;

#### **VI. HST TRUST EXAMINATIONS FOR PERIOD OF RECEIVERSHIP**

20. The Receiver has filed the HST returns on behalf of 224Co. and 152Co. for the period of the receivership administration. CRA completed its trust examination for 152Co. and assessed an HST net tax



refund of \$46,401.57. The refund has not yet been issued by CRA as of the date of this Third Report. If and when the refund is issued the Receiver will transfer the funds to the bankruptcy estate trust account of 152Co. CRA completed its trust examination for 224Co. and issued an HST reassessment indicating a net tax payable amount of \$6,068.07. The Receiver paid this balance.

## **VII. REMAINING ASSETS AND LIABILITIES**

### *Assets*

21. The only remaining assets of both 224Co. and 152Co. are the cash proceeds remaining from the two sales transaction which the Receiver is currently holding in its estate trust accounts in the aggregate amount of \$800,274 as of June 2, 2025.

### *Secured Liabilities*

22. As set out above, the Lenders has been fully repaid by the Receiver. The Receiver is not aware of any other secured creditors of the Companies.

### *Unsecured Liabilities*

23. AGI, acting in its capacity as Trustee of the bankruptcy estates of both Companies filed T2 corporate income tax returns for the year ended November 30, 2023 (the "**Tax Returns**"). The taxable gains resulting from the sale of the real estate pursuant to the 224Co. Transaction and the Airport Road Transaction were reported in the Tax Returns. The CRA have assessed the Tax Returns and have filed unsecured claims in the bankruptcy proceedings with the Trustee in respect of corporate income tax for both 224Co. and 152Co in the amounts of \$496,497.54 and \$984,558.10, respectively.

24. The Receiver is not aware of any other material unsecured creditors of either 224Co. or 152Co. other than CRA.

## **VIII. FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS**

25. Attached hereto at **Appendix "H"** are the Receiver's statements of receipts and disbursements for each of the Companies as at June 2, 2025 (defined above as the Final SRDs).

## **IX. RECEIVER'S AND ITS COUNSEL'S ACCOUNTS**

26. Pursuant to paragraph 19 of the Amended Appointment Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and the fees and disbursements of the Receiver's legal counsel constitute part of the "Receiver's Charge".

27. The fees of the Receiver for the period from October 13, 2023 to ~~by~~ 20, 2025 are detailed in the affidavit of Tom ~~Mc~~Elroy sworn on June 2, 2025 a copy of which is attached as **Appendix "I"**.

28. The Receiver's fees encompass 154.5 hours at an average hourly rate of approximately \$543.95 for a total of \$84,040.00 plus applicable taxes. The Receiver is therefore requesting that this Court approve total fees inclusive of applicable taxes in the amount of \$94,965.20.

29. The fees and disbursements of Paliare Roland for the period October 8, 2023 to ~~by~~ 28, 2025 are detailed in the affidavit of Beatrice Loschiavo affirmed ~~by~~ 28, 2025, a copy of which is attached as **Appendix "J"**.

30. Paliare Roland's fees encompass 13.4 hours at an average hourly rate of approximately \$874 for total fees of \$11,715 and accounts totalling \$13,232.96 inclusive of disbursements and applicable taxes. The Receiver is therefore requesting that this Court approve Paliare Roland's total fees and disbursements inclusive of applicable taxes in the amount of \$13,232.96.

31. The Receiver is of the view that the hourly rates charged by Paliare Roland are consistent with the rates charged by law firms practising in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.

32. Set out on the Final SRDs are the Receiver's estimated fee and disbursement accruals required to complete its mandate which accruals include its estimated fees, the estimate fees of Paliare Roland as well as the estimated administrative disbursements of the Receiver (the "**Estimated Final Accruals**"). The Receiver is of the view that the Estimated Fee Accruals are reasonable in the circumstances and is requesting that this Honourable Court approve the Estimated Final Accruals.

#### **X. REMAINING ACTIVITIES OF THE RECEIVER**

33. In order to complete its mandate, the Receiver intends to, *inter alia*, do the following:

- a. pay the final fees of the Receiver and counsel to the Receiver as set out in the Estimated Fee Accruals (defined below);
- b. collect the HST refund assessed by CRA for 152Co., to the extent that such refund is not applied by the CRA against pre-appointment CRA arrears;
- c. transfer the remaining funds in the Receiver's trust accounts to the bankruptcy estate trust accounts for both Companies; and,
- d. undertake such other administrative activities as may be required to complete its mandate.

(collectively, the "**Remaining Activities**")

34. Upon the Receiver completing the Remaining Activities set out above it shall file with the Court the Discharge Certificate in order to effect its discharge as Receiver of the Companies.

## **XI. RECEIVER'S REQUEST FOR APPROVAL**

35. The Receiver respectfully requests an Order of this Honourable Court providing for the relief set out in paragraph 6 of this Second Report.

All of which is respectfully submitted this 2nd day of June 2025

**ALBERT GELMAN INC., solely in its  
capacity as Court-Appointed Receiver  
of each of the Companies, and not in  
any other capacity**

Per:

\_\_\_\_\_  
Tom M. Elroy, CIRP, LIT

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

THE HONOURABLE	)	THURSDAY, THE 1ST
	)	
JUSTICE KIMMEL	)	DAY OF DECEMBER, 2022

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**ORDER**  
**(Appointing Receiver)**

THIS APPLICATION made by the Applicants 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 Albert Gelman Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. and 1526400 Ontario Inc. (the

"Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at via videoconference.

ON READING the affidavit of Jaskunwar Gill sworn November 4, 2022, and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Respondents and those parties listed on the counsel slip, no one else appearing for any other person although duly served as appears from the affidavit of service of Shahista Afroze sworn November 11, 2022 and on reading the consent of Albert Gelman Inc. to act as the Receiver, and upon being advised of the consent of the parties as set forth in the court's endorsement of today's date,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Albert Gelman Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, 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 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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed

shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, 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.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

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

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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



Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

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

## **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors 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 Debtors' 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 Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

## **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such

amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order,

be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (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.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

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

Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Digitally signed by Jessica  
Kimmel  
Date: 2022.12.01 15:43:32  
-05'00'





SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-22-00690513-00CL DATE: 1 December 2022

6  
NO. ON LIST: 12 PM

TITLE OF PROCEEDING: 2046245 ONTARIO ET AL -v- 2244039 ONTARIO ET AL

BEFORE JUSTICE: KIMMEL

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
BOTA McNAMARA	Applicants' Counsel	<a href="mailto:bmcnamara@kmblaw.com">bmcnamara@kmblaw.com</a>

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info
PAUL MAND	Respondents' Counsel	<a href="mailto:pmand@mandlaw.com">pmand@mandlaw.com</a>

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
BRYAN GELMAN	Proposed Receiver	<a href="mailto:jalbert@albertgelman.com">jalbert@albertgelman.com</a>

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**ENDORSEMENT OF JUSTICE KIMMEL:**

1. The parties have come to an agreement on the terms of an order for the appointment of a receiver on the condition that it be stayed. Counsel advise that no other person served with this application has responded or taken any position and that there are no other known creditors or persons who would have cause to object to the order and the terms and conditions herein.
2. The below endorsement was drafted by the parties and has been jointly submitted by them for the court's approval. It is approved. Order to go in the form signed by me today, subject to the following terms and conditions:
  1. The application to appoint a receiver is granted in the terms of the draft order set out in the application record herein ("the Appointing Order").
  2. The Appointing Order is stayed until 9am on December 13th, 2022 to permit the Respondents to:
    - a. discharge and pay in full the debt due and owing under The Second 224 and 152 Loan and Security Documents, as defined in the Notice of Application herein; and
    - b. paydown the principal debt due and owing under The First 224 and 152 Loan and Security Documents, as defined in the Notice of Application herein, in the amount of \$1,000,000.00 together with all outstanding interest and fees due and owing under The First 224 and 152 Loan and Security Documents; and
    - c. enter into an agreement in a form reasonable satisfactory to the Applicants to amend The First 224 and 152 Loan and Security Documents that provides:
      - i. to secure a debt of \$9,750,000.00 with a maturity of January 30th, 2023 pursuant to and in accordance with the updated terms and conditions outlined and set out in the new Mortgage Loan Commitment agreed between the parties dated November 30th, 2022 ("New Commitment").
      - ii. the payment of the renewal fee of \$292,500.00.
      - iii. to the extent agreed to by the New Commitment discharge the First 152 Mortgage, the First 152 Assignment, both as defined in the Notice of Application herein, and any other security granted by 1526400 Ontario Inc. to the Applicants.
3. Should the Respondents fulfil the requirements of clauses 2(a), 2(b) and 2(c) above, on or before December 12th, 2022 the Appointing Order is further stayed until 9am on January 31st, 2022.
4. Should the Respondents fail to fulfil the requirements of clauses 2(a), 2(b) and 2(c) above, on or before December 12th, 2022 the Appointing Order shall be of full force and effect as of 9am December 13th, 2022 without need for further order of the court and this endorsement shall have no further effect.
5. Should the Respondents fail to discharge and pay in full the debt due and owing under the amendment to The First 224 and 152 Loan and Security Documents as provide for by clause 2(c) above on or before January 30th, 2023 the Appointing Order shall be of full force and effect as

of 9am January 31st January, 2023 without need for further order of the court and this endorsement shall have no further effect.

6. Should the Respondents discharge and pay in full the debt due and owing under the amendment to The First 224 and 152 Loan and Security Documents as provide for by clause 2(c) above on or before January 30th, 2023 the Appointing Order is withdrawn and dismissed and the Notice of Application is withdrawn and dismissed with no costs payable to either of the parties.

A handwritten signature in black ink, appearing to read "Kimmel J.", with a stylized, cursive script.

KIMMEL J.

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

THE HONOURABLE )  
JUSTICE STEELE )  
TUESDAY THE 19<sup>TH</sup> DAY  
OF JULY, 2022

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**APPROVAL AND VESTING ORDER**

**(35 Cherrycrest Drive, Brampton, ON)**

**THIS MOTION**, made by **ALBERT GELMAN INC.** in its capacity as the receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**") for an order, among other things, approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement between the Receiver and 1000567934 Ontario Inc. (the "**Purchaser**") dated June 15, 2023 (the "**Purchase Agreement**") and vesting in the Purchaser all of 224Co.'s right, title and interest in and to the assets described in the Purchase Agreement (the "**Purchased Assets**"), was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver dated July 7, 2023 and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved.
2. **THIS COURT ORDERS AND DECLARES** that the execution of the Purchase Agreement by the Receiver is authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of 224Co.'s right, title and interest in and to the Purchased Assets described in the Purchase Agreement including those listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Kimmel dated December 1, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 224Co.;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of 224Co., nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other

applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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**Schedule A – Form of Receiver’s Certificate**

Court File No.: CV-22-00690513-00CL

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

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Kimmel of the Ontario Superior Court of Justice (the "**Court**") dated December 1, 2022, Albert Gelman Inc. was appointed as the receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**").

B. Pursuant to an Order of the Court dated July 19, 2023 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale between the Receiver and 1000567934 Ontario Inc. (the "**Purchaser**") dated June 15, 2023 (the "**Purchase Agreement**") and vesting in the Purchaser all of 224Co.’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets in accordance with the Purchase Agreement; (ii) that the conditions of Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the



Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** the following:

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

**Albert Gelman Inc., solely in its capacity as receiver and manager of 224Co. and not in its personal or corporate capacity**

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

## **Schedule B – Purchased Assets**

**All of the 224Co.'s right, title and interest in and to the Property (as defined in the Purchase Agreement) including, without limitation, the following real property:**

### **Municipal Address:**

35 Cherrycrest Drive, Brampton, Ontario

### **Legal Description:**

BLOCK 4, PLAN 43M1813; SUBJECT TO AN EASEMENT IN AS IN PR1659010;  
SUBJECT TO AN EASEMENT AS IN PR1659012; CITY OF BRAMPTON

PIN 14021-1350 (LT)

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

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

<b>Registration No.</b>	<b>Registration Date</b>	<b>Document Type</b>	<b>Party To</b>
PR4009527	2022/03/09	Charge	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4009528	2022/03/09	No Assgn Rent Gen	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4009534	2022/03/09	Postponement	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4015838	2022/03/18	Notice	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4034965	2022/04/20	Charge	2046245 Ontario Inc. 2473560 Ontario Inc. 2222228 Ontario Inc.
PR4034991	2022/04/20	No Assgn Rent Gen	2244039 Ontario Inc.
PR4034992	2022/04/20	Postponement	2473560 Ontario Inc. 2046245 Ontario Inc. 2222228 Ontario Inc.
PR4171355	2023/02/15	APL Court Order	Albert Gelman Inc.

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

**(unaffected by the Vesting Order)**

<b>Registration No.</b>	<b>Registration Date (Y/M/D)</b>	<b>Document Type</b>	<b>Party To</b>
PR657137	2004/06/16	Notice of Agreement	The Regional Municipality of Peel
PR1659010	2009/06/25	Transfer Easement	The Regional Municipality of Peel
PR1659012	2009/06/25	Transfer Easement	Hydro One Brampton Networks Inc.
43M1813	2010/04/20	Plan of Subdivision	
PR1809279	2011/04/23	Notice of Subdivision Agreement	Woodspring Homes Ltd.
PR1827426	2010/04/23	Application to Annex Restrictive Covenants	Woodspring Homes Ltd.
PR1829343	2010/05/31	Transfer	2244039 Ontario Inc.
PR2485335	2014/01/09	Notice of Agreement	The Corporation of the City of Brampton
PR2941894	2016/07/04	Notice of Lease	The TDL Group Corp.
43R39599	2020/09/16	Reference Plan	
PR3765919	2021/01/18	Notice of Lease	Bell Mobility Inc.
PR3993922	2022/02/10	Notice of an Unregistered Estate, Right, Interest of Equity	Global Fuels Inc.

**2046245 ONTARIO INC., et al.**  
Applicants

-and-

**2244039 ONTARIO INC. et al.**  
Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

155 Wellington Street West  
35th Floor  
Toronto, ON M5V 3H1  
Tel: 416.646.4300  
Fax: 416.646.4301

**Jeffrey Larry** (LSO# 44608D)

Tel: 416.646.4330  
jeff.larry@paliareroland.com

Lawyers for the Receiver

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

THE HONOURABLE	)	TUESDAY THE 19 <sup>TH</sup> DAY
	)	
JUSTICE STEELE	)	OF JULY, 2022

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**APPROVAL AND VESTING ORDER**

**(12016 Airport Road, Caledon, ON)**

**THIS MOTION**, made by **ALBERT GELMAN INC.** in its capacity as the receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**") for an order, among other things, approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement between the Receiver and 2484460 Ontario Inc. (the "**Purchaser**") dated June 14, 2023 (the "**Purchase Agreement**") and vesting in the Purchaser all of 152 Co.'s right, title and interest in and to the assets described in the Purchase Agreement (the "**Purchased Assets**"), was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver dated July 7, 2023 and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved.

2. **THIS COURT ORDERS AND DECLARES** that the execution of the Purchase Agreement by the Receiver is authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of 152Co.'s right, title and interest in and to the Purchased Assets described in the Purchase Agreement including those listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Kimmel dated December 1, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of 152Co.;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of 152Co., nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other



applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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**Schedule A – Form of Receiver’s Certificate**

Court File No.: CV-22-00690513-00CL

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

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Kimmel of the Ontario Superior Court of Justice (the "**Court**") dated December 1, 2022, Albert Gelman Inc. was appointed as the receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**").

B. Pursuant to an Order of the Court dated July 19, 2023 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale between the Receiver and 2484460 Ontario Inc. (the "**Purchaser**") dated June 14, 2023 (the "**Purchase Agreement**") and vesting in the Purchaser all of 152Co.’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets in accordance with the Purchase Agreement; (ii) that the conditions of Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the

Transaction has been completed to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** the following:

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

**Albert Gelman Inc., solely in its capacity as receiver and manager of 152Co. and not in its personal or corporate capacity**

Per:

---

Name

Title

## **Schedule B – Purchased Assets**

**All of the 152Co.'s right, title and interest in and to the Property (as defined in the Purchase Agreement) including, without limitation, the following real property:**

### **Municipal Address:**

12016 Airport Road, Caledon, Ontario

### **Legal Description:**

PART LOT 18 CON 6 EHS CHING DES PTS 1, 6 PL 43R-31661; CALEDON; S/T EASEMNT OVER PT LT 18 CON 6 EHS DES PT 6 PL 43R-31661, AS IN PR 1409645; T/W EASEMENT OVER PT LT 18 CON 6 EHS DES PT 7 PL 43R-31661, AS IN PR 1409649; S/T EASEMENT

PIN 14347-0314 (LT)

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

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

<b>Instrument No.</b>	<b>Registration Date</b>	<b>Instrument Type</b>	<b>Party To</b>
PR4009538	2022/03/09	Charge	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4009539	2022/03/09	No Assgn Rent Gen	2046245 Ontario Inc. 2222228 Ontario Inc. 2473441 Ontario Inc.
PR4035001	2022/04/20	Charge	2046245 Ontario Inc. 2473560 Ontario Inc. 2222228 Ontario Inc.
PR4035005	2022/04/20	No Assgn Rent Gen	1526400 Ontario Inc.
PR4035006	2022/04/20	Postponement	2473560 Ontario Inc. 2046245 Ontario Inc. 2222228 Ontario Inc.
PR4171356	2023/02/15	APL Court Order	Albert Gelman Inc.

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

**(unaffected by the Vesting Order)**

<b>Registration No.</b>	<b>Registration Date (Y/M./D)</b>	<b>Document Type</b>	<b>Party To</b>
LT2057426	2000/03/27	Notice of Airport Zoning Regulations	Her Majesty The Queen in Right of The Department of Transport Canada
PR265430	2002/06/24	Transfer	1526400 Ontario Inc.
PR895287	2005/07/28	Notice of Lease	The TDL Group Corp.
PR1180882	2006/12/06	Notice of Lease	Shell Canada Products Limited
43R31661	2007/08/03	Reference Plan	
PR1370295	2007/11/13	Notice of Site Plan Control Agreement	The Regional Municipality of Peel
PR1370295	2017/11/13	Postponement	The Regional Municipality of Peel
PR1370298	2017/11/13	Postponement	The Regional Municipality of Peel
PR1393666	2007/12/21	Notice of Site Plan Control Amending Agreement	The Regional Municipality of Peel
PR1401718	2008/01/15	Notice of Agreement	The Corporation of the Town of Caledon
PR1409645	2008/01/31	Transfer Easement	Orchard Garden Markets Ltd.
PR1409646	2008/01/31	Postponement	Orchard Garden Markets Ltd.

PR1409648	2008/01/31	Postponement	Orchard Garden Markets Ltd.
PR1413426	2008/02/08	Application to Instrument	Shell Canada Limited
PR1531547	2008/09/12	Transfer Easement	The Corporation of the Town of Caledon

**2046245 ONTARIO INC., et al.**  
Applicants

-and-

**2244039 ONTARIO INC. et al.**  
Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

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**Jeffrey Larry** (LSO# 44608D)

Tel: 416.646.4330  
jeff.larry@paliareroland.com

Lawyers for the Receiver



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

THE HONOURABLE	)	TUESDAY THE 19 <sup>TH</sup> DAY
	)	
JUSTICE STEELE	)	OF JULY, 2022

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**ANCILLARY RELIEF ORDER**

**THIS MOTION**, made by **ALBERT GELMAN INC.** in its capacity as the receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**") for an order, among other things, approving the sale transactions contemplated by asset purchase agreements between the Receiver and identified purchaser and various ancillary relief described in the First Report of the Receiver dated July 7, 2023 (the "**First Report**"), was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report and the Appendices and Confidential Appendices attached thereto, and on hearing the submissions of counsel for the Receiver and such other counsel who were present:

1. **THIS COURT ORDERS** that the First Report and the conduct and activities of the Receiver set out therein be and are hereby approved.
  2. **THIS COURT ORDERS** that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Receiver's report detailed in paragraph 1 above.
  3. **THIS COURT ORDERS** that Confidential Appendices A, C and E to the First Report be and are hereby sealed until the closing of the sale of Cherrycrest Purchased Assets (as defined in the First Report) and that Confidential Appendices B, D and F to the First Report be and are hereby sealed until the closing of the sale of the Airport Road Purchased Assets (as defined in the First Report).
  4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period to June 27, 2023 as set out in the First Report, be and are hereby approved.
  5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Paliare Roland Rothstein Rosenberg LLP and Wildeboer Dellelce LLP for the respective periods November 9, 2022 to June 30, 2023 and February 24, 2023 to June 30, 2023 all as set out in the First Report, be and are hereby approved.
  6. **THIS COURT ORDERS** that the Receiver is authorized, but not obligated, to make the Interim Distributions (as described and defined in the First Report).
  7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
-

**2046245 ONTARIO INC., et al.**  
Applicants

-and-

**2244039 ONTARIO INC. et al.**  
Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
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Lawyers for the Receiver



SUPERIOR COURT OF JUSTICE

**COUNSEL SLIP**

COURT FILE NO.: CV-22-00690513-00CL

DATE: July 19, 2023

REGISTRAR: Julietta Costa-Singh

NO. ON LIST: 4

TITLE OF PROCEEDING: 2046245 ONTARIO INC. et al v. 2244039 ONTARIO INC. et

al

BEFORE JUSTICE: STEELE

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Bota McNamara	Counsel for the Applicants	bmcnamara@kmblaw.com

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Jefferey Larry	Counsel for the Receiver	Jeff.larry@paliarerolnad.com
Kassidy Doherty	Solicitor for the Receiver	KDOHERTY@wildlaw.ca

**ENDORSEMENT OF JUSTICE STEELE:**

1. Motion by the Receiver heard via Zoom on July 19, 2023. The Receiver seeks the Court's approval of (i) two sale transactions involving real property of the Debtors, (ii) a temporary sealing order, (iii) the Receiver's report and activities, (iv) fees, and (v) an interim distribution to the secured creditor.
2. The relief sought is not opposed.
3. The requested relief is granted.

#### *Sale Transactions*

4. The Receiver has entered into asset purchase agreements for the sale of the Debtors' two real properties: the Cherrycrest Property and the Airport Road Property. The Receiver conducted a sales process, including a listing for each property on MLS for 46 days and a bid deadline. During the listing period there were approximately 130 NDAs signed for each property.
5. The Court of Appeal in *Royal Bank of Canada v. Soundair Corporation*, 1991 CanLII 2727 (Ont. C.A.) set out the criteria to be applied when considering the approval of a sale by a receiver:
  - a. Whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
  - b. Whether the interests of all parties have been considered;
  - c. The efficacy and integrity of the process by which offers are obtained; and
  - d. Whether there has been unfairness in the workout of the process.
6. The Receiver notes the following:
  - a) The Properties were listed on MLS for 46 days;
  - b) The offers made in each APA was for greater consideration than the other offers received;
  - c) The consideration for each property was greater than the appraised amount; and
  - d) Neither APA contains a condition that would delay closing.
7. The Receiver recommends that the Court authorize the transactions. Based on the record before me, the marketing process was fair and transparent, and the consideration received is greater than the appraised value and the other offers. There is no reason to interfere with the Receiver's recommendation.
8. The sale transactions of the two properties are approved.

#### *Temporary Sealing Order*

9. The Receiver seeks an order sealing the asset purchase agreements for the two properties, the appraisals for the properties, and the details regarding the offers received on the properties (Confidential Appendices A, C and E related to the Cherrycrest Transaction, and Confidential Appendices B, D, and F related to Airport Road Transaction). The Receiver's request is that the sealing order be time limited pending the closing of the respective transaction or further order of the Court.

The information is commercially sensitive and could prejudice the sale of the properties if the contemplated transactions do not close.

10. Subsection 137(2) of the *Courts of Justice Act* provides that the Court may order that any document filed in a civil proceeding be treated as confidential, sealed, and not form part of the public record. In addition to the jurisdiction under the *Courts of Justice Act*, the Court has the inherent jurisdiction to issue sealing orders: *Fairview Donut Inc. v. The TDL Group Corp.*, 2010 ONSC 789, at para. 34.
11. The requested partial sealing order is limited in scope (only the documents noted above) and in time (until each transaction is completed or further Court Order). The proposed partial sealing order balances the open court principle and legitimate commercial requirements for confidentiality in the circumstances. In my view, the benefits of the requested sealing order outweigh the negative effects. Importantly, the sealing order will preserve the integrity of the sale process. This greatly outweighs any negative effect that may result from temporarily restricting public access to a very limited amount of information. Further, granting the requested order is consistent with the Court's practice of granting limited partial sealing orders in conjunction with an approval and vesting order.
12. I am satisfied that the limited nature and scope of the proposed sealing order is appropriate and satisfies the *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC requirements, as modified in *Sherman Estate*.
13. The Receiver is directed to provide the sealed confidential exhibit to the Court clerk at the filing office in an envelope with a copy of this endorsement and the signed order (with the relevant provisions highlighted) so that the confidential exhibit can be physically sealed.

#### *Interim Distribution*

14. The ancillary relief requested also includes an interim distribution to the secured creditor up to the amount of the indebtedness. The total proceeds of sale for the two properties exceed the outstanding indebtedness to the secured creditor.
15. The Receiver received an opinion from its counsel that the Lenders have a valid and enforceable first and second charge against the Properties.

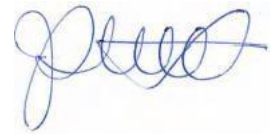
#### *Approval of Report and Fees*

16. The Receiver's activities were carried out in accordance with the authority it was granted. The Receiver appears to have acted reasonably and in the best interests of the stakeholders. This Court has the inherent jurisdiction to approve the Receiver's activities: *Bank of America Canada v. Willann Investments Ltd.*, (1993) 20 C.B.R. (3d) 223 (ONSC), at paras. 3 and 4.
17. The Receiver seeks approval of its fees and disbursements and those of its counsel detailed in the Receiver's First Report. I note that the Receiver retained Paliare Roland to act as its general counsel, and Wideboer Dellelce to act as transactional legal counsel.
18. The Court is focused on whether the fees and disbursements incurred in carrying out the receivership were fair and reasonable. The following are guidelines the Court may consider:

- a. The nature, extent and value of the assets;
- b. The complications and difficulties encountered;
- c. The degree of assistance provided by the debtor;
- d. The time spent;
- e. The receiver's knowledge, experience and skill;
- f. The diligence and thoroughness displayed;
- g. The responsibilities assumed;
- h. The results of the receiver's efforts; and
- i. The cost of comparable services when performed in a prudent and economical manner:  
*Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 (Ont. C.A.), at paras. 33 and 45.

19. Fee affidavits were filed. I am satisfied that the fees and disbursements are fair and reasonable in the circumstances.

20. Orders (the approval and vesting orders and ancillary order) to go in the forms signed by me today.

A handwritten signature in blue ink, appearing to be "J. Diemer", is located in the lower right quadrant of the page. The signature is fluid and cursive, with a horizontal line crossing through the middle of the letters.

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

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED; AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**FIRST REPORT OF THE RECEIVER**

(Dated July 7, 2023)

**I. INTRODUCTION**

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver (in such capacity, the "**Receiver**") appointed, without security, over all of the assets, undertakings and properties (together, the "**Property**") of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**" and, together with 224Co., the "**Companies**") by Order of the Ontario Superior Court of Justice, Commercial List (the "**Court**"), dated December 1, 2023 (the "**Appointment Order**"), made pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended ("**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O 1990, c. 43, as amended. The application which resulted in the Appointment Order was commenced by 2046245 Ontario Inc. ("**204**"), 2222228 Ontario Inc. ("**222**"), 2473560 Ontario Inc. ("**560**") and 2473441 Ontario Inc. ("**441**") (collectively, the "**Lenders**"). A copy of the Appointment Order along with the



endorsement of Justice Kimmel made December 1, 2022 (the “Endorsement”) is attached hereto as **Appendix “A”**.

2. The Endorsement provided that the Appointment Order was stayed until 9 a.m. (Toronto time) on December 13, 2022 pursuant to certain conditions which included, among other things, partial and full payment of certain of the loan(s) of the Lenders as well as amending certain lending and security agreements. The conditions as set out in the Endorsement were not met and, as a result, the Appointment Order went into effect as of December 13, 2022 at 9 a.m. (Toronto time) (the “**Appointment Date**”).

3. The Receiver carried out a sales process (the “**Sales Process**”) to sell both the Cherrycrest Property and Airport Road Property (both terms defined below) which resulted in the Receiver entering into asset purchase agreements for both of the properties. The Receiver is now seeking, among other things, Court approval of both the Cherrycrest Transaction and the Airport Road Transaction (both terms defined below) as contemplated by the above noted asset purchase agreements, as more particularly set out below.

## **II. PURPOSE OF THIS REPORT**

4. The First Report is filed to:

- a. report on the Receiver’s activities in these receivership proceedings since the Appointment Date;
- b. request an Order, among other things:
  - i. approving this First Report and the actions and activities of the Receiver described herein;
  - ii. approving and authorizing the Receiver to enter into and carry out the terms of the sale transaction (the “**Cherrycrest Transaction**”) contemplated by an Asset Purchase Agreement dated June 15, 2023 together with any further amendments thereto deemed necessary by the Receiver in its sole discretion (the “**Cherrycrest Purchase Agreement**”), entered into between the Receiver, as seller, and 1000567934 Ontario Inc. (the “**Cherrycrest Purchaser**”), as purchaser, and vesting in the Cherrycrest Purchaser, 224Co.’s right, title and interest in and to the following:
    - the real property municipally known as 35 Cherrycrest Drive, Brampton, Ontario and legally described as BLOCK 4, PLAN 43M1813; SUBJECT TO AN EASEMENT IN AS IN PR1659010; SUBJECT TO AN EASEMENT AS IN PR1659012; CITY OF BRAMPTON (the “**Cherrycrest Property**”); and,
    - the contracts, inventory and books and records, all as defined in the Cherrycrest Purchase Agreement (the “**Cherrycrest Business Assets**”)(collectively, the “**Cherrycrest Purchased Assets**”);

- iii. approving and authorizing the Receiver to enter into and carry out the terms of the sale transaction (the “**Airport Road Transaction**”) contemplated by an Asset Purchase Agreement dated June 14, 2023 together with any further amendments thereto deemed necessary by the Receiver in its sole discretion (the “**Airport Road Purchase Agreement**”), entered into between the Receiver, as seller, and 2484460 Ontario Inc. (the “**Airport Road Purchaser**”), as purchaser, and vesting in the Airport Road Purchaser, 152Co.’s right, title and interest in and to the following:
- The real property municipally known as 12016 Airport Road, Caledon, Ontario and legally described as: PART LOT 18 CON 6 EHS CHING DES PTS 1, 6 PL 43R-31661; CALEDON; S/T EASEMNT OVER PT LT 18 CON 6 EHS DES PT 6 PL 43R-31661, AS IN PR 1409645; T/W EASEMENT OVER PT LT 18 CON 6 EHS DES PT 7 PL 43R-31661, AS IN PR 1409649; S/T EASEMENT (the “**Airport Road Property**”); and,
  - the contracts and books and records, all as defined in the Airport Road Purchase Agreement, (the “**Airport Business Assets**”);  
(collectively, the “**Airport Road Purchased Assets**”);
- iv. sealing the unredacted versions of the Cherrycrest Purchase Agreement, Airport Road Purchase Agreement, the Appraisals (defined below) as well as the summary of offers received for both properties until closing of the respective transactions;
- v. approving the fees and disbursements of the Receiver and its legal counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) and Wildeboer Dellelce LLP (“**Wildeboer Dellelce**”), as outlined herein and detailed in the supporting fee affidavits appended hereto;
- vi. approving the Interim Distributions (as defined below) to the Lenders and the Canada Revenue Agency (“**CRA**”) as outlined below; and
- vii. such further and other relief as this Honourable Court may deem just.

### III. SCOPE AND TERMS OF REFERENCE

5. In preparing this First Report, the Receiver has obtained and relied upon certain unaudited financial information and records of the Companies, had discussions with Sajan Sandeep Tiwana (aka Sunny) as well as with the Companies external accountant, Anil Sharma. In addition, the Receiver has had ongoing discussions with representatives of the Lenders and their legal counsel and relied on certain loan information provided by them.

6. While the Receiver has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the

Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

7. This First Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose.

8. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

9. This First Report, and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver's website at: <https://www.albertgelman.com/corporate-solutions/other-engagements/> (the "**Case Website**") and will remain available on the website for a period of six (6) months following the Receiver's discharge.

#### **IV. BACKGROUND INFORMATION**

10. 152Co. and 224Co. were incorporated in Ontario on May 29, 2002 and December 7, 2016, respectively.

11. The directors of 152Co. are Harcharan Tiwana and Jagdish Tiwana. Jagdish Tiwana is the sole director of 224Co.

12. The business of 152Co. and 224Co. was managed by Sajan Sandeep Tiwana (a.k.a. Sunny Tiwana) and Jagdish Tiwana. Sunny Tiwana is the adult son of Jagdish Tiwana ("**Father**").

##### Business of 1526400 Ontario Inc

13. 152Co. is the owner of the Airport Road Property. The Airport Road Property is fully leased to both Shell Canada Products ("**Shell**") who own and operate a Shell gas bar and Select retail store and The TDL Group Corp. ("**TDL**") who own and operate a Tim Horton's retail restaurant.

14. The lease with Shell commenced on March 1, 2008 for a term of twenty years, with two five-year renewal options.

15. The lease with TDL commenced on February 11, 2008 for a term of twenty years, with two five-year renewal options.

16. The lease with TDL contains a right of first refusal ("**ROFR**") granted by 152Co. to TDL. The lease with Shell also contains a ROFR granted to Shell, which is subject to the prior ROFR granted to TDL.

17. The Receiver negotiated with Shell to waive its ROFR during the Receiver's sale process, on the condition that Shell's lease is assumed by any purchaser. The Receiver also negotiated with TDL to waive its ROFR during the Receiver's sale process, on the condition that TDL could participate in the sales process and any purchaser must assume the TDL lease.

18. Set out below is a summary 152Co.'s unaudited income statement for the year ended December 31 2021.

**1526400 Ontario Inc.**  
**Summary of unaudited income statement**  
**For the fiscal year ended December 31, 2021**

Revenue (real property lease income)	\$ 272,000
Expenses	
Bank Charges	1,319
Cleaning and janitorial	3,983
Consultancy	1,200
Insurance	9,280
Landscaping and Plantation Expenses	19,990
Miscellaneous Expenses	260
Repair and Maintenance	17,759
Staff Costs	50,425
Telephone	3,587
Vehicle Repairs	2,836
Total Expenses	110,639
Earnings before interest, taxes and amortization	161,361
Less: Provision for income tax	4,441
Less: Mortgage and bank interest	101,718
Less: Amortization of tangible assets	23,056
Net Income	\$ 32,146

19. The Receiver has the following comments with respect to the above financial information:
- property lease revenue for 2023 is currently \$296,200;
  - realty taxes are paid as additional rent by the tenants and excluded from both revenue and expenses; and,
  - the majority of the staffing costs of \$50,425 were paid to Sunny Tiwana.

Business of 2244039 Ontario Inc.

20. 224Co. is the owner of the Cherrycrest Property.
21. 224Co. owns and operates an Esso gas bar, car wash and “On the Run” convenience store from the Cherrycrest Property.
22. 224Co. also leases portions of the Cherrycrest Property to TDL, 1280438 Ontario Ltd (“**128Co.**”) and Bell Mobility Inc. (“**Bell**”).
23. TDL owns and operates a takeout Tim Horton’s coffee bar within the “On the Run” convenience store. The lease with TDL commenced on October 25, 2013, for a term of ten years, with two five-year renewal options.

24. 128Co. operates a KFC/Taco Bell restaurant franchise from a stand alone building on the Cherrycrest Property. The lease with 128Co. was executed effective May 22, 2012 and amended effective May 7, 2016 to provide for occupancy on August 1, 2016 with a six month rent free fixturing period. The lease is for a period of ten years, with two five-year renewal options.

25. The lease with Bell allows Bell to operate a wireless communications tower. The lease was executed on January 1, 2012, for a term of five years, with three five-year renewal options.

26. Set out below is a summary 224Co's. unaudited income statement for the year ended December 31, 2021.

<b>2244039 Ontario Inc.</b> <b>Summary of unaudited income statement</b> <b>For the fiscal year ended December 31, 2021</b>	
Revenue	\$ 10,824,166
Gross Profit	1,299,831
Rental revenue	170,831
	<u>1,470,662</u>
<b>Expenses</b>	
Advertising and promotion	8,777
Automobile	10,650
Bank and credit card charges	150,883
General and administrative	27,034
Insurance	11,841
Meals and entertainment	11,977
Office	10,663
Professional fees	38,720
Property taxes	75,090
Royalty fees	16,667
Repairs and maintenance	39,507
Salaries and wages	178,042
Telephone	3,005
Utilities	30,979
Canada emergency wage subsidies	(9,138)
Total operational expenses	<u>604,697</u>
Earnings before interest, taxes and amortization	865,965
Less: Provision For Income Tax	14,728
Less: Interest Expense	543,396
Less: Amortization of Tangible Assets	213,840
Net Income	<u>\$ 94,001</u>

27. The Receiver has the following comments with respect to the above financial information:

- a. revenue and gross profit relate to the gas station operations, convenience store and car wash owned and operated by 224Co.;

- b. rental revenue relates to lease income with TDL, 128Co. and Bell; and
  - c. the salaries and wages were substantially paid to arm's length employees.
28. Further details about the Companies and the events leading up to the appointment of the Receiver can be found in the affidavit of Jaskunwar Gill (the "**Lenders' Representative**") sworn November 11, 2022, which was filed in support of the Lenders' application.

## **V. ACTIONS AND ACTIVITIES OF THE RECEIVER**

29. Since the Appointment Date the Receiver undertook, among other things, the following actions and activities:

### Cherrycrest Property

- a. met with Sunny Tiwana and his Father at the Cherrycrest Property on December 14, 2023, during which meeting the Receiver carried out the following:
  - i. inquired into the operations of the gas station, retail store and car wash and discussed security, key employees, cash controls, banking authorities, utilities and status of the Ontario Lottery and Gaming Corporation ("**OLG**") License;
  - ii. noted the fuel inventory levels;
  - iii. inspected and photographed the retail inventories;
- b. requested that Sunny Tiwana provide the Receiver with copies of relevant agreements and records, including:
  - i. latest statements/invoices for all utility companies;
  - ii. latest statements for all CRA accounts;
  - iii. historical sales reports from Global Fuel;
  - iv. insurance policies;
  - v. bank statements covering all transactions for the previous two weeks;
  - vi. contact information for the external accountant;
  - vii. snow removal contract; and
  - viii. summary of all creditors.
- c. authorized Sunny to continue managing daily operations, under the supervision and monitoring of the Receiver, subject to the Receiver carrying out all aspects of its mandate, including preparations for the commencement of a sales process;

- d. dismissed Sunny and his Father from the Cherrycrest Property on February 6, 2023 because, among other reasons, they were not responding satisfactorily to the Receiver's ongoing monitoring requests and to allow the Receiver to control the Cherrycrest Property and business operations for the commencement of its sales process. After the Receiver took possession of the Cherrycrest property on February 6, 2023 it undertook, among other things, the following actions and activities:
- i. retained a locksmith to change all exterior locks to the convenience store at the Cherrycrest Property;
  - ii. contacted each of: (i) the owner/operator of the KFC/Taco Bell franchise; (ii) the owner/operator of the Tim Horton's franchise; and, (iii) Bell Canada in order to advise of the appointment of the Receiver and ensure continued payment of rent as well as any rental arrears;
  - iii. attended the Bank of Nova Scotia ("**BNS**") to removed Sunny Tiwana and his Father from the banking authorities and adding a representative of the Receiver as the signing authority on 224Co.'s bank accounts;
  - iv. arranged for ongoing utility services;
  - v. retained 1753927 Ontario Inc. (the "**Cherrycrest Operator**") to operate the gas station, convenience store and car wash including, among other things, the following:
    - a. arranging for fuel deliveries;
    - b. setting daily motor fuel pump prices;
    - c. attending to any repairs and maintenance required at the property;
    - d. purchasing convenience store inventory and tobacco products;
    - e. hiring, managing and paying directly the employees needed for the operations; and,
    - f. depositing the cash sales into the BNS bank account;
  - vi. held discussions with representatives of Global Fuels Inc. ("**Global Fuels**") to advise of the appointment of the Receiver and negotiate a plan for the continued supply of fuel under the existing fuel supply agreement ("**Global Fuels Supply Agreement**");<sup>1</sup>

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<sup>1</sup> Global Fuels is the sole fuel supplier pursuant to a Motor Fuel Supply Agreement between 224Co. and Global Fuels dated January 1, 2018 and amended on November 9, 2020;

- vii. negotiated an agreement with Global Fuels whereby they agreed to temporarily waive their Right of First Refusal contained in the Global Fuels Supply Agreement during the Sales Process;
- viii. contacted both the Alcohol and Gaming Commission of Ontario (“AGCO”) and the OLG to activate the ‘lottery’ terminal which had been de-activated when the Receiver took possession of the Cherrycrest Property;<sup>2</sup>
- ix. applied for renewal of the expired business licenses with the City of Brampton;
- x. advised the City of Brampton of the Receiver’s appointment and requested current property tax certificates;

#### 12016 Airport Road, Caledon

- a. attended the Bank of Nova Scotia (“**BNS**”) branch to remove Sunny Tiwana and his Father from the signing authorities and to add a representative of the Receiver as signing authority on 152Co.’s operating bank accounts;
- b. contacted both TDL and Shell to advise of the Receiver’s appointment and to confirm continuous payment of rent;
- c. negotiated with both TDL and Shell to temporarily waive their right of first refusal provisions included in their respective lease agreements during the sales process;
- d. contacted the Town of Caledon to advised of the Receiver’s appointment and requested a current property tax certificate;

#### Other Actions of the Receiver

- e. retained Paliare Roland (prior to its appointment) to act as the Receiver’s general counsel and Wildeboer Dellelce to act as transactional legal counsel;
- f. arranged for the mail of both 152Co. and 224Co. to be forwarded to the office of the Receiver;
- g. reviewed the existing insurance coverage for adequacy and contacted the insurance broker for the Companies to request that the Receiver be added as an additional insured and loss payee on the policies;

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<sup>2</sup> OLG temporarily deactivate the ‘lottery’ terminal pending their review and acceptance of the Receiver’s application.



- h. retained Avison Young to prepare appraisals of both the Cherrycrest Property and the Airport Road Property (the “**Appraisals**”). Attached hereto as **Appendices “B” and “C”** are copies of the Appraisals which have had the capitalization rates and market values redacted. Unredacted versions of both appraisals are included as **Confidential Appendices “A” and “B”**;
- i. solicited listing proposals for the properties from three real estate brokerages and ultimately retaining Cushman & Wakefield ULC (“**C&W**”) as the listing agent for both properties;
- j. retained Fisher Engineering Limited (“**Fisher**”) to conduct current sampling and analysis of groundwater for both the Cherrycrest Property and the Airport Road Property;<sup>3</sup>
- k. prepared and issued the prescribed notices (together, the “**Receiver’s Notices**”) pursuant to Section 245(1) and 246(1) of the BIA on December 23, 2023. Copies of the Receiver’s Notices are attached hereto as **Appendix “D”**
- l. contacted the company’s external accountant to obtain certain of the books and records of the Companies and completed financial statements and tax returns;
- m. undertook the Sales Process to sell both the Cherrycrest Property and the Airport Road Property;
- n. contacted the CRA to confirm the amounts owing by the Companies for all CRA accounts;
- o. provided regular updates to the Lenders’ Representative regarding the administration of the receivership;
- p. in accordance with paragraph 25 of the Appointment Order, established the Case Website which the Receiver maintains and populates and,
- q. responded to the enquiries from various creditors and other stakeholders.

## **VI. ASSETS AND LIABILITIES**

### **Assets**

224Co.

30. 224Co.’s tangible assets consist of the following:

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<sup>3</sup> CSA standard Phase II ESA’s for both properties had been completed by Fisher in January/February 2022

- a. the Cherrycrest Property;
- b. the business, equipment and inventory of the gas station, retail store and car wash; and
- c. the property lease agreements with TDL, KFC/Taco Bell and Bell

152Co.

31. 152Co.'s tangible assets are the Airport Road Property and the property lease agreements with Shell and TDL.

### **Secured Liabilities**

#### **Mortgages over Real Property**

**224Co.**

32. 224Co. granted certain of the Lenders the following charges on the Cherrycrest Property:

- a. a first charge in favour of 204, 222 and 560 in the amount of \$10,750,000; and
- b. a second charge in favour of 204, 222 and 441 in the amount of \$3,800,000.

33. The Receiver engaged its legal counsel, Paliare Roland, to provide an independent legal opinion in respect of the validity and enforceability of the Lenders' security over the Cherrycrest Property (the "**Security Opinion**").<sup>4</sup>

34. Subject to the standard assumptions and qualifications contained in the opinion, Paliare Roland is of the opinion that: (i) 204, 222 and 560 have a valid and enforceable first charge in accordance with its terms against the Cherrycrest Property; and (ii) 204, 222 and 441 have a valid and enforceable second charge in accordance with its terms against the Cherrycrest Property.

**152Co.**

35. 152Co. granted certain of the Lenders the following charges on the Airport Road Property:

- a. a first charge in favour of 204, 222 and 560 in the amount of \$10,750,000; and
- b. a second charge in favour of 204, 222 and 441 in the amount of \$2,000,000.

36. Subject to the standard assumptions and qualifications contained in the opinion, Paliare Roland is of the opinion that: (i) 204, 222 and 560 have a valid and enforceable first charge in accordance with its terms against the Airport Road Property; and (ii) 204, 222 and 441 have a valid and enforceable second charge in accordance with its terms against the Airport Road Property.

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<sup>4</sup> A copy of the Security Opinion in respect of Lenders security is available to the Court upon request.

### *PPSA Security*

37. The Receiver continues to take steps to ascertain the status of certain registrations under the *Personal Property Security Act* (Ontario) ("**PPSA Security**") in respect to both 152Co. and 224Co. The Receiver will report further on these registrations in its next report to the Court.

38. As described below, the Receiver's proposed Interim Distribution (as defined below) will be premised on the consideration received for the Cherrycrest Property and the Airport Road Property (but not any consideration for other purchased assets to which PPSA Security may attach).

### *Realty Taxes*

39. The Receiver estimates the realty tax arrears for 224Co. will be approximately \$125,000 at July 31, 2023 based upon the most recent realty tax statement.

40. The Receiver estimates the realty tax arrears for 152Co. will be approximately \$40,000 at July 31, 2023 based upon the most recent realty tax statement.

### *Canada Revenue Agency*

41. The CRA conducted an audit of the Harmonized Sales Tax ("**HST**"), payroll deductions at source ("**DAS**") and corporate income tax accounts for both 224Co. and 152Co during the receivership administration. Based upon the audit, CRA issued claims to the Receiver on June 20, 2023 as follows:

#### *224Co.*

- a. an amount of \$16,004.60 in respect of corporate income tax. This debt is an unsecured liability;
- b. an amount of \$19,082.50 in respect of unpaid DAS of which \$8,606.59 represents a deemed trust that ranks in priority to the claims, secured or otherwise, of all creditors; and
- c. the assessment for unpaid HST had not been completed by CRA at the date of this report. The Receiver's preliminary calculation is that the CRA's assessment will be approximately \$140,000 plus penalties and interest, based upon the 2022 HST returns filed by 224Co. prior to the receivership. The Receiver cautions that the HST liability ultimately assessed by CRA may be materially different from this estimate if CRA uncovered material errors or irregularities during their audit which arose during the pre-receivership period.

#### *152Co.*

- d. an amount of \$91,191.50 in respect of corporate income tax. This debt is an unsecured liability;

- e. an amount of \$9,244.32 in respect of unpaid DAS of which \$2,684.85 represents a deemed trust that ranks in priority to the claims, secured or otherwise, of all creditors; and,
- f. an amount of \$194,053.88 in respect of HST of which \$164,555.98 represents a deemed trust that ranks in priority to the claims, secured or otherwise, of all creditors.

#### *Unsecured Liabilities*

42. The Receiver is not aware of any material unsecured creditors of 224Co. or 152Co. beyond the unsecured portions of the CRA liabilities set out above. However, the Receiver notes that the sale of the Cherrycrest Property and the Airport Road Property may trigger capital gains, recapture and other tax liabilities and result in, potentially, a further unsecured liability owing to the CRA. The Receiver is not able to estimate the quantum of these potential liabilities at this time.

### **VII. SALES PROCESS**

43. In accordance with paragraphs 3(j) and 3(k) of the Appointment Order the Receiver was empowered and authorized to market and sell any or all of the property of the Companies, subject to Court approval, if any sale exceeded the thresholds established in the Appointment Order.

44. The Receiver entered into listing agreements with C&W on April 15, 2023 for the purposes of listing for sale both the Cherrycrest Property and the Airport Road Property.

45. On May 1, 2023 both of the real properties were publicly listed on the Multiple Listing Service with no asking price. The listing was for a period of 46 days with the bid deadline set for June 15, 2023 at 4 p.m. (Toronto time) (the “**Bid Deadline**”).

46. C&W established a virtual data room for each real property, which included information, documents and certain financial records available to the Receiver. Prior to gaining access to the data room a prospective purchaser was required to sign the Receiver’s form of Non-Disclosure Agreement (“**NDA**”). During the listing period, approximately 130 NDAs were signed for each of the Cherrycrest Property and the Airport Road Property.

47. Included in the virtual data room were the Receiver’s Terms and Conditions of Sale (“**T&C**”), which are attached hereto as **Appendix “E”**. The salient items included in the T&C were as follows:

- a. a deadline to make an offer of June 15, 2023 at 4 p.m. (Toronto time) (defined above as the Bid Deadline);
- b. each offer must be accompanied by a cash deposit of 10% of the total purchase price;

- c. any party whose offer is accepted by the Receiver must enter into an agreement of purchase and sale with terms consistent with insolvency related transactions. The Receiver's preferred form of asset purchase agreement was included with the T&C;
- d. the highest or any offer for the Property will not necessarily be accepted and the Receiver;
- e. each property is being sold on an "as is, where is" basis;
- f. the Receiver will not accept any offer which is conditional on financing;
- g. all offers are irrevocable by the offeror for a period of 10 business days from the Bid Deadline;
- h. for offers to purchase the Cherrycrest Property, offerors will be required to assume the Global Fuels Supply Agreement or such other agreement as agreed upon by the Offeror and Global Fuels;
- i. for offers to purchase the Airport Road Property, offerors will be required to assume the TDL and Shell lease agreements.

48. The Receiver received 8 offers to purchase the Cherrycrest Property and 12 offers to purchase the Airport Road Property by the Bid Deadline. A summary of the offers received for both properties is included as **Confidential Appendices "C" and "D"**.

49. On June 21, 2023 the Receiver accepted the offer from the Cherrycrest Purchaser to purchase the Cherrycrest Purchased Assets. The Receiver and the Cherrycrest Purchaser subsequently executed the Cherrycrest Purchase Agreement. Attached hereto as **Appendix "F"** is the Cherrycrest Purchase Agreement which has had the purchase price redacted. An unredacted version of the Cherrycrest Purchase Agreement is included as **Confidential Appendix "E"**.

50. On June 21, 2023 the Receiver accepted the offer from the Airport Road Purchaser to purchase the Airport Road Purchased Assets. The Receiver and the Airport Road Purchaser subsequently entered into the Airport Road Purchase Agreement. Attached hereto as **Appendix "G"** is the Airport Road Purchase Agreement which has had the purchase price redacted. An unredacted version of the Airport Road Purchase Agreement is included as **Confidential Appendix "F"**.

#### Terms of the Purchase Agreements

51. The purchase agreements for both properties are substantially the same and both contain the following salient terms:

- a. The purchase price is to be paid in cash on closing;
- b. The purchaser has provided the Receiver with a cash deposit of 10% of the purchase price;

- c. The assets being purchased by the Cherrycrest Purchaser include the Cherrycrest Property, the Contracts, the Inventory and the Books and Records, as those terms are defined in the purchase agreement;
- d. The assets being purchased by the Airport Road Purchaser include the Airport Road Property, the Contracts and the Books and Records, as those terms are defined in the purchase agreement;
- e. The purchasers are purchasing the property on an “as is, where is” basis and the Receiver is providing no representations or warranties in respect of these assets, as is typical for transactions of this nature;
- f. The Cherrycrest Purchase Agreement is conditional only upon this Court approving the Cherrycrest Transaction and vesting in the Cherrycrest Purchaser 224Co.’s right, title and interest in and to the Cherrycrest Purchased Assets free and clear of any and all encumbrances; and
- g. The Airport Road Purchase Agreement is conditional only upon this Court approving the Airport Road Transaction and vesting in the Airport Road Purchaser 152Co.’s right, title and interest in and to the Airport Road Purchased Assets free and clear of any and all encumbrances.

#### Court Approval

52. In accordance with paragraph 3(k) of the Appointment Order, the Receiver is not permitted to sell any of the property of the Companies if the aggregate consideration exceeds \$100,000. Accordingly, the Receiver requires Court approval to complete both the Cherrycrest Transaction and the Airport Road Transaction.

#### *Cherrycrest Transaction*

53. The Receiver believes that the Cherrycrest Transaction as contemplated by the Cherrycrest Purchase Agreement is fair and reasonable for the following reasons:

- a. The quantum of the purchase price is higher than the appraised amount set out in the Cherrycrest Property appraisal (the unredacted version of the Cherrycrest Property appraisal is included a Confidential Appendix “B”);
- b. The Cherrycrest Property was listed publicly for a period of 46 days which, in the Receiver’s opinion, provided adequate market exposure;
- c. The Cherrycrest Purchaser has provided a non-refundable deposit of 10 percent of the purchase price;

- d. The Cherrycrest Purchase Agreement is conditional only upon the Court's approval of the Cherrycrest Transaction and vesting in the Cherrycrest Purchaser the Cherrycrest Purchased Assets free and clear of any and all encumbrances;
- e. The Cherrycrest Purchase Agreement contemplates that the Cherrycrest Purchaser shall purchase the Cherrycrest Property on an "*as is, where is*" basis and that the Receiver is providing no representations or warranties in respect of the Cherrycrest Property; and
- f. Subject to obtaining Court approval, the Receiver anticipates closing the Cherrycrest Transaction forthwith after Court approval, which reduces the inherent risks associated with remaining in possession and control of the Cherrycrest Purchased Assets.

54. For the reasons stated above, the Receiver believes that the Cherrycrest Transaction, as contemplated in the Cherrycrest Purchase Agreement, is fair and reasonable and represents the highest and best realization for the Cherrycrest Purchased Assets.

#### *Airport Road Transaction*

55. The Receiver believes that the Airport Road Transaction as contemplated by the Airport Road Purchase Agreement is fair and reasonable for the following reasons:

- g. The quantum of the purchase price is higher than the appraised amount set out in the Airport Road Property appraisal (the unredacted version of the Airport Road Property appraisal is included a Confidential Appendix "C");
- h. The Airport Road Property was listed publicly for a period of 46 days which, in the Receiver's opinion, provided adequate market exposure;
- i. The Airport Road Purchaser has provided a non-refundable deposit to the Receiver in the amount of 10 percent of the purchase price;
- j. The Airport Road Purchase Agreement is conditional only upon the Court's approval of the Airport Road Transaction and vesting in the Airport Road Purchaser the Airport Road Purchased Assets free and clear of any and all encumbrances;
- k. The Airport Road Purchase Agreement contemplates that the Airport Road Purchaser shall purchase the Airport Road Property on an "*as is, where is*" basis and that the Receiver is providing no representations or warranties in respect of the Airport Road Property; and
- l. Subject to obtaining Court approval, the Receiver anticipates closing the Airport Road Transaction forthwith after Court approval, which reduces the inherent risks associated with remaining in possession and control of the Airport Road Property.

56. For the reasons stated above, the Receiver believes that the Airport Road Transaction, as contemplated in the Airport Road Purchase Agreement, is fair and reasonable and represents the highest and best realization for the Airport Road Purchased Property in the circumstances.

57. The sale proceeds generated from the Cherrycrest Transaction and the Airport Road Transaction are expected to result in a full payout of the secured claims of the Lenders with an expected surplus available for the unsecured creditors and shareholders of one or both Companies. The Receiver will provide a further report to the Court in due course with its recommendation for the distribution of any available surplus for the unsecured creditors and shareholders.

58. Accordingly, the Receiver recommends that (i) this Court approve both the Cherrycrest Transaction and the Airport Road Transaction as contemplated by the Cherrycrest Purchase Agreement and the Airport Road Purchase Agreement; (ii) authorize completion of both transactions; and (iii) grant Orders: (a) vesting title of the Cherrycrest Purchased Assets in and to the Cherrycrest Purchaser; and (b) vesting title of the Airport Road Purchased Assets in and to the Airport Road Purchaser.

#### **VIII. INTERIM SRD**

59. The Receiver will provide a full accounting of the receipts and disbursements for both 224Co. and 152Co. in a subsequent report to Court. As of July 5, 2023 the balance of funds in the Receiver's estate trust bank accounts for 224Co. and 152Co. are \$201,851.16 and \$4,513.94, respectively.

#### **IX. RECEIVER'S AND ITS COUNSEL'S ACCOUNTS**

60. The fees of the Receiver for the period to June 27, 2023 are detailed in the affidavit of Joe Albert, a copy of which is attached as **Appendix "H"**.

61. The Receiver's fees encompass 727.9 hours at an average hourly rate of approximately \$458 for a total of \$333,385 and applicable taxes. The Receiver is therefore requesting that this Court approve total fees inclusive of applicable taxes in the amount of \$376,725.

62. The fees and disbursements of Paliare Roland for the period November 9, 2022 to June 30, 2022 are detailed in the affidavit of Beatrice Loschiavo affirmed July 6, 2023, a copy of which is attached as **Appendix "I"**.

63. Paliare Roland's fees encompass 45.6 hours at an average hourly rate of approximately \$743 for total fees of \$33,889.50 and accounts totalling \$40,080.71 inclusive of disbursements and applicable taxes. The Receiver is therefore requesting that this Court approve Paliare Roland's total fees and disbursements inclusive of applicable taxes in the amount of \$40,080.71.

64. The fees and disbursements of Wildeboer Dellelce for the period February 24 to June 30, 2023 are detailed in the affidavit of Kassidy Doherty a copy of which is attached as **Appendix "J"**.



65. Wildeboer Dellelce fees encompass 36.9 hours at an average hourly rate of approximately \$617 for a total of \$22,759.00 prior to disbursements of \$577.10 and applicable taxes. The Receiver is therefore requesting that this Court approve Wildeboer Dellelce's total fees and disbursements inclusive of applicable taxes in the amount of \$26,330.92.

66. The Receiver is of the view that the hourly rates charged by Paliare Roland and Wildeboer Dellelce are consistent with the rates charged by law firms practising in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.

#### **X. RECEIVER'S PROPOSED DISTRIBUTION**

67. The Receiver proposes the following distribution of the sale proceeds from the Cherrycrest Transaction and Airport Road Transaction (collectively the "**Interim Distributions**"):

- a. payment of the amount due on closing for any realty taxes owing on either or both of the Cherrycrest Property and the Airport Road Property as at the closing date;
- b. payment of the charges due under the Appointment Order and, specifically, the unpaid fees of the Receiver and its counsel, Paliare Roland and Wildeboer Dellelce, as approved by this Court;
- c. Payment of the sums due to the CRA in priority as follows:
  - i. 224Co: unpaid source deductions deemed trust in the sum of \$8,606.59;
  - ii. 224Co: HST deemed trust in full, once assessed by CRA;
  - iii. 152Co.: HST deemed trust in the sum of \$164,555.98;
  - iv. 152Co.: unpaid source deductions deemed trust in the sum of \$2,684.85
- d. payment of the amounts due to the Lenders up to the amount of the total indebtedness owing to such Lenders and allocated as consideration for the Cherrycrest Property and the Airport Road Property which amounts may be adjusted at the Receiver's discretion on receiving updated loan amounts from the Lenders.

#### **XI. RECEIVER'S CONCLUSION AND RECOMMENDATION**

68. Based on the foregoing, the Receiver respectfully submits this First Report to the Court in support of the Receiver's motion for an Order:

- a. approving this First Report and the Receiver's activities as outlined herein;
- b. authorizing and directing the Receiver to complete the Cherrycrest Transaction as contemplated by the Cherrycrest Purchase Agreement, with such minor amendments as the Receiver may deem necessary or appropriate, and take all steps necessary to give effect to the Cherrycrest Transaction;
- c. vesting the Cherrycrest Purchased Assets in the Cherrycrest Purchaser free and clear of all encumbrances pursuant to approval and vesting orders in a form consistent with the one

approved by the Commercial List User's Committee of the Ontario Superior Court of Justice, to be effective upon the Receiver filing the Receiver's Certificate attached thereto;

- d. authorizing and directing the Receiver to complete the Airport Road Transaction as contemplated by the Airport Road Purchase Agreement, with such minor amendments as the Receiver may deem necessary or appropriate, and take all steps necessary to give effect to the Airport Road Transaction;
- e. vesting the Airport Road Purchased Assets in the Airport Road Purchaser free and clear of all encumbrances pursuant to approval and vesting orders in a form consistent with the one approved by the Commercial List User's Committee of the Ontario Superior Court of Justice, to be effective upon the Receiver filing the Receiver's Certificate attached thereto;
- f. sealing the unredacted versions of the Appraisals, Cherrycrest Purchase Agreement, Airport Road Purchase Agreement as well as a summary of offers until the closing of the respective transaction;
- g. distributing the amounts as proposed in this First Report following the closing of the Cherrycrest Transaction and the Airport Road Transaction; and
- h. approving the fees and disbursements of the Receiver and its counsel, Paliare Roland and Wildeboer Dellelce, as outlined herein.

All of which is respectfully submitted this 7th day of July 2023

**ALBERT GELMAN INC., solely in its  
capacity as Court-Appointed Receiver  
of each of the Companies, and not in  
any other capacity**



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

Joe Albert, CPA, CIRP, LIT

Court File No.: CV-22-00690513-00CL

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

THE HONOURABLE	)	WEDNESDAY THE 29 <sup>TH</sup> DAY
	)	
JUSTICE PENNY	)	OF NOVEMBER, 2023

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER**

**THIS MOTION**, made by **ALBERT GELMAN INC.** in its capacity as the receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2244039 Ontario Inc. ("**224Co.**") and 1526400 Ontario Inc. ("**152Co.**" and with 224Co., the "**Companies**") for an order, among other things, approving the Receiver's activities and authorizing the Receiver to assign the Companies into bankruptcy and entitling, but not obligating, Albert Gelman Inc. to act as Trustee in Bankruptcy, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver's Second Report to the Court dated October 13, 2023 (the "**Second Report**"), the Appendices attached thereto and the Receiver's Supplementary Report to the Second Report (the "**Supplementary Report**") and the Appendices attached thereto, and on hearing the submissions of counsel for the Receiver and such other counsel who were present:

1. **THIS COURT ORDERS** that the Second Report, the Supplementary Report and the conduct and activities of the Receiver set out therein be and are hereby approved and that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Second Report.
2. **THIS COURT ORDERS** that the Receiver's interim statement of receipts and disbursements for both of the Companies as of October 12, 2023 be and is hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period June 28, 2023 to October 12, 2023, as detailed in the Second Report, be and are hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Paliare Roland Rothstein Rosenberg LLP, for the period July 1, 2023 to September 30, 2023, as detailed in the Second Report, be and are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursement of the Receiver's real estate counsel, Wildeboer Dellelce LLP and DLA Piper LLP, for the period July 1, 2023 to October 12, 2023, as detailed in the Second Report, be and are hereby approved.
6. **THIS COURT ORDERS** that the Receiver is authorized to assign each of the Companies into bankruptcy under the *Bankruptcy and Insolvency Act* and Albert Gelman Inc. is entitled, but not obligated, to act as Trustee in Bankruptcy.
7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be

necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



A handwritten signature in blue ink, appearing to read "Peng 3", is written over a horizontal line.

Court File No.: CV-22-00690513-00CL

**2046245 ONTARIO INC., et al.**  
Applicants

-and-

**2244039 ONTARIO INC. et al.**  
Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

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Lawyers for the Receiver



SUPERIOR COURT OF JUSTICE

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-22-00690513-00CL

DATE: November 29, 2023

NO. ON LIST: 1

TITLE OF PROCEEDING: 2046245 ONTARIO INC. et al v. 2244039 ONTARIO INC. et a

BEFORE: JUSTICE PENNY

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
	Lawyer for	

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Jeffrey Larry	Lawyer for Receiver	Jeff.larry@paliareroland.com
Howard Manis	Respondents	hmanis@manislaw.ca

**For Other, Self-Represented Etc.:**

Name of Person Appearing	Name of Party	Contact Info
	Lawyer for	
	Lawyer for	


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**ENDORSEMENT OF JUSTICE PENNY:**

[1] The Receiver brings a motion for orders:

(i) approving the Second Report to the Court of the Receiver dated October 13, and the Receiver's conduct and activities;

(ii) approving the Receiver's interim statement of receipts and disbursements for each of the Debtors as of October 12, 2023;

(iii) authorizing the Receiver to assign each of the Debtors into bankruptcy and entitling, but not obligating, Albert Gelman Inc. to act as Trustee in Bankruptcy of the Debtors; and

(iv) approving the fees of the Receiver and its counsel for the periods detailed in the Second Report.

[2] The two main assets of the Debtors, real properties, have been sold. There has been an interim distribution paid to the secured lenders. The Receiver has held in reserve sufficient funds to cover what it has calculated to be various tax obligations owed by the Debtors to CRA. This includes capital gains taxes which the Receiver's accountant has calculated, arising out of the realizations on the two properties, to be in excess of \$2 million. The main issue on the motion is whether the Debtors are bankrupt; this essentially turns on the \$2 million of capital gains tax owing to CRA.

[3] This motion was returnable on October 25, 2023. Mr. Manis, counsel for a principal of the Debtors, Mr. Tiawana, raised a question about the calculation of the capital gains tax. In an effort to resolve the issue, the Receiver agreed to an adjournment to today.

[4] On November 23, 2023 Mr. Manis forwarded to the Receiver an email from Mr. Tiawana which included a link to an article written on 'replacement property' rules. No additional analysis or information was provided by Mr. Tiawana. In Mr. Manis' email, he requested that the Receiver seek its discharge without seeking to assign the Companies into bankruptcy and return the balance of the proceeds from the sale of the real properties to the Debtors. The suggestion seems to be that if the Debtors purchased replacement properties, they could roll over the capital gains tax, thus deferring payment to a future time. In the alternative to this relief, Mr. Manis seeks another adjournment to allow for more evidence about and analysis of the 'replacement property' rules and their possible application to the facts of this case.

[5] The Receiver believes that Mr. Tiawana's request that the Receiver seek its discharge and remit the balance of the funds back to the Companies would cause significant prejudice to the CRA for the following reasons: (a) it is uncertain whether the 'replacement property' rules which Mr. Tiawana purports to rely on are applicable in the circumstances; (b) the Companies, under Mr. Tiawana's management, have a history of non-payment of all CRA accounts for income taxes, HST and payroll source deductions; (c) the 'replacement property' rules provide only for a deferral of taxes which means that, in the event that these rules did apply, Mr. Tiawana would be required to remit payment to the CRA in the future; and, (d) Mr. Tiawana provided only a



link to an article without any opinion or advice he received from an accountant that such rules could or would apply in these circumstances.

[6] I am not prepared to order the payment of the funds representing the reserve for capital gains tax to the Debtors. Nor am I prepared to adjourn this matter further.

[7] If Mr. Tiawana wished to obtain relief from the court, in the face of the Receiver's reports, it was his obligation to put relevant evidence before the court in support on his position. Sending a link to an article about the effect of purchasing replacement property under the capital gains regime is a wholly inadequate basis for granting the relief sought or even another adjournment. At the very least, Mr. Tiawana was obliged to put before the court evidence that the Debtors had the financial wherewithal to finance the purchase of replacement property and, if they did, opinion evidence about the application of the replacement property rules and the deferral of capital gains tax otherwise owing. He has utterly failed to do either.

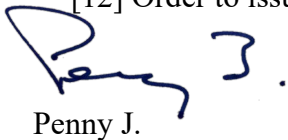
[8] The evidence before the court is that the Debtors were given the opportunity prior to the appointment order to refinance the debt but were unable to do so. Even following the appointment of the Receiver, the effect of the appointment order was stayed to give the Debtors another opportunity to refinance. They were again unable to do so. There is no evidence that today, the Debtors (or Mr Tiawana for that matter) are in any position to purchase new properties to replace the two that were just sold. The Receiver and its accountant are of the view that the Debtors owe in excess of \$2 million in capital gains tax to CRA. There is no contrary evidence, notwithstanding the adjournment of this motion from October 23 to allow Mr. Tiawana a chance to understand and correct the Receiver's calculations. The Receiver and its accountant are of the view that the capital gains tax liability renders the Debtors insolvent. There is no contrary evidence.

[9] On the available evidence, the Receiver's concerns are well founded. There is no evidence supporting the notion that a tax deferral is available at all. There is a history of non-payment of tax obligations. And, at best, there would only be a deferral of tax (even if there was any hope of the Debtors purchasing replacement property – which there is not).

[10] For these reasons, the requests by counsel for Mr. Tiawana are denied.

[11] I am satisfied that the relief sought, vis-à-vis the Receiver's report, the interim statement of receipts and disbursements, authorizing the Receiver to assign each of the Debtors into bankruptcy, and the Receiver's fees and those of its counsel is appropriate and warranted.

[12] Order to issue in the form signed by me this day.

A handwritten signature in blue ink, appearing to read "Penny J.", with a stylized flourish at the end.

Penny J.



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-3017197  
Estate No.: 31-3017197

In the Matter of the Bankruptcy of:

**2244039 Ontario Inc.**

Debtor

**ALBERT GELMAN INC.**

Licensed Insolvency Trustee

Ordinary Administration

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Date and time of bankruptcy:	December 01, 2023, 13:43	Security:	\$0.00
Date of trustee appointment:	December 01, 2023		
Meeting of creditors:	December 21, 2023, 10:00 Via videoconference: Meeting ID: 223 988 343 712 Passcode: Rd6uma, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: December 01, 2023, 13:50

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-3017200  
Estate No.: 31-3017200

In the Matter of the Bankruptcy of:

**1526400 Ontario Inc.**

Debtor

**ALBERT GELMAN INC.**

Licensed Insolvency Trustee

Ordinary Administration

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Date and time of bankruptcy:	December 01, 2023, 13:44	Security:	\$0.00
Date of trustee appointment:	December 01, 2023		
Meeting of creditors:	December 21, 2023, 11:00 Via videoconference: Meeting ID: 256 650 487 563 Passcode: QmUK79, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: December 01, 2023, 13:52

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

**In the Matter of the Receivership of 2244039 Ontario Inc.  
Receiver's Final Statement of Receipts and Disbursements  
As at June 2, 2025**

<b>Receipts</b>		<b>Notes</b>
Proceeds from sale of real property	\$ 13,500,000	
Sales	3,433,121	(1)
Rental income	153,847	
Net transfers (to) / from Bank of Nova Scotia bank account	(361,000)	(2)
Interest income	76,939	
HST Refund	11,586	
Miscellaneous income	5,567	
	<u>16,820,061</u>	<b>A</b>
<b>Disbursements</b>		
Distribution to secured creditor	12,076,180	
Fuel purchases	2,268,117	(3)
Transfer to estate of 1526400 Ontario Inc.	500,000	
Commission on sale of real property	305,100	
Receiver's Fees to May 19, 2025	274,401	
Property management fees	235,507	
OLG Lottery	189,040	
Property taxes	142,262	
Legal fees of the Receiver	115,687	
Payment to CRA - Deemed Trust - HST	114,898	
HST charged on disbursements	91,989	
Utilities	37,721	
Repairs and maintenance	21,126	
Transfer to bankruptcy estate trust account	20,000	
Accounting fees	8,700	
Payment to CRA - Deemed Trust - Source Deductions	8,607	
Insurance	7,962	
HST Remittance	6,068	
Real property appraisal	6,679	
Environmental consulting	5,000	
Locksmith and security	1,255	
License fees - Promeric	1,016	
Travel and parking	886	
Search Fees	516	
Postage and photocopies	348	
Filing fee	73	
Bank charges	50	
Courier	36	
	<u>16,439,224</u>	<b>B</b>
<b>Actual net receipts over disbursements</b>	<b>\$ 380,837</b>	<b>A-B</b>
<b>Less: Estimated accruals to complete mandate</b>		
Receiver's fees (incl. HST)	(14,125)	
Legal fees of Receiver's counsel (incl. HST)	(6,780)	
Administrative disbursements (incl. HST)	(2,825)	
	<u>357,107</u>	
<b>Estimated balance to be transferred to bankruptcy estate</b>	<b>\$ 357,107</b>	

Notes:

- (1) Represents the net funds received by the Receiver.
- (2) Represents the net transfers to and from the company's Bank of Nova Scotia bank account.
- (3) Represents the net payments made by the Receiver to Global Fuel.

**In the Matter of the Receivership of 1526400 Ontario Inc.  
Receiver's Final Statement of Receipts and Disbursements  
As at June 2, 2025**

**Receipts**

Proceeds from sale of real property	\$ 6,000,000
Rental income	139,069
Transfer from Bank of Nova Scotia bank account	50,000
Interest income	41,462
	<u>6,230,531</u> A

**Disbursements**

Distribution to secured creditor	5,000,000
Receiver's Fees to May 19, 2025	273,456
Commission on sale of real property	180,000
Payment to CRA - Deemed Trust - HST	164,556
HST charged on disbursements	64,251
Property taxes	40,173
Legal fees of Paliare Roland Rosenberg Rothstein LLP to	23,336
Transfer to bankruptcy estate trust account	20,000
Accounting services	9,200
Real property appraisal	6,679
Payment to CRA - Deemed Trust - Source Deductions	2,685
Insurance	2,006
License fees - Promeric	550
Travel and parking	155
Postage and photocopies	134
Filing fee	73
Search Fees	59
Bank charges	53
	<u>5,787,364</u> B

**Actual net receipts over disbursements**

**\$ 443,167** A - B

**Less: Estimated accruals to complete mandate**

Receiver's fees (incl. HST)	(14,125)
Legal fees of Receiver's counsel (incl. HST)	(6,780)
Administrative disbursements (incl. HST)	(2,825)

**Estimated balance to be transferred to bankruptcy estate**

**\$ 419,437**

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

**2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.**

Applicants

- and -

**2244039 ONTARIO INC. and 1526400 ONTARIO INC.**

Respondents

**RECEIVER'S AFFIDAVIT OF FEES**

I, Tom McElroy, of the City of Toronto, make oath and say as follows:

1. I am a Licenced Insolvency Trustee and employee of Albert Gelman Inc. ("**Receiver**"), Receiver of 2244039 Ontario Inc. and 1526400 Ontario Inc., and as such have knowledge of the facts herein deposed to.
2. The Receiver has prepared invoices in connection with its fees as follows:
  - a. An account dated December 31, 2023 for the period from October 13 to December 31, 2023 of \$36,649.50, plus HST thereon;
  - b. An account dated January 31, 2024 for the period from January 1 to 31, 2024 of \$8,213.00, plus HST thereon;
  - c. An account dated April 30, 2024 for the period from February 1 to April 30, 2024, of \$8,023.50, plus HST thereon;
  - d. An account dated May 31, 2024 for the period from May 1 to May 31, 2024 of \$10,020.50, plus HST thereon;
  - e. An account dated October 31, 2024 for the period from June 1 to October 31, 2024 of \$11,112.00, plus HST thereon;
  - f. An account dated March 31, 2025 for the period from November 1, 2024 to March 31, 2025 of \$6,486.00, plus HST thereon; and,

- g. An account dated May 20, 2025 for the period from April 1 to May 20, 2025 of \$3,535.50, plus HST thereon.
3. A summary of the Receiver's time by staff member is as follows:


Staff member	Position	Hours worked	Hourly rate (\$)	Total (\$)
Bryan Gelman, CIRP, LIT	Principal	2.5	610.20	1,525.50
Joe Albert, CPA, CA, DIFA, CIRP, LIT	Principal	26.5	640.49	16,973.00
Tom McElroy, CPA, CA, CBV, CIRP, LIT	Associate	98.6	544.25	53,663.00
Suzette Warner, CFE, CPA, CGA, FCCA	Associate	25.5	448.25	11,430.50
Robert Bubnic	Estate Administrator	0.6	340.00	204.00
Ashely Robinson	Estate Administrator	0.3	305.00	91.50
Laurianne Valteau	Estate Administrator	0.5	305.00	152.50
		154.5	543.95	84,040.00

4. The Receiver's total fees are \$84,040.00, its total hours spent is 154.5 and, therefore, its average hourly rate is calculated to be \$543.95.
5. The Receiver's accounts, including detailed time dockets, are attached hereto as **Exhibit "A"**.
6. This Affidavit is made in support of a motion to approve the accounts of Albert Gelman Inc. and for no improper purpose.

Sworn remotely by Mahmood Shafique at Toronto, Ontario  
before me at Toronto, Ontario in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely, the 2nd day of June 2025

 **Mahmood Shafique**  
SQMMVUHPFZMBRK87

Mahmood Shafique, a Commissioner, etc.,  
Province of Ontario, for Albert Gelman Inc.  
Expires January 2, 2027

}  **Tom McElroy**  
SGHL8UY3GYX2DFUU  
\_\_\_\_\_  
Tom McElroy

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/11/2023	JALBERT	review and amendments to Receiver's draft 2nd report	0.40	\$630.00	\$252.00
10/12/2023	SWARNER	Reviewed Enbridge final billing and requisition payment	0.30	\$395.00	\$118.50
10/12/2023	TMCELROY	Email to counsel; Email to secured creditor;	0.20	\$495.00	\$99.00
10/13/2023	BGELMAN	Approval of cheques for CRA assessments;	0.10	\$565.00	\$56.50
10/13/2023	JALBERT	Review and amendments to report, sign for final version; sign affidavit of fees	1.00	\$630.00	\$630.00
10/13/2023	SWARNER	Reviewed and actioned mail through Canada Post	0.30	\$395.00	\$118.50
10/15/2023	TMCELROY	Review of draft Court Order and draft notice of motion; Comment to counsel re same;	1.10	\$495.00	\$544.50
10/16/2023	JALBERT	Review draft Notice of Motion and Order and comments/changes back to counsel	0.70	\$630.00	\$441.00
10/17/2023	JALBERT	email exchange with our accountant on 152 records still needed to complete FS and tax returns for 2022	0.10	\$630.00	\$63.00
10/18/2023	JALBERT	review LAN for needed RBC bank statements from early 2022 as requested by Receiver's accountant; advise accountant to enquire with former accountant for same; on-line monitoring	0.40	\$630.00	\$252.00
10/18/2023	TMCELROY	Update case website;	0.30	\$495.00	\$148.50
10/19/2023	SWARNER	Reviewed final bill from Region of Peel and requisition payment; instructions to D Cheniak re cheque	0.30	\$395.00	\$118.50
10/20/2023	JALBERT	email exchange with realtor	0.20	\$630.00	\$126.00
10/20/2023	TMCELROY	Review and approve bank reconciliations for both companies;	0.50	\$495.00	\$247.50
10/23/2023	TMCELROY	Emails to/from H. Manis (Debtor counsel);	0.10	\$495.00	\$49.50
10/24/2023	JALBERT	Conf call with counsel in preparation for call with Debtor's counsel re: debtor not wanting bankruptcy; preparation for call and review Receiver's report; Zoom call with counsel to debtor on matter; email exchanges on requests and ultimate agreement to adjourn tomorrow's hearing and emails to Judge on same	1.20	\$630.00	\$756.00
10/24/2023	SWARNER	Call from Wendy R. Of CRA regarding deemed trust for both 224 & 152	0.20	\$395.00	\$79.00
10/24/2023	TMCELROY	Call with J. Albert re Debtor's request re bankruptcy assignment; Call with J. Albert and counsel re same; Prep for call with H. Manis (Debtor counsel); Attend call with H. Manis, J. Larry and J. Albert; Debrief discussion with J. Albert; Prep for Court hearing; Review and respond to counsel re court hearing adjournment;	2.80	\$495.00	\$1,386.00
10/25/2023	JALBERT	updates on adjournment of court hearing requested by Debtor	0.20	\$630.00	\$126.00



2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

10/25/2023	TMCELROY	Email to secured creditor representative re adjournment of Court motion;	0.30	\$495.00	\$148.50
10/26/2023	JALBERT	Email from Debtor's counsel re: request for Debtor's accountant to verify Receiver's SRD and review capital gains and insolvency calculations. Consider matter and respond to our counsel	0.30	\$630.00	\$189.00
10/26/2023	TMCELROY	Call with representative of secured lender re status of Court hearing and other matters; Email to counsel re status of Court hearing;	0.40	\$495.00	\$198.00
10/27/2023	JALBERT	Email exchanges with purchaser and GFL re: purchaser's account for September of \$1,050	0.10	\$630.00	\$63.00
10/30/2023	JALBERT	Review questions of Receiver's accountant to 2022 general ledger transactions; email Tom re: Debtor's request for accountant to have information to check Receiver's tax gain calculations.	0.20	\$630.00	\$126.00
10/30/2023	SWARNER	Reviewed final bill from Regional of Peel and requisition payment	0.30	\$395.00	\$118.50
10/30/2023	TMCELROY	Email from accountant re status of bookkeeping; review booking records prepared by accountant; Discussions with J. Albert re Sunny's accountant's request for accounting information; Call with counsel re same;	0.90	\$495.00	\$445.50
10/31/2023	JALBERT	Respond and provide back up documentation to AGI's accountant in relation to the accounting records for 2021 and 2022 for both Debtors.	1.30	\$630.00	\$819.00
11/1/2023	TMCELROY	Email to Debtor's accountant;	0.20	\$495.00	\$99.00
11/2/2023	JALBERT	Conf Call Mr. Sharma/Accountant for debtor re: request for accounting of gains and taxes payable on sale of properties; prepare for call and discussion in advance with T. McElroy; review and amend T McElroy email to Mr. Sharma with records required by him etc.	1.10	\$630.00	\$693.00
11/2/2023	TMCELROY	Call with A. Sharm (Debtor's accountant) re capital gain and recapture calculation prepare by receiver accountant; Draft email to A. Sharma re same;	1.10	\$495.00	\$544.50
11/3/2023	JALBERT	Email from Mr. Sharma in response to AGI's email to him with records needed to assess tax gains set out in Receiver's report for Debtor; forward GFL final bill from Oct 1 to 13 to purchaser for payment by purchaser.	0.20	\$630.00	\$126.00
11/8/2023	SWARNER	Reviewed and actioned mail though Canada Post	0.50	\$395.00	\$197.50
11/8/2023	TMCELROY	Review and respond to correspondence from J. Gill;	0.30	\$495.00	\$148.50
11/9/2023	JALBERT	TC T McElroy on next steps given no response from debtor's accountant re: report and application for approval to file bankruptcies. On-line monitoring and download bank statements needed by Receiver's accountant	0.40	\$630.00	\$252.00
11/9/2023	SWARNER	Researched and responded to James Formusa regarding HST balance and retrieved and provided October bank statements and GL for both corp	0.50	\$395.00	\$197.50

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

11/9/2023	TMCELROY	Call with J. Albert re next steps re Court hearing; Call with counsel re same; Call with J. Formosa re accounting for 2022 and 2023 and next steps re same;	0.90	\$495.00	\$445.50
11/10/2023	TMCELROY	Email to J. Ferosa (accountant); Email to J. Gill (secured creditor representative) re motion;	0.30	\$495.00	\$148.50
11/14/2023	TMCELROY	Call with secured creditor re next steps re motion to Court for approval for Receiver to assign companies into bankruptcy; Email to J. Larry (counsel) re same;	0.30	\$495.00	\$148.50
11/20/2023	SWARNER	Reviewed and actioned mail through Canada Post	0.30	\$395.00	\$118.50
11/20/2023	TMCELROY	Review of email as between accountants;	0.10	\$495.00	\$49.50
11/22/2023	JALBERT	update from accountant on records required for 152 and review his email to former accountant for same; email from debtor requesting return of certain tools and printer.	0.20	\$630.00	\$126.00
11/23/2023	BGELMAN	Review and approval of cheque for accounting fees;	0.10	\$565.00	\$56.50
11/23/2023	TMCELROY	Review and respond to correspondence from accountant re tax returns and accounting records; Review and approve disbursement; Review and respond to email from purchaser re Receiver receipt of funds from Bell Canada; Review of trust accounting; Review and consider correspondence from H. Manis re 'replacement property rules' on capital gains; Email to accountant re same;	1.30	\$495.00	\$643.50
11/24/2023	BGELMAN	Approval of cheque;	0.10	\$565.00	\$56.50
11/24/2023	JALBERT	review and consider email from Debtor re: replacement property rules and his counsel's request that Receiver accept this and consent to not bankrupting debtors and providing Shareholder with surplus funds from Receivership; discuss matter with T McElroy; conf call to discuss with counsel	0.50	\$630.00	\$315.00
11/24/2023	TMCELROY	Approve disbursement; Call with J. Ferosa re 'replacement property rules' and applicability to properties in receivership; Discuss matter with J. Albert and next steps; Email to S. Tiawana re personal belongings; Call with counsel re next steps re Debtor counsel request not to seek relief to put companies into bankruptcy; Review and consideration of accountant summary re 'replacement property rules';	2.10	\$495.00	\$1,039.50
11/25/2023	JALBERT	review and approve legal fees for payment	0.10	\$630.00	\$63.00
11/25/2023	SWARNER	reviewed and actioned mail through Canada Post .; requisition payment for water bill	0.50	\$395.00	\$197.50
11/27/2023	BGELMAN	Approval of cheque;	0.10	\$565.00	\$56.50
11/27/2023	JALBERT	Teams call T McElroy to discus upcoming hearing and need for supplementary report; prelim preparation for hearing; review replacement property rules memo from accountant. Review,	0.90	\$630.00	\$567.00

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

		comments and amendments to draft supplementary Report			
11/27/2023	SWARNER	Reviewed and reconciled deposits and responded to James F email	0.50	\$395.00	\$197.50
11/27/2023	TMCELROY	Call with counsel re drafting of supplementary report; Discussions with J. Albert re same; Draft supplementary report to Second Report; Review and approve solicitors accounts; Instructions to D. Cherniak re banking matters; Review of comments on supplementary report with counsel; Discuss supplementary report with J. Albert; Updates to Supplementary report;	6.70	\$495.00	\$3,316.50
11/28/2023	BGELMAN	Review and approve cheques;	0.10	\$565.00	\$56.50
11/28/2023	JALBERT	Teams call counsel on position of Debtor for tomorrow's hearing and instructions.	0.30	\$630.00	\$189.00
11/28/2023	TMCELROY	Update case website; Call with counsel re prep for Court hearing and other matters; Review and consider correspondence from H. Manis (counsel to Debtor); Conference call with J. Albert and J. Larry re Debtor counsel request for discharge of receiver and payment of balance of funds to Debtor counsel; Prep for Court hearing;	2.30	\$495.00	\$1,138.50
11/29/2023	JALBERT	prepare for and attend recommenced hearing for approval to file companies into bankruptcy	1.20	\$630.00	\$756.00
11/29/2023	SWARNER	Email with James Formusa regarding compilation report	0.20	\$395.00	\$79.00
11/29/2023	TMCELROY	Attend Court hearing; Debrief discussion with J. Albert; Email from accountant re tax filings; Discuss tax filings and other matters with S. Warner; Update case website; Review of Endorsement; Prepare bankruptcy filing documents for 1526400 Ontario Inc.;	4.20	\$495.00	\$2,079.00
11/30/2023	AROBINSON	Performed 2 PPSA searches and 2 corp profile searches on 2244039 Ontario Inc and 2244039 Ontario Inc.	0.30	\$305.00	\$91.50
11/30/2023	JALBERT	review endorsement of Court to yesterday's hearing. TC Tom on tax returns being prepared and deemed year ends for bankruptcy	0.20	\$630.00	\$126.00
11/30/2023	TMCELROY	Prepare bankruptcy filing documents for 2244039 Ontario Inc.; Discuss bankruptcy filing documents and process with J. Albert; Review of updated PPSA and corp profile searches; Discuss tax filings and 'deemed year end' rules with J. Albert and S. Warner; Review of ITA re same;	4.40	\$495.00	\$2,178.00
12/1/2023	TMCELROY	Detailed review of fiscal year 2022 TB, GL and T2 corporate income tax return for both companies prepared by accountant; Finalize bankruptcy filing documents for both companies; Swear SOAs for both companies; E-file bankruptcy documents for both companies; Discussion with S. Warner re bankruptcy administration for both companies; Email to accountant re finalize terminal T2 corporate income tax returns; Discuss bankruptcies	4.00	\$575.00	\$2,300.00

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

		of both companies and next steps with J. Albert; Email to secured creditor re bankrupt filings for both companies; Email to Director counsel re same;			
12/2/2023	JALBERT	download and provide November bank statements for Scotiabank for accountant's prep of pre-bankruptcy returns; review draft 2022 Financial Statement and T2 for 224 prepared by accountant; download and provide November bank statements for Scotiabank for accountant's prep of pre-bankruptcy returns; review draft 2022 Financial Statement and T2 for 224 prepared by accountant	0.50	\$650.00	\$325.00
12/3/2023	TMCELROY	Review and approval of November 2023 bank reconciliations for both companies;	0.40	\$495.00	\$198.00
12/4/2023	SWARNER	Review and action mail thorough Canada Post ; reviewed and provided banking transactions for November 2023 accounting	0.70	\$395.00	\$276.50
12/4/2023	TMCELROY	Detailed review of fiscal year 2022 TD, GL and T2 corporate income tax return for 2244039 prepared by accountant; Comments to S. Warner re same; Discuss accounting with J. Albert;	1.60	\$495.00	\$792.00
12/6/2023	LVALLEAU	Transferred file; ordered & set up Bank account for 1526400-B	0.30	\$305.00	\$91.50
12/6/2023	TMCELROY	Review of notice of bankruptcy;	0.30	\$495.00	\$148.50
12/7/2023	JALBERT	follow up email to accountant on approval of 2022 T2 and to send final versions for signature and filing; follow up email to accountant on approval of 2022 T2 and to send final versions for signature and filing	0.20	\$650.00	\$130.00
12/11/2023	JALBERT	Sign 2022 T2's prepared by accountant for both companies; advise T McElroy on results of transaction review	0.40	\$630.00	\$252.00
12/12/2023	SWARNER	reviewed download and saved financial for 224 & 152	0.80	\$395.00	\$316.00
12/12/2023	TMCELROY	Review and approve solicitor accounts; Instructions to D. Cherniak re banking matters;	0.20	\$495.00	\$99.00
12/13/2023	BGELMAN	Sign cheques;	0.20	\$565.00	\$113.00
12/14/2023	JALBERT	review/approve legal fees of DLA Piper (taxed) and Pallaire Roland (to be taxed)	0.20	\$630.00	\$126.00
12/15/2023	JALBERT	review draft Nov 30 2023 (pre-bankruptcy) financial statement and tax return with T McElroy in preparation for meeting to discuss with accountant; teams meeting accountant to discuss draft financial statement and tax return for Nov 30 2023	1.10	\$650.00	\$715.00
12/15/2023	TMCELROY	Detailed review of 2023 year end accounting and T2 corporate tax returns prepared by accountant; Discuss same with J. Albert; Call with J. Formosa (accountant) at J. Albert re 2023 year end accounting and T2 corporate tax returns; Correspondence from Sunny Tiawan re personal belongings; Email to J. Larry (counsel) re same;	2.40	\$495.00	\$1,188.00
12/16/2023	TMCELROY	Email to representative of secured creditor re	0.20	\$495.00	\$99.00

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023

**Invoice Num:** 6944

**Billing Through:** Dec 31, 2023

**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

		creditor meeting and proof of claim;			
12/19/2023	TMCELROY	Email to accountant re tax filings; Discuss timing of payment of amounts to secured creditor with J. Albert; Call with secured creditor representative; Detailed review of Trustee's prelim report and comments to J. Albert re same;	2.40	\$495.00	\$1,188.00
12/20/2023	LVALLEAU	E-filed Prelim Report to Creditors for 1526400 & 2244039	0.20	\$305.00	\$61.00
12/20/2023	SWARNER	Retrieved and save second draft accounting for 2023	0.40	\$395.00	\$158.00
12/20/2023	TMCELROY	Review of secured creditor proof of claim;	0.10	\$575.00	\$57.50
12/21/2023	SWARNER	Review of mail though Canada Post	0.30	\$395.00	\$118.50
12/22/2023	BGELMAN	Emails and correspondence with Joe Albert re threats by Sunny against Joe and Tom;	0.20	\$565.00	\$113.00
12/23/2023	JALBERT	review/comments/questions on 2nd draft pre-bankruptcy tax returns and financial statements for discussion with accountant	0.80	\$630.00	\$504.00
12/23/2023	TMCELROY	Email to Director legal counsel re threats being made by Director to representatives of Receiver;	0.30	\$495.00	\$148.50
12/26/2023	TMCELROY	Detailed review of revised T2 corp. tax return, GL, financial statements and other documents prepared by account for terminal year ends of both companies; Email to J. Famosa (accountant);	0.60	\$495.00	\$297.00
12/27/2023	JALBERT	Teams meeting accountant to review draft pre-bankruptcy tax returns, financials statements and tax liabilities	1.80	\$650.00	\$1,170.00
12/27/2023	TMCELROY	Videoconference with J. Albert and J. Famosa to review final tax returns and financial statements for both companies; Final review of revised T2 and financial statements;	2.40	\$495.00	\$1,188.00
12/28/2023	JALBERT	Teams meeting accountant to review draft pre-bankruptcy tax returns, financial statements and tax liabilities	0.40	\$650.00	\$260.00

**Total Fees:** **\$36,649.50**

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Dec 31, 2023  
**Invoice Num:** 6944  
**Billing Through:** Dec 31, 2023  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

**HST/GST:** \$4,764.44

#### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Ashley Robinson, Estate Administrator	0.30	\$305.00	\$91.50
Bryan A Gelman, Senior Managing Director, CIRP, LIT	0.90	\$565.00	\$508.50
Joe E Albert, CIRP, CPA, DIFA. LIT	16.60	\$630.00	\$10,538.00
Laurianne Valleau, Senior Estate Administrator	0.50	\$305.00	\$152.50
Suzette Warner, Director, CFE, CPA, CGA, FCCA	6.10	\$395.00	\$2,409.50
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	45.70	\$495.00	\$22,949.50

#### Disbursements:

##### Taxable Disbursements

PHOTOCOPIES: \$1.50  
POSTAGE: \$11.04

**Total Expenses:** \$12.54

**HST/GST:** \$1.65

**Amount Due This Invoice:** **\$41,428.13**

#### Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$36,660.39
TOTAL HST/GST:	\$4,766.09
<b>TOTAL AMOUNT DUE:</b>	<b>\$41,428.13</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Jan 31, 2024  
**Invoice Num:** 6980  
**Billing Through:** Jan 31, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
1/2/2024	SWARNER	Review and action mail through Canada Post	0.30	\$465.00	\$139.50
1/2/2024	TMCELROY	Set up request to transfer funds between estate trust accounts as per J. Albert direction; Review and respond to correspondence from secured creditor; Email to Raj D. (new owner) re funds received from RBC re bank machine; Instructions to S. Warner re banking matters;	0.60	\$575.00	\$345.00
1/3/2024	SWARNER	Reviewed and actioned mail through Canada Post; email to James Formusa re RT0002 returns	0.30	\$465.00	\$139.50
1/3/2024	SWARNER	Review mail though Canada Post and instructions re chequ received from Bell & RBC	0.30	\$465.00	\$139.50
1/4/2024	SWARNER	Call from CRA compliance re payroll returns; retrieved and saves all final documents for 2022 and 2023 financial for both corp and email copies of T2 to CRA	1.10	\$465.00	\$511.50
1/6/2024	TMCELROY	Review of cheque from Bell; Email to purchaser of Cherrycrest property re same; Instructions to S. Warner re banking matters;	0.40	\$575.00	\$230.00
1/8/2024	TMCELROY	Prepare cheque requisitions for both companies to transfer funds from receivership trust account to respective bankruptcy trust accounts; Review of HST notice of assessment; Instructions to S. Warner re treatment of pre- and post-appointment assessments; Review and respond to J. Gill re status of receivership proceedings;	0.90	\$575.00	\$517.50
1/12/2024	TMCELROY	Email to CRA officer re status of amended proofs of claim re corporate income tax;	0.20	\$575.00	\$115.00
1/13/2024	TMCELROY	Approve disbursement; Instructions to D. Cherniak re banking matters;	0.10	\$575.00	\$57.50
1/17/2024	SWARNER	Reviewed and actioned numerous email on file related matters	0.50	\$465.00	\$232.50
1/17/2024	TMCELROY	Review of CRA notice of assessment re terminal tax return; Review of revised CRA proof of claims for both companies; Review and respond to correspondence from representative of secured creditor;	0.50	\$575.00	\$287.50
1/18/2024	SWARNER	Reviewed HST returns and filings for both entities; process and requisition estate payments; investigate into unreconciled banking item and instructions to D Cherniak re treatment of cheque	0.70	\$465.00	\$325.50
1/19/2024	BGELMAN	Review and approval of cheques;	0.10	\$615.00	\$61.50
1/20/2024	TMCELROY	Review and approve December 2023 bank reconciliations for both companies;	0.30	\$575.00	\$172.50
1/22/2024	SWARNER	Reviewed letter from Bell re payment and email to T McElroy accordingly	0.20	\$465.00	\$93.00
1/22/2024	TMCELROY	Review of writ; Review and respond to email from counsel re same; Review of letter from Bell re underpayment re hydro/electricity use;	0.40	\$575.00	\$230.00



2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Jan 31, 2024  
**Invoice Num:** 6980  
**Billing Through:** Jan 31, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

1/23/2024	SWARNER	Received and reviewed corporate tax assessment	0.10	\$465.00	\$46.50
1/24/2024	TMCELROY	Call with representative of secured creditor re final payout;	0.20	\$575.00	\$115.00
1/25/2024	TMCELROY	Prepare six month report; Prepare Interim SRDs for both companies; Detailed review of revised payout statement from secured creditor; Prepare analysis of distribution to secured creditor; Email to secured creditors;	3.60	\$575.00	\$2,070.00
1/26/2024	BGELMAN	Review and authorize wires for distribution to secured creditor;	0.10	\$615.00	\$61.50
1/26/2024	JALBERT	review and analysis of final payout statement to secured creditor and approve.	0.30	\$650.00	\$195.00
1/26/2024	TMCELROY	Instructions to D. Cherniak re wire payment; Review of wire payments prepared by D. Cherniak; Call with representative of secured creditor re confirm wire information; Call with secured creditor legal counsel re confirm wire information; Sign wire transfers;	1.10	\$575.00	\$632.50
1/30/2024	JALBERT	review, amend and sign Receiver's interim reports. Work on SRD notes including write up on shares of Northrock Inc. and detailed background section.	1.50	\$650.00	\$975.00
1/31/2024	JALBERT	Attend BNS branch re: closing of bank accounts for both 152 and 224; follow up email to "home branch" of BNS for companies.	0.80	\$650.00	\$520.00

**Total Fees:** **\$8,213.00**

**HST/GST:** \$1,081.35

### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Bryan A Gelman, Senior Managing Director, CIRP, LIT	0.20	\$615.00	\$123.00
Joe E Albert, CIRP, CPA, DIFA. LIT	2.60	\$650.00	\$1,690.00
Suzette Warner, Director, CFE, CPA, CGA, FCCA	3.50	\$465.00	\$1,627.50
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	8.30	\$575.00	\$4,772.50



2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Jan 31, 2024  
**Invoice Num:** 6980  
**Billing Through:** Jan 31, 2024  
**File ID:** 224CHERRYCREST-R

**Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.**

### Disbursements:

#### Non-Taxable Disbursements

SEARCH FEES:	\$8.00
TRAVEL:	\$9.15

#### Taxable Disbursements

POSTAGE:	\$5.52
SEARCH FEES:	\$50.00

**Total Expenses:** \$72.67

**HST/GST:** \$7.22

**Amount Due This Invoice:** **\$9,374.24**

### Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$8,266.36
TOTAL HST/GST:	\$1,088.57
<b>TOTAL AMOUNT DUE:</b>	<b>\$9,374.24</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Apr 30, 2024  
**Invoice Num:** 7136  
**Billing Through:** Apr 30, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2/1/2024	SWARNER	Call with CRA to discuss HST/GST audit re 1526400	0.30	\$465.00	\$139.50
2/2/2024	BGELMAN	Review and approval of December 31, 2023 bank reconciliation;	0.10	\$615.00	\$61.50
2/2/2024	JALBERT	Complete Receiver's interim reports	0.60	\$650.00	\$390.00
2/2/2024	SWARNER	Reviewed letter from CRA re audit request; email to James Formusa re schedules for FST	0.20	\$465.00	\$93.00
2/2/2024	TMCELROY	Review of CRA audit request letter;	0.20	\$575.00	\$115.00
2/5/2024	JALBERT	consider letter from RBC re: uncashed bank draft from 2018; research on-line name of payee; decide to not investigate further due to lack of knowledge of matter and no records from 2018.	0.20	\$650.00	\$130.00
2/5/2024	SWARNER	Reviewed and attend to mail though Canada Post	0.50	\$465.00	\$232.50
2/5/2024	TMCELROY	Review of correspondence from RBC;	0.10	\$575.00	\$57.50
2/6/2024	TMCELROY	Correspondence from S. Tiawana;	0.10	\$575.00	\$57.50
2/7/2024	JALBERT	prepare for and Teams meeting S Warner on CRA audit of 2023 HST return for 152; provide sale and HST election documents as requested by CRA auditor	0.70	\$650.00	\$455.00
2/7/2024	SWARNER	Call with J Albert to discuss HST audit	0.30	\$465.00	\$139.50
2/8/2024	SWARNER	Reviewed and actioned mail though Canada Post	0.20	\$465.00	\$93.00
2/8/2024	TMCELROY	Review and respond to email to J. Gill re return of third party deposit;	0.20	\$575.00	\$115.00
2/10/2024	TMCELROY	Prepare two cheque requisition re return of deposit to third party guarantor;	0.20	\$575.00	\$115.00
2/12/2024	JALBERT	review, amend/comment on draft response to CRA audit letter.	0.30	\$650.00	\$195.00
2/15/2024	SWARNER	Reviewed email re returned cheque and instructions to Daphna re posting	0.10	\$465.00	\$46.50
2/26/2024	SWARNER	Call from CRA re file update and distribution	0.20	\$465.00	\$93.00
2/28/2024	SWARNER	Reviewed letter from CRA re audit request and email to James F re HST return schedules	0.30	\$465.00	\$139.50
3/4/2024	SWARNER	Call from CRA auditor to discuss requirements regarding HST audit and follow up to Formusa for schedule	0.40	\$465.00	\$186.00
3/7/2024	JALBERT	TC Scotiabank collections regarding overdraft accruing due to monthly service fees of \$132 and request that bank account be closed.	0.50	\$650.00	\$325.00
3/8/2024	TMCELROY	Correspondence from S. Tiawana with threats made against representatives of Receiver personally; Discuss same with counsel;	0.40	\$575.00	\$230.00
3/10/2024	BGELMAN	Review and approval of Bank Reconciliation for the month end January 31, 2024 (for two accounts);	0.20	\$615.00	\$123.00
3/13/2024	SWARNER	Call from CRA regarding audit and research and responded to their additional document request	1.50	\$465.00	\$697.50

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Apr 30, 2024  
**Invoice Num:** 7136  
**Billing Through:** Apr 30, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

3/14/2024	SWARNER	Retrieved, reviewed and send additional information to auditor re 1526400 audit ; reviewed letter from BNS re overdraft and send creditors package accordingly	0.40	\$465.00	\$186.00
3/15/2024	SWARNER	Call from CRA to discuss audit adjustments	0.60	\$465.00	\$279.00
3/21/2024	JALBERT	Teams meeting S Warner on HST audit of companies.	0.10	\$650.00	\$65.00
3/21/2024	SWARNER	Call with CRA re audit for 1526400 and email to secured creditor for business numbers; reviewed mail re Region of Peel notice, general ledger and instructions to Mahood to call for verification	0.70	\$465.00	\$325.50
3/25/2024	SWARNER	Call with CRA re 1526400 audit and provided additional information requested; commenced review of documents for audit request for 2244039; Call with Region of Peel to provide further clarification re final billing	2.40	\$465.00	\$1,116.00
3/26/2024	SWARNER	continued work on audit requirement for 224Cherry	1.50	\$465.00	\$697.50
3/27/2024	JALBERT	Discuss CRA audit response with S Warner	0.10	\$650.00	\$65.00
3/27/2024	SWARNER	Finalized audit request for 224Cherry and fax to CRA; returned call to CRA auditor re 1526400 and left message	1.30	\$465.00	\$604.50
4/1/2024	JALBERT	review HST	0.20	\$650.00	\$130.00
4/24/2024	SWARNER	Call from CRA to discuss HST audit	0.40	\$465.00	\$186.00
4/25/2024	SWARNER	Call with CRA re audit request	0.30	\$465.00	\$139.50

**Total Fees:** **\$8,023.50**

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

INVOICE

Invoice Date: Apr 30, 2024  
Invoice Num: 7136  
Billing Through: Apr 30, 2024  
File ID: 224CHERRYCREST-R

Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

HST/GST: \$1,043.06

Summary by Staff:

Bryan A Gelman,Senior Managing Director, CIRP, LIT  
Joe E Albert,CIRP,CPA,DIFA. LIT  
Suzette Warner,Director, CFE, CPA, CGA, FCCA  
Tom McElroy,Managing Director, CPA, CBV, CIRP, LIT

Hours	Rate	Amount
0.30	\$615.00	\$184.50
2.70	\$650.00	\$1,755.00
11.60	\$465.00	\$5,394.00
1.20	\$575.00	\$690.00

Amount Due This Invoice: **\$9,066.56**

Invoice Summary:	
TOTAL FEES AND DISBURSEMENTS:	\$8,023.50
TOTAL HST/GST:	\$1,043.06
<b>TOTAL AMOUNT DUE:</b>	<b>\$9,066.56</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** May 31, 2024  
**Invoice Num:** 7196  
**Billing Through:** May 31, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
5/9/2024	SWARNER	Call from CRA to discuss final audit adjustments and issuance of audit letter	0.50	\$465.00	\$232.50
5/9/2024	TMCELROY	Review and sign March 2023 bank reconciliations for both companies;	0.20	\$575.00	\$115.00
5/9/2024	TMCELROY	Review and sign March 2024 bank reconciliations for both companies;	0.20	\$575.00	\$115.00
5/10/2024	JALBERT	review HST audit completed for 152 and note ITC's disallowed of \$8,736 as well as sale of assets without any HST assessment; approve assessment.	0.30	\$650.00	\$195.00
5/13/2024	TMCELROY	Detailed review of CRA HST audit letter; Prepare Receiver's interim report and interim SRDs for both companies;	2.80	\$575.00	\$1,610.00
5/14/2024	TMCELROY	Draft Trustee's Third Report to Court; Prepare Receiver's affidavit;	8.10	\$575.00	\$4,657.50
5/15/2024	TMCELROY	Review and approve accounts of legal counsel; Instructions to D. Cherniak re banking matters;	0.20	\$575.00	\$115.00
5/16/2024	JALBERT	review and amendments to Receiver's interim report to the OSB for both companies; review draft third report of Receiver and changes and comments for T McElroy; review status of HST re-assessment for 152 and HST audit of 224 and ask Suzette for update on both for inclusion in report.	2.20	\$650.00	\$1,430.00
5/17/2024	JALBERT	work further on draft Third Report to Court	1.50	\$650.00	\$975.00
5/17/2024	TMCELROY	Finalize Receiver's interim Report;	0.40	\$575.00	\$230.00
5/22/2024	SWARNER	Received and reviewed NOA re RT0002 ; call to CRA officer handling 224Cherry audit for a status update	0.20	\$465.00	\$93.00
5/27/2024	TMCELROY	Prepare cheque requisition;	0.10	\$575.00	\$57.50
5/28/2024	JALBERT	Review accountant's HST summary schedule by month for 224Co. for 2023 year and follow up questions on same	0.30	\$650.00	\$195.00

**Total Fees:** **\$10,020.50**

**HST/GST:** **\$1,302.67**

#### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Joe E Albert,CIRP,CPA,DIFA. LIT	4.30	\$650.00	\$2,795.00
Suzette Warner,Director, CFE, CPA, CGA, FCCA	0.70	\$465.00	\$325.50
Tom McElroy,Managing Director, CPA, CBV, CIRP, LIT	12.00	\$575.00	\$6,900.00

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** May 31, 2024

**Invoice Num:** 7196

**Billing Through:** May 31, 2024

**File ID:** 224CHERRYCREST-R

**Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.**

---

**Amount Due This Invoice:** **\$11,323.17**

<b><u>Invoice Summary:</u></b>	
TOTAL FEES AND DISBURSEMENTS:	\$10,020.50
TOTAL HST/GST:	\$1,302.67
<b>TOTAL AMOUNT DUE:</b>	<b>\$11,323.17</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Oct 31, 2024  
**Invoice Num:** 7507  
**Billing Through:** Oct 31, 2024  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
6/2/2024	TMCELROY	Review and sign April 2024 bank reconciliations for both companies;	0.20	\$575.00	\$115.00
6/3/2024	JALBERT	review and sign Receiver's interim 6 month report; Review accountant's email re: 24,000 HST owing post receivership for 2023; review ITC's for 2024 to ascertain credit/refunds available; advise S Warner to arrange for 2024 HST returns to be filed.	0.30	\$650.00	\$195.00
6/3/2024	SWARNER	GL review and posting of adjusting entries ; prepared HST Returns for January to May 2024	2.80	\$465.00	\$1,302.00
6/3/2024	TMCELROY	Update file checklist; Instructions to L. Valleau re filing interim report with OSB;	0.20	\$575.00	\$115.00
6/5/2024	SWARNER	File RT0002 returns for January to May 2024 for 2244039	0.60	\$465.00	\$279.00
6/18/2024	TMCELROY	Review of HST audit examination report from CRA. ;	0.20	\$575.00	\$115.00
6/21/2024	TMCELROY	Review of CRA notice of assessment for HST pre-receivership period;	0.20	\$575.00	\$115.00
7/6/2024	TMCELROY	Review and sign May 2024 bank reconciliations;	0.20	\$575.00	\$115.00
8/3/2024	TMCELROY	Review and sign June 2024 bank reconciliations;	0.20	\$575.00	\$115.00
8/8/2024	RBUBNIC	Bank reconciliation for July 2024	0.10	\$335.00	\$33.50
8/9/2024	SWARNER	Reviewed and actioned notice of assessment regarding RT0002	0.20	\$465.00	\$93.00
8/10/2024	TMCELROY	Review and sign July 2024 bank reconciliations (2);	0.20	\$575.00	\$115.00
9/4/2024	TMCELROY	Discuss preparation of BIA 246(2) interim report with M. Shafique;	0.20	\$575.00	\$115.00
9/9/2024	RBUBNIC	Prepared bank reconciliation for August 2024.	0.10	\$335.00	\$33.50
9/10/2024	TMCELROY	Review, approve and sign August 2024 bank reconciliations;	0.20	\$575.00	\$115.00
9/13/2024	TMCELROY	Review and amended Receiver's BIA 246 interim reports and interim SRDs for both companies;	2.80	\$575.00	\$1,610.00
9/27/2024	TMCELROY	Continue drafting Receiver's Report to Court;	5.40	\$575.00	\$3,105.00
10/8/2024	RBUBNIC	Prepared bank reconciliation for September 2024.	0.10	\$335.00	\$33.50
10/9/2024	TMCELROY	Continue drafting Report to Court;	5.50	\$575.00	\$3,162.50
10/12/2024	TMCELROY	Review and sign September 2024 bank reconciliations;	0.20	\$575.00	\$115.00
10/23/2024	TMCELROY	Review and respond to correspondence from counsel;	0.20	\$575.00	\$115.00

**Total Fees:** **\$11,112.00**

**HST/GST:** \$1,444.56

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Oct 31, 2024  
**Invoice Num:** 7507  
**Billing Through:** Oct 31, 2024  
**File ID:** 224CHERRYCREST-R

**Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.**

### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Joe E Albert,CIRP,CPA,DIFA. LIT	0.30	\$650.00	\$195.00
Robert Bubnic,Senior Estate Administrator	0.30	\$335.00	\$100.50
Suzette Warner,Director, CFE, CPA, CGA, FCCA	3.60	\$465.00	\$1,674.00
Tom McElroy,Managing Director, CPA, CBV, CIRP, LIT	15.90	\$575.00	\$9,142.50

**Amount Due This Invoice:** **\$12,556.56**

### Invoice Summary:

TOTAL FEES AND DISBURSEMENTS:	\$11,112.00
TOTAL HST/GST:	\$1,444.56
<b>TOTAL AMOUNT DUE:</b>	<b>\$12,556.56</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001



2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Mar 31, 2025  
**Invoice Num:** 7918  
**Billing Through:** Mar 31, 2025  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/5/2024	TMCELROY	Review and sign estate trust cheque;	0.10	\$575.00	\$57.50
11/16/2024	TMCELROY	Review and sign October 2024 bank recs;	0.20	\$575.00	\$115.00
12/9/2024	RBUBNIC	Prepared November 2024 bank reconciliation.	0.10	\$335.00	\$33.50
12/14/2024	TMCELROY	Review and sign November 2024 bank recs;	0.20	\$575.00	\$115.00
12/16/2024	TMCELROY	Comments to S. Warner re comments re status of receivership proceedings;	0.20	\$575.00	\$115.00
1/7/2025	TMCELROY	Review of CRA correspondence;	0.10	\$595.00	\$59.50
1/9/2025	RBUBNIC	Prepared December 2024 bank reconciliation.	0.10	\$350.00	\$35.00
1/11/2025	TMCELROY	Review and sign December 2024 bank reconciliations;	0.20	\$595.00	\$119.00
1/20/2025	TMCELROY	Prepare updated Interims SRDs for both companies; Prepare BIA interim Reports per BIA s. 246 for both debtor companies;	2.50	\$595.00	\$1,487.50
2/15/2025	TMCELROY	Review and sign January 2025 bank reconciliations;	0.20	\$595.00	\$119.00
3/10/2025	TMCELROY	Prepare Receiver's affidavit; Assemble appendices to Court Report; Prepare Receiver's Final SRD;	3.30	\$595.00	\$1,963.50
3/11/2025	RBUBNIC	Prepared bank reconciliation for February 2025.	0.10	\$350.00	\$35.00
3/15/2025	TMCELROY	Review and sign February 2025 bank reconciliations;	0.20	\$595.00	\$119.00
3/31/2025	BGELMAN	Review of draft report to Court;	0.60	\$645.00	\$387.00
3/31/2025	TMCELROY	Finalize draft version of Receiver's Third Report to Court; Email to counsel; Email to W. Rudger (CRA) re HST balances and status of trust examination;	2.90	\$595.00	\$1,725.50

**Total Fees:** **\$6,486.00**

**HST/GST:** \$843.18

#### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Bryan A Gelman, Senior Managing Director, CIRP, LIT	0.60	\$645.00	\$387.00
Robert Bubnic, Senior Estate Administrator	0.30	\$335.00	\$103.50
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	10.10	\$575.00	\$5,995.50

**Amount Due This Invoice:** **\$7,329.18**

#### Invoice Summary:

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** Mar 31, 2025

**Invoice Num:** 7918

**Billing Through:** Mar 31, 2025

**File ID:** 224CHERRYCREST-R

**Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.**

---

TOTAL FEES AND DISBURSEMENTS:	\$6,486.00
TOTAL HST/GST:	\$843.18
<b>TOTAL AMOUNT DUE:</b>	<b>\$7,329.18</b>

GST/HST Registration # 83741 9514 RT0001

HST No. 83741 9514 RT 0001

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** May 20, 2025  
**Invoice Num:** 7958  
**Billing Through:** May 20, 2025  
**File ID:** 224CHERRYCREST-R

### Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.

#### Professional Fees:

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
4/1/2025	TMCELROY	Call with W. Rueger re status of CRA compliance and balances owing / refunds; Review of counsel comments to Third Report; Further edits to third report;	1.40	\$595.00	\$833.00
4/2/2025	BGELMAN	Attend file update meeting with Tom McElroy;	0.30	\$645.00	\$193.50
4/2/2025	TMCELROY	File update meeting with B. Gelman; Voicemail from CRA officer re status of HST refund and compliance of HST accounts;	0.40	\$595.00	\$238.00
4/17/2025	TMCELROY	Review of correspondence from CRA re HST arrears; Approve disbursement to CRA;	0.30	\$595.00	\$178.50
4/17/2025	TMCELROY	Review and sign estate trust cheques (2);	0.10	\$595.00	\$59.50
4/18/2025	TMCELROY	Review and sign March 2025 bank reconciliations (both companies);	0.20	\$595.00	\$119.00
5/7/2025	BGELMAN	File update meeting with Tom McElroy;	0.20	\$645.00	\$129.00
5/7/2025	TMCELROY	File review meeting with B. Gelman;	0.20	\$595.00	\$119.00
5/8/2025	TMCELROY	Email to counsel re Court hearing;	0.10	\$595.00	\$59.50
5/10/2025	TMCELROY	Review and sign April 2025 bank reconciliations (both companies);	0.20	\$595.00	\$119.00
5/19/2025	TMCELROY	Finalize draft final SRD; Finalize draft Third Report; Finalize draft affidavit;	2.50	\$595.00	\$1,487.50

**Total Fees:** **\$3,535.50**

**HST/GST:** \$459.62

#### Summary by Staff:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Bryan A Gelman, Senior Managing Director, CIRP, LIT	0.50	\$645.00	\$322.50
Tom McElroy, Managing Director, CPA, CBV, CIRP, LIT	5.40	\$595.00	\$3,213.00

#### Disbursements:

##### Taxable Disbursements

POSTAGE: \$1.23

**Total Expenses:** **\$1.23**

**HST/GST:** \$0.16

**Amount Due This Invoice:** **\$3,996.51**

2244039 Ontario Inc. and 1526400 Ontario Inc.  
c/o Albert Gelman Inc., Court Appointed Receiver

## INVOICE

**Invoice Date:** May 20, 2025

**Invoice Num:** 7958

**Billing Through:** May 20, 2025

**File ID:** 224CHERRYCREST-R

**Re: Receivership of 2244039 Ontario Inc. and 1526400 Ontario Inc.**

---

<b><u>Invoice Summary:</u></b>	
TOTAL FEES AND DISBURSEMENTS:	\$3,536.57
TOTAL HST/GST:	\$459.78
<b>TOTAL AMOUNT DUE:</b>	<b>\$3,996.51</b>

GST/HST Registration # 83741 9514 RT0001



ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

2046245 ONTARIO INC., 2222228 ONTARIO INC., 2473560 ONTARIO INC. and  
2473441 ONTARIO INC.

Applicants

- and -

2244039 ONTARIO INC. and 1526400 ONTARIO INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AFFIDAVIT OF BEATRICE LOSCHIAVO  
(Sworn May 28, 2025)

I, Beatrice Loschiavo, of the Town of Toronto, in the Province of Ontario, **MAKE OATH**  
**AND SAY:**

1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"). I have personal knowledge of the matters to which I hereinafter refer.
2. Paliare Roland has provided legal services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit "A"** are dockets (the "**Dockets**") which set out Paliare Roland's fees and disbursements from October 8, 2023, to May 28, 2025. The Dockets describe the services provided and the amounts charged by Paliare Roland.
3. 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	\$975/hr	13.00	\$11,605.00
Dillon Gohil	\$275/hr	0.40	\$110.00
<b>Subtotal</b>			<b>\$11,715.00</b>

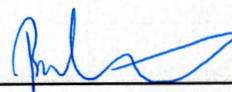
4. Inclusive of HST and disbursements, the total amount of the Dockets are **\$13,237.96.**

**SWORN** before me, on this 28<sup>th</sup> day of  
May 2025



A Commissioner for taking Affidavits

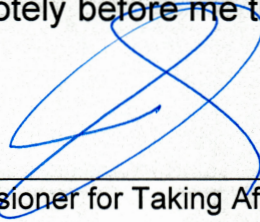
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**BEATRICE LOSCHIAVO**



This is **Exhibit "A"**  
Referred to in the Affidavit of Beatrice Loschiavo  
Affirmed remotely before me this 28th day of May, 2025

A handwritten signature in blue ink, consisting of a large, stylized 'S' or 'Z' shape with a loop at the end.

---

A Commissioner for Taking Affidavits (or as may be)



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

416.646.4300  
paliareroland.com

Private and Confidential  
Bryan Gelman  
Albert Gelman Inc.  
100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

October 31, 2023  
Invoice No.: 122810  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending October 31, 2023:

OUR FEES	\$ 3,610.00
Total HST	<u>469.30</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 4,079.30</u></u></b>

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

Per:

A handwritten signature in blue ink, appearing to read 'Jeffrey Larry'.

---

Jeffrey Larry





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155 Wellington St. West  
Toronto, Ontario M5V 3H1  
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Suite 125  
Toronto, Ontario M5H 3G2

October 31, 2023  
Invoice No.: 122810  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending October 31, 2023:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
08/10/23	JL	Review and provide comments on report;	875.00	0.60	525.00
12/10/23	DG	Commission affidavit and Exhibits of B. Loschiavo;	275.00	0.40	110.00
15/10/23	JL	Drafting Notice of Motion and Order; correspondence with T. McElroy;	875.00	0.80	700.00
16/10/23	JL	Revise Order; finalize materials for service; correspondence with T. McElroy;	875.00	1.10	962.50
19/10/23	JL	Call with H. Manis; consider issues re: motion; call with T. McElroy;	875.00	0.40	350.00
24/10/23	JL	Call with J. Albert and T. McElroy; call with H. Manis, T. McElroy and J. Albert; email correspondence; correspondence with the court;	875.00	0.70	612.50
30/10/23	JL	Call with T. McElroy; issues re motion; correspondence;	875.00	0.40	350.00

**TIME SUMMARY**

<b>MEMBER</b>	<b>HOURS</b>	<b>RATE</b>	<b>VALUE</b>
Gohil, Dillon (DG)	0.40	275.00	110.00
Larry, Jeffrey (JL)	4.00	875.00	3,500.00
	<u>4.40</u>		
OUR FEES			\$ 3,610.00
HST at 13%			469.30
			<u>          </u>
<b>INVOICE TOTAL</b>			<b><u><u>\$ 4,079.30</u></u></b>



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100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

October 31, 2023  
Invoice No.: 122810  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

**REMITTANCE COPY  
PLEASE REMIT WITH PAYMENT**

OUR FEES	\$ 3,610.00
Total HST	<u>469.30</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 4,079.30</u></u></b>





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100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

November 30, 2023  
Invoice No.: 123431  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending November 30, 2023:

OUR FEES	\$ 5,862.50
Total HST	<u>762.13</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 6,624.63</u></u></b>

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

Per:

A handwritten signature in blue ink, appearing to read 'Jeffrey Larry', positioned above a horizontal line.

Jeffrey Larry



35th Floor  
155 Wellington St. West  
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Canada

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100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

November 30, 2023  
Invoice No.: 123431  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending November 30, 2023:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
10/11/23	JL	Review and consideration of tax and CRA issues; correspondence with H. Manis; correspondence with T. McElroy;	875.00	0.60	525.00
14/11/23	JL	Correspondence with counsel; correspondence with Receiver;	875.00	0.30	262.50
27/11/23	JL	Call with T. McElroy; call with H. Manis; revise Receiver's report;	875.00	1.10	962.50
28/11/23	JL	Finalize and serve supplementary report; correspondence with H. Manis; calls with T. McElroy; call with T. McElroy and J. Albert; prepare for hearing;	875.00	1.50	1,312.50
28/11/23	JL	Prepare for court attendance;	875.00	0.40	350.00
29/11/23	JL	Prepare for and attend at court;	875.00	1.50	1,312.50
29/11/23	JL	Calls with T. McElroy; prepare for and attend motion;	875.00	1.30	1,137.50

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED.  
INTEREST AT THE RATE OF 5.3% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.  
HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

**TIME SUMMARY**

<b>MEMBER</b>	<b>HOURS</b>	<b>RATE</b>	<b>VALUE</b>
Larry, Jeffrey (JL)	<u>6.70</u>	875.00	<u>5,862.50</u>
	6.70		
OUR FEES			\$ 5,862.50
HST at 13%			<u>762.13</u>
<b>INVOICE TOTAL</b>			<b><u><u>\$ 6,624.63</u></u></b>



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100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

November 30, 2023  
Invoice No.: 123431  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

**REMITTANCE COPY  
PLEASE REMIT WITH PAYMENT**

OUR FEES	\$ 5,862.50
Total HST	<u>762.13</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 6,624.63</u></u></b>





# Paliare Roland

Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential  
Bryan Gelman  
Albert Gelman Inc.  
100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

May 28, 2025  
Invoice No.: 135234  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 27, 2025:

OUR FEES	\$ 2,242.50
Total HST	<u>291.53</u>

<b>INVOICE TOTAL</b>	<b><u><u>\$ 2,534.03</u></u></b>
----------------------	----------------------------------

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**

Per:



---

Jeffrey Larry

# Paliare Roland

Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential  
Bryan Gelman  
Albert Gelman Inc.  
100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

May 28, 2025  
Invoice No.: 135234  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 27, 2025:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
31/03/25	JL	Review and revise Receiver's Report;	975.00	0.70	682.50
27/05/25	JL	Review and revise receiver's report; draft Notice of Motion and Order;	975.00	1.60	1,560.00

## **TIME SUMMARY**

MEMBER	HOURS	RATE	VALUE
Larry, Jeffrey (JL)	2.30	975.00	2,242.50
	2.30		

OUR FEES	\$ 2,242.50
HST at 13%	291.53

<b>INVOICE TOTAL</b>	<b>\$ 2,534.03</b>
----------------------	--------------------

# Paliare Roland

Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential  
Bryan Gelman  
Albert Gelman Inc.  
100 Simcoe St.  
Suite 125  
Toronto, Ontario M5H 3G2

May 28, 2025  
Invoice No.: 135234  
Our File No.: 36410-100656

**RE: 2244039 Ontario Inc.**

---

**REMITTANCE COPY  
PLEASE REMIT WITH PAYMENT**

OUR FEES	\$ 2,242.50
Total HST	<u>291.53</u>
<b>INVOICE TOTAL</b>	<b><u><u>\$ 2,534.03</u></u></b>

**2046245 ONTARIO INC., et al.**  
Applicants

-and-

**2244039 ONTARIO INC. et al.**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF BEATRICE LOSCHIAVO**

**PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**  
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Lawyers for the Applicants

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**MOTION RECORD OF THE RECEIVER**

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