

**THIRD SUPPLEMENTARY FIRST REPORT OF
ALBERT GELMAN INC.
AS RECEIVER OF
WOODINGTON ESTATES INC.**

JULY 10, 2025

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

- and -

WOODINGTON ESTATES INC.

Respondent

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

**THIRD SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS RECEIVER**

JULY 10, 2025

I. INTRODUCTION AND PURPOSE

1. This report (the “**Third Supplementary First Report**”) supplements the First Report of the Receiver dated January 27, 2025 (the “**First Report**”), the Supplementary First Report of the Receiver dated May 13, 2025 (the “**Supplementary First Report**”) and the Second Supplementary First Report of the Receiver dated June 20, 2025 (the “**Second Supplementary First Report**” and collectively with the First Report and the Supplementary First Report, the “**Prior Reports**”).
2. Copies of the First Report, Supplementary First Report and Second Supplementary First Report, each without appendices, are attached hereto as **Appendix “A”**, **Appendix “B”** and **Appendix “C”**, respectively. Copies of the First Report, Supplementary First Report and Second Supplementary First Report, each with appendices, are available on the Receiver’s website at <https://www.albertgelman.com/filedocuments/>.
3. Capitalized terms not defined in this Third Supplementary First Report have the meanings given to them in the Prior Reports.
4. Unless otherwise stated, this Third Supplementary First Report is subject to the scope and terms of reference in the First Report.

Purpose of the Third Supplementary First Report

5. The purpose of this Third Supplementary First Report is to provide an update to the Court since the date of the Second Supplementary First Report regarding the Receiver’s mandate to monitor receipts and disbursements of WMI and 785 (the “**Monitoring Mandate**”), as ordered pursuant to the endorsement of The Honourable Justice Black dated June 2, 2025 (the “**June 2 Endorsement**”), a redacted copy of which is attached hereto as **Appendix “D”**.

II. UPDATE ON THE RECEIVER’S MONITORING MANDATE

6. As noted in the Second Supplementary First Report, the June 2 Endorsement provides, *inter alia*, the following:

“Mr. Chaiton for the applicant asked that I also include, as terms of the adjournment, that AGI be allowed to monitor receipts and disbursements of the respondents and that only ordinary course business expenditures are to be permitted pending the determination of the motion. Mr. Ullman resists these terms. On balance the terms strike me as fair and reasonable, and I order them. There is benefit to maintaining the status quo pending the disposition of this matter.”

7. Details of the Receiver’s activities in connection with the Monitoring Mandate are set out in the Second Supplementary First Report. As discussed therein, as of the date of the Second Supplementary First Report, no progress had been made in advancing the Monitoring Mandate.

8. On June 25, 2025, the Receiver sent a follow up email (the “**June 25 Receiver Email**”) to John Chetti (“**John**”). As discussed in the Second Supplementary First Report, the Receiver had previously been advised by Respondent’s counsel that John and other Chetti family members are currently assisting with managing the operations and affairs of the Golf Club on an interim basis due to Chetti’s medical situation. The June 25 Receiver Email asked for confirmation of when the requested information sought in connection with the Monitoring Mandate would be provided and to schedule a meeting to attend at the Golf Club to review financial records and establish a monitoring protocol. A copy of the June 25 Receiver Email is attached hereto as **Appendix “E”**.
9. Later on June 25, 2025, John responded to the Receiver (the “**June 25 John Email**”) as follows:

“We are prepared to pay off all parties by next Friday. We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receivers role in this transaction to ensure it is acting ethically.”

A copy of the June 25 John Email is attached hereto as **Appendix “F”**.
10. On July 3, 2025, the day before the alleged “pay off” date referenced in the June 25 John Email, the Receiver sent a follow-up email to John (the “**July 3 Receiver Email**”) requesting an update and copies of the supporting documentation to substantiate the proposed committed financing represented in the email. The July 3 Receiver Email, a copy of which is attached hereto as **Appendix “G”**, also noted that the Receiver would not be responding to the remainder of the June 25 John Email at that time, and that the absence of a response should not be taken as any acceptance of, or agreement with, the statements made therein.
11. Later that same day, John responded to the Receiver to request a call. The Receiver attended a call with John on July 3, 2025, during which John, among other things, claimed to have obtained committed financing and indicated that the Respondent’s counsel was engaged in discussions with Eisen’s counsel regarding potential refinancing terms.
12. On July 4, 2025, the Receiver sent a further email to John to: (i) request documentation in support of the purported committed financing, (ii) respond to the statements made in the June 25 John Email not previously addressed in the July 3 Receiver Email, and (iii) address the continued lack of cooperation and failure to provide information relating to the Monitoring Mandate (the “**July 4 Receiver Email**”). The Receiver again requested the necessary information to carry out the Monitoring Mandate and proposed scheduling a meeting to establish a monitoring protocol. A copy of the July 4 Receiver Email is attached hereto as **Appendix “H”**.
13. As of the date of this Third Supplementary First Report, the Receiver has not received a response to the July 4 Receiver Email, has not received any of the information it has requested regarding the Monitoring Mandate and has not been able to confirm a meeting date with any representative of the

Golf Club. As a result, no monitoring pursuant to the June 2 Endorsement has taken place despite the Receiver's efforts.

All of which is respectfully submitted this 10th day of July 2025

**ALBERT GELMAN INC.,
solely in its capacity as Receiver of
Woodington Estates Inc.
and not its personal or any other capacity**



Per: _____
Adam Zeldin, CPA, CA, CIRP, LIT

APPENDIX “A”

**FIRST REPORT OF
ALBERT GELMAN INC.
AS RECEIVER OF
WOODINGTON ESTATES INC.**

JANUARY 27, 2025

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

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

**FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS RECEIVER**

JANUARY 27, 2025

I. INTRODUCTION

1. This report (the “**First Report**”) is filed by Albert Gelman Inc. (“**AGI**”), in its capacity as receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties (collectively, the “**Property**”) of Woodington Estates Inc. (the “**Company**”), including the real property municipally known as 7110 4th Line, Tottenham, Ontario (the “**Golf Course Lands**”).
2. Pursuant to an order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on December 2, 2024 (the “**Filing Date**”), AGI was appointed Receiver of the Company. A copy of the Receivership Order is attached hereto as **Appendix “A”**.
3. The application to appoint AGI as Receiver (the “**Receivership Application**”) was made by the Company’s senior secured creditor, Melvyn Eisen (“**Eisen**”), trustee in respect of a syndicated loan made to the Company (the “**Applicant**”).
4. The Company is the registered owner of the Golf Course Lands, on which a thirty-six (36) hole golf course, approximately 32,000 square foot clubhouse facility (the “**Clubhouse**”) and supporting infrastructure known as “Woodington Lake Golf Club” is situated (the “**Golf Club**”).
5. The primary purpose of these receivership proceedings is to conduct a coordinated, Court-supervised sale process for the Golf Course Lands and the Golf Club business (the “**Sale Process**”), and to obtain possession of or otherwise review the Company’s and other relevant books and records to determine, among other things, ownership of the Golf Club and facilitate realizations of the Golf Course Lands, including the business of the Golf Club.
6. The Receiver has established a case website at <https://www.albertgelman.com/corporate-solutions/other-engagements/> (the “**Case Website**”), where copies of Court and other materials pertaining to these receivership proceedings are available in electronic form.
7. The Receiver has retained Aird & Berlis LLP (“**A&B**”) as its counsel in connection with these proceedings.

II. PURPOSE OF THIS REPORT

8. The purpose of this First Report is to provide the Court with information pertaining to the following:
 - a. relevant background information about the Company, its creditors and these proceedings;
 - b. the Receiver’s findings and observations since the commencement of these proceedings;
 - c. the Sale Process;

- d. the activities of the Receiver since the Filing Date; and
- e. the Receiver's recommendation that this Court grant an Order (the "**Sale Process and Ancillary Relief Order**") and/or a judicial determination, as the case may be, *inter alia*:
 - i. appointing AGI as a limited equitable receiver, without security, of all the assets, undertakings and properties of Woodington Management Inc. ("**WMI**") and 1000736785 Ontario Limited ("**785**", and collectively with WMI, the "**Affiliates**"), for the purpose of marketing and selling the Affiliates' assets with those of the Company in order to facilitate the orderly execution of the Sale Process, encompassing both the Golf Club and the Golf Course Lands;
 - ii. approving the Sale Process, including the Sale Process procedures, attached as Schedule "A" to the Sale Process and Ancillary Relief Order (the "**Sale Process Procedures**"), and authorizing the Receiver to conduct the Sale Process;
 - iii. that the sale of the Golf Course Lands shall take place free and clear of any encumbrances, including the Lease (as defined below), other than expressly permitted encumbrances;
 - iv. that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company or, in the alternative, that the Lease disregarded the reasonable interests and expectations of the Applicant and Goldy (as defined below) as secured mortgagees, constituting oppressive conduct, and is void and unenforceable as against the Applicant and Goldy;
 - v. if the relief in 8(e)(iv) above is sought in a separate application, that such application be heard contemporaneously with the Receiver's motion;
 - vi. ordering certain disclosure to the Receiver;
 - vii. authorizing the Receiver to examine certain individuals in connection with these proceedings; and
 - viii. approving this First Report and the actions, activities and conduct of the Receiver described herein.

III. SCOPE AND TERMS OF REFERENCE

- 9. In preparing this First Report, the Receiver has relied upon certain unaudited financial information, the Company's books and records, discussions with the Company, its principal (Joseph Chetti, "**Chetti**"), and its legal counsel (Blaney McMurtry LLP, "**Blaney**"), legal counsel to the Company's senior secured creditors, Eisen (Chaitons LLP, "**Chaitons**") and Goldy (Goodmans LLP,

“Goodmans”), representatives from Canada Revenue Agency (**“CRA”**) and other stakeholders and individuals with knowledge of the Company’s and Chetti’s affairs.

10. While the Receiver has reviewed the various documents and other information obtained from the Company and other parties, such review does not constitute an audit or verification of such documents/information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises (**“ASPE”**) or International Financial Reporting Standards (**“IFRS”**) or otherwise. Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE, IFRS or otherwise with respect to such documents/information.
11. This First Report has been prepared for the use of this Court and the Company’s stakeholders as general information relating to the Company and to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.
12. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.
13. Capitalized terms not otherwise defined in this First Report have the meanings given to them in the Sale Process Procedures.

IV. BACKGROUND

14. In connection with the Receivership Application, the following sworn affidavits were filed with the Court:
 - a. the affidavit of Melvyn Eisen sworn August 7, 2024, filed in support of the Receivership Application (the **“First Eisen Affidavit”**);
 - b. the affidavit of Kenneth Gold of Goldy Metals Holdings Inc. (the Company’s second-secured lender, **“Goldy”**) sworn August 30, 2024, filed in support of the Receivership Application (the **“First Goldy Affidavit”**);
 - c. the responding affidavit of Joseph Chetti sworn September 9, 2024, filed in opposition to the Receivership Application (the **“Chetti Affidavit”**);
 - d. the affidavit of Melvyn Eisen sworn November 21, 2024, filed in support of a motion brought by Eisen seeking the appointment of AGI as Receiver (the **“Receivership Motion”**) following the Company’s failure to meet the terms of a Letter Agreement dated October 8, 2024 (the **“Letter Agreement”**) among Eisen, Goldy and the Company, whereby the parties agreed to adjourn the Receivership Application subject to the terms and conditions of the Letter Agreement (the

“Second Eisen Affidavit”). A copy of the Letter Agreement is attached hereto as **Appendix “B”**; and

- e. the supplementary affidavit of Kenneth Gold sworn November 20, 2024, filed in support of Receivership Motion (the **“Second Goldy Affidavit”**, and collectively with the First Eisen Affidavit, the First Goldy Affidavit, the Chetti Affidavit and the Second Eisen Affidavit, the **“Affidavits”**).
15. The Affidavits provide, among other things, information concerning the Company’s background, creditor composition and events giving rise to the Receivership Application and Receivership Motion, and, accordingly, that detailed discussion has not been repeated in this First Report. Copies of the Affidavits, without exhibits, are attached hereto as **Appendix “C”**. Copies of the Affidavits, with exhibits, are available on the Case Website.

Background Regarding the Company and its Affiliates

16. The Company is a privately-held Ontario corporation and has been the registered owner of the Golf Course Lands since January 11, 2019.
17. Chetti is the sole director and officer of the Company.
18. The Receiver understands that Chetti, through companies controlled by him, acquired the Golf Course Lands and the Golf Club at/around the end of 2017, as follows:
- a. pursuant to an agreement of purchase and sale dated December 22, 2017 (the **“Golf Course Lands APS”**), Rockland Estates Inc. (**“Rockland”**), a company controlled by Chetti, acquired the Golf Course Lands from Southridge Vistas Inc. The Receiver understands that the purchase price attributable to this transaction was approximately \$4.7 million, of which, approximately \$2.5 million was to be funded in cash, with the balance funded via a vendor-take-back (**“VTB”**) mortgage as against the Golf Course Lands and the Golf Club chattels; and
 - b. pursuant to a separate agreement of purchase and sale dated December 22, 2017 (the **“Golf Club Business APS”**), Rockland acquired the Golf Club business assets from Woodington Lake Golf Club Inc. The Receiver understands that the purchase price attributable to this transaction was approximately \$15.6 million, of which, approximately \$4.5 million was to be funded in cash, with the balance funded via a VTB as against the Golf Course Lands and the Golf Club chattels. As noted in the Golf Club Business APS, the assets acquired were the (i) golf course development, buildings and parking and (ii) golf course equipment (including golf carts and irrigation), furniture, computer and clubhouse equipment.
19. The Receiver understands that there were a series of amendments to the Golf Course Lands APS and Golf Club Business APS which indicate that, among other things, the closing date was extended

to January 11, 2019, additional deposit payments were made, and the collective cash purchase price was increased to \$8.5 million.

20. Copies of the Golf Course Lands APS and the Golf Club Business APS are attached hereto as **Appendix “D”** and **Appendix “E”**, respectively. A copy of the amending agreement evidencing the increase to the collective purchase price and additional deposit amounts is attached hereto as **Appendix “F”**.
21. Pursuant to an assignment agreement dated January 11, 2019 (the “**Assignment Agreement**”), Rockland assigned the Golf Course Lands APS to the Company and the Golf Club Business APS to WMI. A copy of the Assignment Agreement is attached hereto as **Appendix “G”**.
22. According to the Chetti Affidavit, the Golf Club is presently owned and operated by 785 and has been since approximately December 12, 2023, the day it was incorporated.
23. Chetti is the sole director of WMI. Frances Chetti, the spouse of Chetti, is the sole director of 785.
24. The Receiver was provided with a copy of a lease agreement entered into on December 15, 2023 between the Company, as landlord, and 785, as tenant (the “**Lease**”), for the use of the Golf Course Lands to operate the Golf Club, including ancillary activities related to the Golf Club operations. The Receiver’s findings and observations regarding the Lease, a copy of which is attached hereto as **Appendix “H”**, are discussed below.

Secured Creditors

Eisen

25. As noted in the First Eisen Affidavit, Eisen made a syndicated loan to the Company in the amount of \$11.5 million on January 9, 2019 (the “**Eisen Loan**”). Participants in the syndicated Eisen Loan included, among other parties, Windsor Private Capital Limited Partnership and Windsor II Limited Partnership (“**WLP**”), which collectively advanced approximately \$10.5 million towards the Eisen Loan. As further noted in the First Eisen Affidavit, the Eisen Loan is one of several syndicated loans that Eisen has provided to entities owned and/or controlled by Chetti over several years.
26. The term of the Eisen Loan was for one year, with a maturity date of March 1, 2020. The Receiver understands the Eisen Loan was to be used by the Company for various purposes, including (i) to purchase the Golf Course Lands, (ii) to fund improvements to the Golf Club and (iii) to provide additional working capital to the Company.
27. As of November 29, 2024, the amount owing under the Eisen Loan, for principal, interest and costs, which continue to accrue, was approximately \$12.3 million.
28. To secure the advances made under the Eisen Loan, the Company granted the following security (collectively, the “**Eisen Security**”) in favour of Eisen: (i) a charge/mortgage in the principal amount

of \$11.5 million on title to the Golf Course Lands (the “**Eisen Mortgage**”) and (ii) an assignment of rents.

29. In addition to the Eisen Security, each of Chetti, Elena Salvatore (the Receiver understands Ms. Salvatore is the spouse of Chetti’s business partner in respect of the Highway 27 Property, as defined below) and WMI (collectively, the “**Guarantors**”) jointly and severally guaranteed the Company’s obligations under the Eisen Mortgage (the “**Guarantee**”).

Goldy

30. Pursuant to a Commitment Letter dated July 24, 2019, Goldy made a loan to the Company in the principal amount of \$5.5 million (the “**Goldy Loan**”). The term for the Goldy Loan was also for one year, with a maturity date of August 12, 2020.
31. The Receiver understands that, to secure the Company’s obligations under the Goldy Loan, the Company granted the following security (collectively, the “**Goldy Security**”) in favour of Goldy: (i) a charge/mortgage in the principal amount of \$5.5 million on title to the Golf Course Lands (the “**Goldy Mortgage**” and collectively with the Eisen Mortgage, the “**Mortgages**”), (ii) an assignment of rents and (iii) a general security agreement over all contracts, chattels fixtures and leasehold improvements located at or upon or relating to the Golf Course Lands. In addition, Chetti personally guaranteed the payment of all amounts owing by the Company under the Goldy Mortgage.
32. The Receiver further understands that, as at November 29, 2024, the amount owing in respect of the Goldy Loan, for principal, interest and costs, which continue to accrue, was approximately \$6.3 million.

Other Creditors

33. In addition to the registrations made pursuant to the Eisen Loan and the Goldy Loan, the Receiver is aware of the following encumbrances on title to the Golf Course Lands:
- a. a charge/mortgage in favour of Eisen and WLP in the principal amount of \$5.0 million, as security for an advance under a loan made by Eisen and WLP to another entity controlled by Chetti that owns lands and premises municipally known as 11720 Highway 27, Vaughan, Ontario (the “**Highway 27 Property**”);
 - b. a tax certificate by The Corporation of the Town of New Tecumseth (the “**Town**”) in respect of unpaid property taxes on the Golf Course Lands. The Receiver was provided with a statement of account from the Town’s counsel, which indicates that, as at January 20, 2025, approximately \$225,000 is owing to the Town in respect of property taxes; and
 - c. a construction lien registered by Sylvio Construction Co. Ltd. in the amount of approximately \$1.5 million.

34. As the Company does not maintain financial records and has not filed a tax return since 2018 (as discussed below), it is unknown to the Receiver whether the Company has obligations in addition to those noted above.

Events Leading to the Receivership Application and Receivership Order

35. As discussed in the First Eisen Affidavit and the First Goldy Affidavit, neither of the Eisen Loan or Goldy Loan were repaid on their respective maturity dates. However, the Receiver understands that no enforcement steps were taken as the Company continued to make interest payments to Eisen and Goldy through to October 2023 and June 2023, respectively. Further, as it relates to the Eisen Loan, it was represented by Chetti and understood by Eisen and WLP that the Eisen Loan would be repaid upon closing of the sale of certain other lands owned by Chetti subject to an executed agreement of purchase and sale (further details are provided in paragraph 43(f) below).
36. Following a missed interest payment in June 2023, Goldy, through its counsel, issued formal demand for repayment of the Goldy Loan by August 12, 2023. As the Company failed to cure the defaults under the Goldy Loan, on August 9, 2023, Goldy initiated power of sale proceedings (the “**Goldy Power of Sale Proceedings**”) for the sale of the Golf Course Lands unless the full indebtedness under the Goldy Loan was repaid by September 18, 2023. After negotiations among Goldy, Chetti and their respective counsel, Goldy agreed to forbear from continuing the Goldy Power of Sale Proceedings, subject to certain terms and conditions, including payment of outstanding interest for the months of July to October, 2023. While these payments were made, the monthly interest for November 2023 and December 2023 were not and, accordingly, Goldy arranged for the Golf Course Lands to be listed for sale on December 29, 2023.
37. As discussed in the First Goldy Affidavit, in January 2024, an offer to purchase the Golf Course Lands from a company controlled by Chetti was accepted by Goldy (the “**Proposed Sale**”). Ultimately, following two failed attempts to close the Proposed Sale due to lack of funding, the Proposed Sale never closed.
38. As further discussed in the First Goldy Affidavit, Goldy extended multiple indulgences to Chetti and the Company after the failure of the Proposed Sale, despite Chetti’s repeated broken promises to repay the loan. In the spring of 2024, Goldy demanded payment several times, receiving assurances from the Company/Chetti that payment was imminent, but, again, no payments were made. On May 16, 2024, Chetti signed a forbearance agreement committing to a \$1,000,000 payment by May 17, 2024, in exchange for Goldy refraining from enforcement actions. However, this payment deadline was missed, and subsequent verbal promises for payment also went unfulfilled. By June 2024, the Company’s outstanding indebtedness to Goldy had ballooned to approximately \$5.9 million.
39. As discussed in the First Eisen Affidavit, due to similar and continuing defaults under the Eisen Loan, on May 16, 2024, Eisen, through its counsel, issued demands for repayment of the Eisen Loan and

delivered a notice of intention to enforce security under section 244 of the *Bankruptcy and Insolvency Act* (the “**BIA**”). As further discussed in the First Eisen Affidavit, on the same date, Chaitons, on behalf of Eisen, demanded payment from the Guarantors pursuant to the Guarantee.

40. Throughout the summer of 2024, Chetti and the Company delayed enforcement by Eisen and Goldy by claiming to be negotiating various refinancing deals and offering additional collateral to secure the loans (as noted in the First Goldy Affidavit, it was proposed that Chetti would offer his personal residence as additional security in exchange for another forbearance agreement, but neither Chetti nor his wife signed the necessary legal documents). Despite further verbal offers and assurances of forthcoming refinancing proposals, no transactions or repayments materialized. By August 14, 2024, while Goldy received updates on a purported refinancing deal, no actionable steps had been taken.
41. The Receivership Application was commenced by Eisen, as trustee, on August 9, 2024. As noted in the First Goldy Affidavit, Goldy supported the relief sought in the Receivership Application given the Company's continued default in respect of the Goldy Loan. The Receivership Application was initially scheduled to be heard on October 10, 2024. On October 8, 2024, the Receivership Application was adjourned subject to the terms and conditions of the Letter Agreement, to allow the Company further time to pursue refinancing and sale options. Ultimately, the Company failed to satisfy the terms/conditions of the Letter Agreement, including making the agreed upon interest payments. In the circumstances and as set out in the endorsement of Justice Black released on December 2, 2024, a copy of which is attached hereto as **Appendix “I”**, the Court granted the Receivership Order.

V. INITIAL FINDINGS AND OBSERVATIONS OF THE RECEIVER

42. Since the Filing Date, the Receiver has been working to obtain information regarding the affairs and operations of the Company in order to perform its Court-ordered mandate and prepare for the Sale Process. While certain of this information has been obtained/provided (in many cases, from third-party sources), significant portions remain outstanding, which has led to additional questions and concerns for the Receiver.
43. An overview of the Receiver's initial findings and observations since the Filing Date is provided as follows:
 - a. **Company Financial and Tax Records** – the Receiver understands from discussions with Chetti that the Company does not maintain an accounting system or internal financial records. According to Chetti, historically, financial statements of the Company were prepared by an external accountant, David Fine of RSP LLP (“**RSP**”), who passed away in 2022, and the Company has not retained a new accountant. The Receiver contacted RSP to request copies of any historical financial statements of the Company, however RSP has responded that they have no such records at their office (RSP advised that they will check their off-site storage to

confirm if any Company records are maintained there. The Receiver does not have an update in this regard as of the date of the First Report).

Additionally, on/about January 3, 2025, the Receiver attended a call with a representative from CRA for the purpose of requesting copies of the Company's tax returns for the fiscal years 2019 to 2023. The Receiver initially made this request to the Company, but no information was received. On the call, the Receiver was advised by the CRA representative that the Company has not filed a tax return (corporate, HST or otherwise) since fiscal year 2018, the year prior to it taking assignment of the Golf Course Lands. The Receiver is investigating this matter to determine what amounts, if any, may be owing to CRA;

- b. **Acquisition of the Golf Course Lands and the Golf Club** – as noted above, the Golf Course Lands and Golf Club were acquired by entities controlled by Chetti pursuant to the Golf Course Lands APS and the Golf Club Business APS, respectively, and subsequently assigned to the Company and WMI, respectively, on January 11, 2019, pursuant to the Assignment Agreement. The Receiver notes that the Golf Club Business APS provides for a purchase price of approximately \$15.6 million, of which, approximately \$9.4 million is allocated to the Clubhouse. The Receiver further notes that, despite making requests of the Company, it has not been provided nor is it aware of any lease or other agreement entered into at the time of acquisition or otherwise between WMI and the Company with respect to the use of the Golf Course Lands;
- c. **Conveyance of WMI assets to 785** – as discussed above and in the Chetti Affidavit, Chetti represents that, since December 12, 2023, the Golf Club has been owned and operated by 785. The Receiver has requested a copy(ies) of the agreement(s) supporting the transfer/conveyance of the Golf Club assets from WMI to 785 to, among other things, confirm the purpose and validity of the transaction, as well as to confirm what consideration, if any, was exchanged. As of the date of this First Report, the Receiver has not received a response. As WMI guaranteed the obligations of the Company in respect of the Eisen Mortgage, it raises the question of whether the transfer/conveyance gives rise to a fraudulent preference or challengeable transaction. It is also noteworthy that the transfer or conveyance appears to have occurred following initiation of the Goldy Power of Sale Proceedings and nearly two-weeks prior to the Golf Course Lands being listed for sale in connection therewith;
- d. **The Lease** – the Receiver notes the following in connection with the Lease:
 - i. the Lease indicates that it was entered into on December 15, 2023, and was signed on the same date. Chetti signed the Lease on behalf of both the landlord (the Company), as "owner", and on behalf the tenant (785), as "A.S.O." (authorized signing officer). As noted above, Frances Chetti (Chetti's spouse) is the sole director of 785;

- ii. the Lease provides, among other things, a 10-year term commencing on April 2, 2020 (notwithstanding that the lease was entered into nearly three years later and with 785, which entity did not exist at the commencement of the lease term – as noted above, 785 was incorporated on December 12, 2023), with a rent-free period for the first five years of the term, and monthly rent of \$10,000 thereafter. The rent payable under the Lease is, therefore, insufficient to provide the Company with funding to satisfy its ongoing obligations, including interest on the Mortgages and property taxes;
- iii. the Lease also provides that, within the first five (5) years of the Lease term, 785 is to invest \$4.0 million towards renovating and enhancing the Golf Course Lands, Clubhouse and other property infrastructure. The Chetti Affidavit notes that, following a slip-and-fall incident at the Golf Club, close to \$4.0 million was spent to renovate certain parts of the Golf Club (and specifically, the rear portion). Despite making enquiries, the Receiver has not received any documentation to substantiate these costs, including the source and beneficiary of the alleged funds spent;
- iv. despite enquiries made by the Receiver, the Receiver has no information regarding who created/drafted the Lease or whether there was legal counsel involved;
- v. the Receiver understands that neither Eisen nor Goldy provided their consent to the Company prior to it entering into the Lease (as noted above, each of the Eisen Security and Goldy Security include an assignment of rents); and
- vi. the Receiver has requested a copy of any agreement in place prior to December 15, 2023 governing the arrangement between the Company and WMI for the use of the Golf Course Lands. The Receiver has not received a response to this request.

In consideration of the foregoing, the Receiver has reasonable concerns as to the validity of the Lease, the intent with which it was entered into and its potential impact on the proposed Sale Process. As such, the Receiver seeks a finding that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company. In the alternative, and given the absence of the consent of Eisen and Goldy, the Receiver seeks a finding that the Lease is void and unenforceable pursuant to the oppression remedy, insofar as the execution of such disregarded the reasonable interests and expectations of Eisen and Goldy (i) under the Eisen Loan and the Goldy Loan, respectively, and (ii) as secured mortgagees registered on title to the Golf Course Lands;

- e. **WMI Financial Statements** – the Receiver obtained copies of unaudited financial statements for WMI for the fiscal years ended December 31, 2022 (the “**2022 Statements**”) and December 31, 2023 (the “**2023 Statements**” and collectively with the 2022 Statements, the “**WMI Statements**”). The WMI Statements, copies of which are attached hereto as **Appendix “J”**,

were provided to the Receiver by Barry Kerbel ("**Kerbel**"), a realtor and individual who purports to have a historical business relationship with Chetti (as noted in the First Goldy Affidavit, Kerbel acted as an intermediary between Goldy and Chetti in connection with a potential refinancing transaction for the Golf Course Lands). The Receiver notes the following with respect to the WMI Statements:

- i. the Receiver identified certain irregularities regarding the WMI Statements' balance sheets, particularly as it relates to the recording of a land asset (WMI is not the owner of the Golf Course Lands). The notes to the 2022 Statements indicate that the property, plant and equipment ("**PPE**") assets, which are recorded on the balance sheet at approximately \$20.4 million (cost value), include approximately \$6.5 million related to land. Further, the 2023 Statements record PPE of approximately \$24.2 million (cost value), indicating that the cost basis of PPE assets increased year-over-year by approximately \$3.8 million. As there are no notes to the 2023 Statements, it is unknown what assets comprise the FY2023 recorded balance or what the increase in the cost value of PPE relates to. On a call between the Receiver and Chetti on January 7, 2025 (the "**January 7 Call**"), Chetti advised the Receiver that the WMI Statements were prepared on a basis that "combined" the assets and operations of the Company and WMI, notwithstanding that they are two separate legal entities, do not have parent-subsidiary relationship and do not share a common parent;
- ii. the 2022 Statements include a signed Compilation Engagement Report (the "**Notice to Reader**") dated October 11, 2024, indicating that they were compiled by Lamin Omar Dibba ("**Dibba**"), a chartered professional accountant ("**CPA**"), from information provided by management of the Company. The Receiver performed a search of Dibba's name on the Chartered Professional Accountants of Ontario website, which indicated he is a sole practitioner and a member in good standing;
- iii. on December 30, 2024, the Receiver attended two calls with Dibba to discuss the 2022 Statements (a copy of the 2022 Statements were also sent to Dibba). During those calls, Dibba advised the Receiver that he (i) did not compile/prepare the 2022 Statements, (ii) had no knowledge of WMI, 785, Chetti or the 2022 Statements and (iii) did not recall ever having a client or otherwise compiling financial statements for a company that owns or operates a golf course. Additionally, after having reviewed the 2022 Statements, Dibba advised that the Notice to Reader was not prepared on his letterhead and the statements were not prepared in the format he uses for his clients;
- iv. the Receiver attended a call with Kerbel on January 4, 2025 (the "**January 4 Call**") to query, among other things, if he knew who prepared the 2022 Statements, given the representations of Dibba. Kerbel advised that they were prepared by another individual,

Marvin Winick ("**Winick**"), a former licensed chartered accountant, who was expelled from membership of the Canadian Institute of Chartered Accountants (as it was then known) in the early-1990s. Kerbel further advised that it was his understanding that Winick has an arrangement with Dibba whereby Winick prepares compilation financial statements and pays a fee to Dibba to include Dibba's name and signature on the accompanying notice to reader/compilation engagement report;

- v. following the January 4 Call, the Receiver attended a further call with Dibba on January 6, 2025. On the call, Dibba advised that he did not know of either Kerbel or Winick and denied any claims of an arrangement with Winick as represented by Kerbel;
- vi. on the January 7 Call, the Receiver and Chetti discussed, among other things, the 2022 Statements and the Receiver's prior discussions with Kerbel and Dibba. During the call, the Receiver queried Chetti regarding the preparer of the WMI Statements and the purpose and timing of their preparation (October 2024 – nearly one year and two years following the applicable periods and with the lingering Receivership Application). In response, Chetti advised that the statements were prepared by Winick. When questioned about the Notice to Reader, including as it relates to the conflicting representations of Dibba and Winick, Chetti advised that the Receiver should reach out to Winick. When questioned about the purpose/timing of the statements, Chetti advised that they were prepared to seek take-out financing in respect of the Mortgages;
- vii. on January 8, 2025, the Receiver attended a call with Winick. On the call, Winick advised that he was first introduced to Chetti in 2024, that he prepared both the 2022 Statements and the 2023 Statements, and that the purported arrangement with Dibba was true, including that Winick pays a fee to Dibba to include his name on the statements and the statements were prepared based on information provided by WMI. Winick further advised that he did not perform any assurance procedures on the financial information provided and could not speak to their accuracy;
- viii. on January 24, 2025, Dibba forwarded to the Receiver a copy of an email he sent to CPA Ontario, reporting, among other things, the use of his name and signature on the 2022 Statements without his knowledge or consent, that WMI is not one of his clients and that the 2022 Statements were not prepared by him.

In consideration of the foregoing, the Receiver cautions against placing reliability on the WMI Statements. This is of particular concern given the proposed Sale Process and the need for interested parties to perform proper diligence on the Golf Club and its historical financial position and operations/results;

- f. **Torca Transaction and Use of Proceeds** – as discussed in the Affidavits, Chetti controls two companies that own lands adjacent to the Golf Course Lands, and which are purportedly subject to an agreement of purchase and sale (the “**Torca Transaction**”) with Torca Tottenham Corp. (“**Torca**”), a land developer that Chetti represents owns 1,000 acres of land in the adjacent areas. As represented in the Chetti Affidavit, the proceeds from the Torca Transaction would provide sufficient residual value to fund the repayment of both the Eisen Mortgage and the Goldy Mortgage. During a meeting between the Receiver and Chetti on December 11, 2024, Chetti represented to the Receiver that the Torca Transaction was expected to generate net sale proceeds ranging from \$25 million to \$30 million.

As discussed above, the Receivership Application was adjourned subject to certain terms and conditions agreed among Eisen, Goldy and Chetti, as formalized in the Letter Agreement. Included in these terms and conditions was the agreement to repay the Mortgages, among other obligations, from the net sale proceeds of the Torca Transaction. It was further agreed that Chetti would execute an acknowledgement re: direction and direction re: funds (the “**Torca Acknowledgement and Direction**”), directing payment of the applicable net sale proceeds of the Torca Transaction, for the benefit of Goldy and Eisen.

On December 4, 2024, during a call among the Receiver, its counsel and Blaney (counsel to Chetti), Blaney informed the Receiver that the Torca Transaction, the closing of which had already been delayed several years (as noted in the Receivership Application), was expected to close on December 12, 2024. Blaney also provided the Receiver with a letter from Torca (which was addressed to Blaney) confirming same.

On December 6, 2024, the Receiver emailed Blaney to, among other things, ask that Chetti sign the Torca Acknowledgement and Direction and return same to the Receiver (the “**Receiver’s December 6 Email**”). A copy of the Receiver’s December 6 Email, which attached a copy of the Torca Acknowledgement and Direction, is attached hereto as **Appendix “K”**. On December 9, 2024, Blaney wrote to the Receiver (the “**December 9 Blaney Email**”) advising that it had spoken with Chetti and that Chetti would sign and send the Torca Acknowledgement and Direction later that evening. A copy of the December 9 Blaney Email is attached hereto as **Appendix “L”**. On December 10, 2024, Blaney again wrote to the Receiver (the “**December 10 Blaney Email**”) to advise that, due to a drafting error identified, the signed document would hopefully be sent by the afternoon of December 10, 2024. A copy of the December 10 Blaney Email is attached hereto as **Appendix “M”**. A revised, unsigned version of the Torca Acknowledgement and Direction was sent by Blaney to the Receiver and Chetti later on December 10, 2024. A fully executed version was never sent to the Receiver.

On December 11, 2024, the Receiver attended at the Golf Club to meet with Chetti. During the meeting, Chetti informed the Receiver that the Torca Transaction would not be closing on

December 12, 2024, as previously represented, and Chetti would not sign the Torca Acknowledgement and Direction. Chetti did, however, reiterate to the Receiver of his intention to use the net sale proceeds from the Torca Transaction to repay the Mortgages.

On December 17, 2024, the Receiver received an unsolicited call from Kerbel. Among other things, Kerbel alleged that the net sale proceeds from the Torca Transaction would not be used to repay the Mortgages as (i) Chetti had already signed an irrevocable letter of direction setting out that the Torca Transaction net sale proceeds were to be used to repay loans other than the Mortgages (the “**Alleged Direction**”), and (ii) in any event, there would be insufficient net sale proceeds from the Torca Transaction to satisfy the obligations under the Mortgages (which conflicts with Chetti’s representation to the Receiver that the net sale proceeds expected to range from \$25 million to \$30 million).

During the January 7 Call (between the Receiver and Chetti), Chetti denied Kerbel’s allegations that he signed the Alleged Direction and represented that he had not entered into any agreement directing funds from the Torca Transaction;

- g. **Potential Plazacorp Refinancing** – on the January 7 Call and as reiterated in an email from Blaney to A&B dated January 8, 2025 (the “**January 8 Blaney Email**”), the Receiver was informed of a potential refinancing commitment from Plazacorp, a large, reputable land investor and developer, that would provide take-out financing in respect of the Mortgages (the “**Potential Plazacorp Refinancing**”). A copy of the January 8 Blaney Email is attached hereto as **Appendix “N”**. This financing was, as represented to the Receiver by Chetti, expected to close within two-weeks from the January 7 Call. Chetti also advised the Receiver on the January 7 Call that he expected to provide a letter of intent (“**LOI**”) within 48 hours. On January 22, 2025, the Receiver, which had not received an update on the Potential Plazacorp Refinancing since the January 8 Email, attended a call with Chetti to discuss, among other things, the status of the Potential Plazacorp Refinancing. On the call, Chetti advised the Receiver that the Potential Plazacorp Refinancing was still being pursued and was expected to close. As of the date of this First Report and despite requests of the Receiver, the Receiver has not been provided with a LOI, term-sheet or other supporting document to substantiate the representations made in connection with the Potential Plazacorp Refinancing;
- h. **Insurance** – on January 22, 2025, Goodmans (counsel to Goldy) sent the Receiver a copy of a notice of insurance policy termination (the “**Insurance Termination Notice**”) issued to WMI, stating that, among other things, the policy, which the Receiver understands provides various coverage to insure the Golf Club and its operations, will be cancelled on January 23, 2025 for non-payment of an outstanding premium (the amount of the outstanding premium is not noted in the Insurance Termination Notice). Following receipt of the Insurance Termination Notice, a copy of which is attached hereto as **Appendix “O”**, the Receiver emailed same to Chetti. Later

that day, the Receiver attended a call with Chetti, whereby Chetti advised that he would pay the outstanding premiums the next day and provide proof of payment to the Receiver. Early in the morning on January 23, 2025, A&B emailed Blaney (the “**January 23 A&B Email**”) to, among other things, provide a copy of the Insurance Termination Notice and note that Chetti advised the Receiver that payment of the outstanding premium would be made tomorrow (as the email was sent at 2:48 a.m., “tomorrow” was intended to mean January 23, 2025). A copy of the January 23 A&B Email is attached hereto as **Appendix “P”**. The Receiver followed up with Chetti via email and phone calls on January 23, 2025 to request confirmation that the outstanding premiums were paid, however, no response was provided that day. A further follow up was sent by the Receiver on January 27, 2025. This time, Chetti responded and advised, among other things, that he was working with his broker to find a less expensive policy and that it should be “done this week”. A copy of the email exchange between the Receiver and Chetti is attached hereto as **Appendix “Q”**; and

- i. **Unsatisfied Information Request** – as noted in the January 23 A&B Email, the scheduling hearing before the Court on January 16, 2025 (the “**Scheduling Hearing**”), for the purpose of setting a timetable for the procedural steps in connection with the March 6, 2025 hearing of the within motion, contemplated the provision of all requested information, to the extent Chetti had such, by January 17, 2025. The Receiver notes that no documents have been received from Chetti in that regard.

Request for Information/Documentation

44. In light of all the foregoing and to enable the Receiver to facilitate the Sale Process and execute on its Court-ordered mandate, the Receiver seeks in the proposed Sale Process and Ancillary Relief Order the production of the following information/documentation:
 - a. copies of any historical financial statements, internal or external, in respect of the Company;
 - b. copies of any environmental reports in respect of the Golf Course Lands (including, but not limited to, environmental site assessment reports, geotechnical reports and/or soil studies);
 - c. a copy of any agreement between WMI and the Company setting out the arrangement for the use of the Golf Course Lands;
 - d. a full copy of the WMI and 785 accounting system, including general ledgers and subledgers for all financial accounts;
 - e. copies of WMI and 785 monthly bank statements for the 24-month period preceding December 2024;
 - f. copies of supporting documents (including purchase orders, invoices, cancelled cheques, and other documents as may be requested) evidencing the use of funds invested by 785 in the Golf

Course Lands in connection with the \$4.0 million funding commitment provided under the Lease;

- g. a copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of the Golf Club assets;
- h. a copy of any letter of intent, term sheet or other document (including correspondence) supporting the Potential Plazacorp Refinancing; and
- i. any further information/documentation from any party with knowledge of the affairs of the Company and Chetti that the Receiver may reasonably request in connection and in accordance with its duties and obligations provided in the Receivership Order.

Authorization to Examine Individuals Under Oath

- 45. In addition, the proposed Sale Process and Ancillary Relief Order grants the Receiver the authority to examine, under oath, any individual the Receiver reasonably considers to have knowledge of the affairs of the Company, WMI or 785, including, but not limited to, Chetti. In light of the mixed-messaging and conflicting representations made to the Receiver by Chetti and other individuals regarding the Company and these proceedings, the Receiver is of the view that this relief is reasonable and necessary in the circumstances.

VI. THE SALE PROCESS

- 46. The Receiver, in consultation with A&B and legal counsel to each of Eisen and Goldy, developed the proposed Sale Process and Sale Process Procedures, a copy of which is attached hereto as **Appendix "R"**. The proposed Sale Process takes into consideration the nature of the underlying assets, the interest of creditors and stakeholders, and the pending commencement of the 2025 golf season, and is designed to be a broad and flexible process to canvass bids for a sale with a view to maximize value for stakeholders.

Selection of Realtor

- 47. In connection with the Sale Process, the Receiver intends to forthwith commence a process to solicit proposals from realtors to act as listing agent in the Sale Process. The Receiver intends to request that each realtor provide a proposal setting out each firm's experience selling golf courses, land and/or commercial properties in the Greater Toronto Area and Southern Ontario market, a marketing plan, an estimate of value and the proposed commission structure.
- 48. It is the intention of the Receiver to provide further details regarding the selection of a realtor in a subsequent report to the Court.

The Sale Process

49. The timeline and key attributes of the Sale Process are as follows (readers are cautioned to carefully read the Sale Process Procedures as the following is summary in nature as to avoid duplication):

a. the Sale Process contemplates the following timelines:

Milestone	Targeted Deadline
Anticipated Commencement Date	March 6, 2025
Distribution of Sale Process Materials (i.e., Teaser Letter, NDA, etc.)	March 6, 2025, or as soon as reasonably practicable following this date
Bid Deadline	April 21, 2025
Sale Approval Motion	Week of May 5, 2025, depending on Court availability
Closing of Transaction(s)	30 days after the date of the Sale Approval Order or such other date as the parties may agree

b. as soon as reasonably practicable following the issuance of the Sale Process and Ancillary Relief Order, if granted, the Receiver, in consultation with any realtor or other advisor retained by the Receiver in connection with the Sale Process, will:

- i. with input from 785 and WMI, prepare a list of parties who may be interested in engaging in a Transaction in respect of the Property (the “**Known Potential Bidders**”);
- ii. prepare and deliver to the Known Potential Bidders a non-confidential initial offer summary document (“**Teaser Letter**”) describing the opportunity in respect of the Property;
- iii. publish a notice advertising the Sale Process in a national publication and/or such other publications as the Receiver may deem appropriate or advisable; and
- iv. post the Sale Process and Ancillary Relief Order, including the Sale Process Procedures and other relevant materials, on the Case Website;

c. any party interested in participating in the Sale Process (a “**Potential Bidder**”) is required to inform the Receiver in writing of such and execute a non-disclosure agreement (“**NDA**”) to gain access to an electronic data room (the “**Data Room**”) maintained by the Receiver, containing confidential information about the Property. Such information will include corporate, financial and other relevant documents provided to the Receiver, together with such other information as any Potential Bidder may request and to which the Receiver has access and may approve;

- d. the Receiver will facilitate due diligence efforts by, *inter alia*, maintaining the Data Room, arranging meetings between Company and the Affiliates' management and Potential Bidders and responding to or otherwise dealing with Potential Bidders' enquiries regarding the Property;
- e. a Potential Bidder that wishes to make a bid for a Transaction(s) (a "**Bid**"), must do so on an "as is, where is" basis, without surviving representations or warranties, and submit same with the Receiver by no later than **5:00 pm (Toronto time) on April 21, 2025** (the "**Bid Deadline**");
- f. to be a "**Qualified Bid**", the Bid must, among other things:
 - i. be binding and irrevocable until at least the date that the Winning Bid is selected;
 - ii. include a duly authorized and executed Transaction agreement in a form and substance satisfactory to the Receiver, clearly specifying, among other things, the consideration to be paid by the Potential Bidder on closing of the Transaction (the "**Purchase Price**");
 - iii. include an allocation of the Purchase Price in respect of the subject Property;
 - iv. be accompanied by a deposit in the form of a certified cheque, bank draft or wire transfer of immediately available funds, payable to the Receiver, in trust, which is equal to at least ten percent (10%) of the total consideration payable in respect of the Transaction(s);
 - v. include evidence satisfactory to the Receiver of funds available to pay the Purchase Price on closing;
 - vi. not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent (save and except for approval by the Court);
 - vii. include a description of the Property to be acquired and that which is to be excluded;
 - viii. include a description of the liabilities that will be assumed;
 - ix. contain the proposed treatment of the Company's and/or the Affiliates' employees (for example, anticipated employment offers and treatment of post-employment benefits);
 - x. include written evidence, satisfactory to the Receiver, that the Potential Bidder has the financial means to complete the proposed Transaction, including specific indication of the sources of capital and the structure and financing of the Transaction;
 - xi. provide evidence satisfactory to the Receiver that the Potential Bidder has the capacity to close the proposed Transaction on or before the proposed closing date under the Sale Process (i.e. the date that is thirty (30) days from the date of the Sale Process and Ancillary Relief Order or another date that may be agreed to between the Receiver and the winning bidder); and

- xii. only contemplate an acquisition on a “as is, where is” basis and must include an acknowledgement that the Potential Bidder has relied solely on its own independent review and investigation and that it has not relied on any representation by the Company, 785, WMI or the Receiver, or their respective agents, employees, or advisors;
- g. the Receiver may, in its discretion, request revisions or supplementations to any Qualified Bid and/or waive strict compliance with any one or more of the Bid Requirements and deem a non-compliant Bid to be a Qualified Bid. For the avoidance of doubt, if multiple Bids are received, the Receiver has no obligation to exercise its discretion or authority under this provision in respect of all Bids received even if such authority or discretion is exercised by the Receiver in respect of any one Bid received;

Selection of Winning Bid

- h. the Receiver will review all of the Qualified Bids, and may designate a Qualified Bid in respect of the Property as a “**Winning Bid**”, having regard to the factors noted above and such other matters as the Receiver considers relevant; and
- i. as soon as practicable after determination of the Winning Bid(s), the Receiver will make a motion to the Court (the “**Sale Approval Motion**”) for an approval and vesting order in respect of the Winning Bid(s) and the underlying Transaction agreement.

Receiver’s Recommendation Regarding the Sale Process

50. The Receiver recommends that this Honourable Court approve the Sale Process and grant the Sale Process and Ancillary Relief Order for the following reasons:
- a. in the Receiver’s view, the Sale Process, including its terms, procedures and proposed timeline, is reasonable taking into account similar processes in the context of an insolvency proceeding, the underlying assets, and the interests of relevant stakeholders;
 - b. the Receiver will engage the services of a reputable real estate broker, led by individuals who have experience selling similar properties and other properties subject to insolvency proceedings;
 - c. the proposed Sale Process is structured to be a fair, open and transparent process intended to canvass the market broadly on an orderly basis;
 - d. the duration of the Sale Process, while expedited, is sufficient to allow interested parties to perform diligence and submit Bids, while balancing the interests of the Company’s secured creditors, as well as to best align with the commencement of the 2025 golf season;
 - e. past sale efforts while Chetti remained in control of the Golf Club have been unsuccessful;

- f. as more described in more detail below, a coordinated, Court-supervised sale process for the Golf Course Lands together with the Golf Club will, in the Receiver's view and based on discussions with an experienced golf course owner and operator, attract greater interest from potential buyers and increase the likelihood of a value-maximizing transaction as compared to selling the Golf Course Lands separately from the Golf Club business; and
- g. each of Eisen and Goldy support the Sale Process and the proposed Sale Process and Ancillary Relief Order.

The Inclusion of the Golf Club in the Sale Process and the Receiver's Limited Appointment

51. In light of the current circumstances as described herein, and given the inherent overlap and inextricable relationship between the Golf Course Lands and the Golf Club, the Receiver is of the view that it is critical to sell the Golf Club and the Golf Course Lands through a consolidated sale process for the following reasons:

- a. a sale of only the Golf Course Lands (without the Golf Club itself) will:
 - i. significantly diminish or even eliminate the pool of potential purchasers and the expected proceeds received from any sale transaction, given there is no income producing lease in place between the Company and 785; and
 - ii. create the risk of administrative and operational complications should the Golf Club continue to operate;
- b. although there may be development potential in the Golf Course Lands, the Receiver understands that the Golf Course Lands are not zoned for development purposes. Despite potential future development value, any returns to a purchaser of the Golf Course Lands will not be realizable in the near future;
- c. the Clubhouse, which represents an important and valuable asset for any potential future owner/operator of the Golf Club, is an immovable structure attached to the Golf Course Lands;
- d. the highest value and best use of the assets of the Company, WMI and 785 is to operate such as a golf course;
- e. the sale of the Golf Course Lands alone is likely to cause confusion surrounding the purchase price allocation and due diligence process;
- f. the Receiver will need a certain level of control over both the Golf Club and the Golf Course Lands, and the ability to convey clearly to the prospective buyers what is being sold and who is selling it; and
- g. a consolidated sale process run by the Receiver, with assistance from appropriate advisors, will, in these circumstances, maximize value for stakeholders.

52. In addition, given the conduct of Chetti prior to and during these receivership proceedings, including a pattern of broken promises, retaining an expelled-CPA to prepare financial statements with irregularities for the purpose of soliciting take-out financing, completing a potentially fraudulent transfer/conveyance of assets to a related company, and entering into a lease with questionable commercial terms and without the consent of Eisen and Goldy, the Receiver is of the view that it is reasonable and appropriate in the circumstances that the Court grant the requested relief and appoint AGI as an equitable receiver of WMI and 785, in a limited capacity, solely to facilitate an orderly execution of the Sale Process.

VII. ACTIVITIES OF THE RECEIVER

53. The Receiver's activities prior to and since the Filing Date have included, among other things, the following:
- a. corresponding extensively with A&B, Chaitons and Goodmans, regarding all aspects of the Receiver's mandate;
 - b. reviewing and commenting on the Receivership Application and Receivership Motion materials and corresponding with Chaitons regarding same;
 - c. attending at the Golf Club on December 11, 2024 with Chetti to discuss, among other things, matters relating to these receivership proceedings and taking possession of any Company books and records on-site (which were limited);
 - d. opening a receivership bank account;
 - e. establishing and maintaining the Case Website;
 - f. communicating with Chetti and Blaney regarding various matters concerning these receivership proceedings, including, among other matters, the operations of the Golf Club, the relationship between the Company and WMI/785, including any agreements between the parties governing same, the Torca Transaction and Torca Acknowledgement and Direction, the Potential Plazacorp Refinancing, the WMI Statements, the books and records of the Company, and the Insurance Termination Notice;
 - g. corresponding with Blaney and Chetti in connection with the Receiver's requests for certain books and records and other information/documentation concerning the Company and its affairs;
 - h. preparing the Notice and Statement of the Receiver pursuant to Section 245(1) and 246(1) of the BIA;

- i. corresponding with Chaitons and Goodmans regarding funding of these proceedings in accordance with the Receivership Order. Since the Filing Date, the Receiver has not yet borrowed any funds, but intends to do so in the near term;
- j. corresponding with an experienced appraiser in connection with commissioning an appraisal of the Golf Course Lands and Golf Club;
- k. corresponding with CRA regarding these proceedings and to request/discuss historical corporate and sales tax returns;
- l. corresponding with the Town, including its counsel, regarding property tax arrears on the Golf Course Lands;
- m. corresponding with Kerbel regarding the Alleged Direction, the WMI Statements and other matters concerning these proceedings, the Company and Chetti;
- n. corresponding with Dibba and Winick regarding the WMI Statements;
- o. corresponding with an experienced golf course owner and operator in connection with the proposed Sale Process;
- p. corresponding with various parties, including their agents and advisors, that have expressed interest in a transaction to acquire the Golf Course Lands and the Golf Club;
- q. reviewing the aide-memoire of the Receiver dated January 15, 2025 and supporting materials, in connection the Scheduling Hearing;
- r. attending at Court on January 16, 2025 for the Scheduling Hearing;
- s. reviewing the Sale Process Procedures, Sale Process and Ancillary Relief Order and other materials in connection with the within motion;
- t. drafting this First Report; and
- u. dealing with all other matters pertaining to the administration of this mandate not specifically set out above.

VIII. RECOMMENDATION AND CONCLUSION

- 54. Based on all of the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Sale Process and Ancillary Relief Order.

All of which is respectfully submitted this 27th day of January 2025

**ALBERT GELMAN INC.,
solely in its capacity as Receiver of
Woodington Estates Inc.
and not its personal or any other capacity**

 **Bryan
Gelman**

Per: _____
Bryan Gelman, CIRP, LIT



Per: _____
Adam Zeldin, CPA, CA, CIRP, LIT

APPENDIX “B”

**SUPPLEMENTARY FIRST REPORT OF
ALBERT GELMAN INC.
AS RECEIVER OF
WOODINGTON ESTATES INC.**

MAY 13, 2025

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

- and -

WOODINGTON ESTATES INC.

Respondent

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

**SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS RECEIVER**

MAY 13, 2025

I. INTRODUCTION AND PURPOSE

1. This report (the “**Supplementary First Report**”) supplements the First Report of Albert Gelman Inc. (“**AGI**”) dated January 27, 2025 (the “**First Report**”) in its capacity as receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties (collectively, the “**Property**”) of Woodington Estates Inc. (the “**Company**”), including the real property municipally known as 7110 4th Line, Tottenham, Ontario (the “**Golf Course Lands**”). The Company is the registered owner of the Golf Course Lands, on which is built a golf course including, among other things, two eighteen-hole golf courses and supporting infrastructure known as “Woodington Lake Golf Club” (the “**Golf Club**”).
2. The primary purpose of these receivership proceedings is to conduct a coordinated, Court-supervised sale process for the assets over which AGI is appointed as receiver, and to obtain possession of or otherwise review the Company’s and other relevant books and records to determine, among other things, ownership of the Golf Club and facilitate realizations to creditors.
3. Capitalized terms not defined in this Supplementary First Report have the meanings given to them in the First Report.
4. Unless otherwise stated, this Supplementary First Report is subject to the scope and terms of reference in the First Report.
5. The Receiver has established a case website at <https://www.albertgelman.com/filedocuments/> (the “**Case Website**”), where copies of Court and other materials pertaining to these receivership proceedings are available in electronic form.

The Receiver’s Motion

6. The First Report was filed in support of the Receiver’s motion to the Court, initially returnable on March 6, 2025, and subsequently adjourned to April 16, 2025 and again to June 27, 2025 (the “**Receiver’s Motion**”), for an Order (the “**Sale Process and Ancillary Relief Order**”) and/or a judicial determination, as the case may be, *inter alia*:
 - a. appointing AGI as a limited equitable receiver, without security, of all the assets, undertakings and properties of Woodington Management Inc. and 1000736785 Ontario Limited (collectively, the “**Affiliates**”), for the purpose of marketing and selling the Affiliates’ assets with those of the Company in order to facilitate the orderly execution of the Sale Process, encompassing both the Golf Course Lands and the Golf Club, sold together to maximize realization, among other things;
 - b. approving the amended Sale Process, including the Sale Process procedures, attached as Schedule “A” to the Sale Process and Ancillary Relief Order, and authorizing the Receiver to conduct the Sale Process;

- c. that the sale of the Golf Course Lands shall take place free and clear of any encumbrances, including the Lease (as defined in the First Report), other than expressly permitted encumbrances;
 - d. that the Lease constitutes a fraudulent conveyance and is void and unenforceable as against the creditors of the Company or, in the alternative, that the Lease disregarded the reasonable interests and expectations of the Applicant and Goldy as secured mortgagees, constituting oppressive conduct, and is void and unenforceable as against the Applicant and Goldy;
 - e. if the relief in 6(d) above is sought in a separate application, that such application be heard contemporaneously with the Receiver's Motion;
 - f. compelling certain disclosure to the Receiver;
 - g. authorizing the Receiver to examine certain individuals in connection with these proceedings; and
 - h. approving the First Report and the actions, activities and conduct of the Receiver described in the First Report. A copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.
7. In/around late February 2025, leading up to the original scheduling of the Receiver's Motion on March 6, 2025, the Receiver, the Company, Eisen and Goldy (and their respective counsel) were actively engaged in discussions/negotiations regarding a cooperative sale process arrangement, the agreement of which would render a significant portion of the Receiver's Motion moot. In light of the foregoing and in the spirit of working towards a consensual deal, the parties agreed to adjourn the hearing of the Receiver's Motion to April 16, 2025.
8. As discussed below, while discussions/negotiations ensued, a deal did not materialize. Consequently, and given that the previously contemplated schedule for the delivery of materials and cross-examinations could no longer be met, the parties agreed to establish a new timetable for litigating the Receiver's Motion. At a case conference before the Court held on April 2, 2025 (the **"April 2 Case Conference"**), Justice Steele issued an endorsement (the **"April 2 Endorsement"**), *inter alia*, (i) scheduling a full-day hearing before Justice Black on June 27, 2025 (the **"June 27 Hearing"**) for the purpose of hearing the Receiver's Motion and (ii) setting a schedule for the delivery of materials and dates for cross-examinations in connection with the June 27 Hearing. A copy of the April 2 Endorsement is attached hereto as **Appendix "B"**.

Purposes of the Supplementary First Report

9. The purpose of this Supplementary First Report is to provide the Court with:
- a. an update regarding security granted by WMI in favour of Eisen, which was brought to the Receiver's attention on May 9, 2025, and the impact of same on the Receiver's Motion;

- b. an update on other matters concerning these receivership proceedings since the date of the First Report;
- c. background information pertaining to the relief regarding an increase in the Receiver's Borrowing Limit (as defined below) from \$250,000 to \$650,000; and
- d. information pertaining to the Receiver's request for additional relief, *inter alia*:
 - i. sealing the confidential appendices to the Supplementary First Report, until the closing of any transaction resulting from the Sale Process or further order of the Court; and
 - ii. approving the Receiver's interim statement of receipts and disbursements, as described in this Supplementary First Report.

II. SECURITY OVER WMI

10. As noted in the First Report, the Receiver was appointed pursuant to an application made by Eisen, in connection with the Eisen Mortgage and underlying security granted by the Company over the Property, including the Golf Course Lands. The Receiver had understood, prior to the date of its appointment and in the period that has elapsed since, that Eisen did not hold security over the assets of WMI.
11. However, on May 9, 2025, the Receiver was advised by Eisen's counsel, Chaitons LLP ("**Chaitons**"), that a general security agreement (the "**WMI GSA**") had been executed on January 4, 2019, between Eisen and WMI. The Receiver understands that the WMI GSA purports to secure all the assets, property and undertakings of WMI in favour of Eisen.
12. While the Receiver has discussed the WMI GSA with Chaitons, as of the date of this Supplementary First Report, neither the Receiver nor its independent legal counsel has yet had the opportunity to substantively review the WMI GSA or form any conclusions as to its validity and enforceability.
13. The Receiver understands that Eisen will bring a motion before the Court seeking the appointment of a receiver over WMI and 785 pursuant to, among other things, its rights under the WMI GSA (the "**May 2025 Eisen Motion**"). In light of this development, the Receiver's Motion, which sought, among other things, an equitable receivership appointment over WMI and 785, may no longer be required in the form in which the relief was originally filed. The Receiver has thus, on the assumption that the May 2025 Eisen Motion will be filed, updated and amended the relief sought in the Receiver's Motion accordingly and intends to provide the Court with further information in a subsequent report at the appropriate time, if necessary.

III. UPDATE ON OTHER MATTERS SINCE THE FIRST REPORT

The February 2025 Eisen Motion

14. On February 10, 2025, Eisen (the first and third mortgagee on the Golf Course Lands) served a notice of motion (the “**February 2025 Eisen Motion**”) in support of the Receiver’s Motion and seeking an order from the Court that the business and assets of the Golf Club be included in the Sale Process. A copy of the February 2025 Eisen Motion is attached hereto as **Appendix “C”**. The February 2025 Eisen Motion was also filed to, amongst other things, address a potential jurisdictional concern raised by Joseph Chetti (“**Chetti**”) and the Company’s counsel arising in respect of the relief sought in the Receiver’s Motion. While the Receiver has always been of the view that such concern is without merit, the Receiver believes that such concern is nevertheless addressed by the May 2025 Eisen Motion.

Responding Motion Record

15. On February 21, 2025, the Company served a motion record in response to the Receiver’s Motion (the “**Responding Motion Record**”), within which Chetti filed a further affidavit sworn February 19, 2025 (the “**Second Chetti Affidavit**”). Among other things, the Responding Motion Record opposes the relief sought in the Receiver’s Motion as it relates to the Sale Process and AGI’s previously proposed limited receivership appointment over WMI and 785.
16. Based on its review, the Receiver notes the following with respect to the Second Chetti Affidavit:
 - a. **Inaccuracies regarding AGI’s proposed appointment as equitable receiver** – the Second Chetti Affidavit mischaracterizes both the Receiver’s intentions regarding its mandate and contemplated powers under the proposed equitable receivership. While this relief is now alternative to that contained in the May 2025 Eisen Motion, the Receiver notes the following:
 - i. the appointment of AGI as equitable receiver over WMI and 785, if needed, is solely intended to support the orderly execution of the Sale Process. It was neither contemplated nor intended that AGI would take possession of WMI’s or 785’s property, or be responsible for, or interfere with the operations of the Golf Club. The intended scope of the equitable receivership, if sought, is limited explicitly by the multiple carve outs to AGI’s proposed appointment in the Sale Process and Ancillary Relief Order contained in the Receiver’s motion record dated January 27, 2025;
 - ii. additionally, the assertion that the existing lending group would be unwilling to fund Golf Club operations during the Sale Process is inaccurate. While debtor-in-possession financing terms were not formalized, the Receiver was advised through discussions with Eisen and WLP that there was interest in providing such funding—subject to

conditions, including the Court granting the Receiver's requested relief and the establishment of an acceptable cash flow monitoring protocol;

- iii. for added clarity and as more fully discussed in the First Report, a coordinated, Court-supervised sale process for the Golf Course Lands together with the Golf Club will, in the Receiver's view, and based on discussions with an experienced golf course owner and operator, attract greater interest from potential buyers and increase the likelihood of a value-maximizing transaction as compared to selling the Golf Course Lands separately from the Golf Club business. It appears that Chetti and the Company share this view. In the Second Chetti Affidavit, there is reference to a November 24, 2024 unsworn affidavit of Chetti which states, "In my opinion, it would be difficult to get sufficient value to repay the lenders if one were to attempt to sell the land without selling the golf course that operates on it". This shared understanding formed the basis for efforts to reach an agreement on a cooperative sale process. Although those negotiations ultimately broke down, the underlying rationale remains unchanged: a joint sale of the Golf Course Lands and Golf Club represents the most effective path forward—one which, along with all the facts at hand, underpins the Receiver's request for relief;
- b. **Involvement of Chetti, WMI and 785 in the Sale Process** – the Second Chetti Affidavit misrepresents the Receiver's intentions to involve Chetti, WMI and 785 in the Sale Process proposed in the motion record dated January 27, 2025. The Receiver has already communicated to Chetti its intended process for selecting a listing agent (including the realtors from whom proposals will be solicited, which Chetti did not oppose), and the Receiver retains discretion to consult with any parties it deems appropriate in marketing and selling the Property, including Chetti, WMI and 785, subject to any decision on any of their part to participate in the process as a prospective purchaser. As discussed further herein, the Receiver was open to jointly developing a cooperative sale process and, together with A&B, invested significant time negotiating a consensual sale process agreement;
- c. **The Lease** – the Second Chetti Affidavit states that the Lease terms are commercially unusual, claiming that 785 was granted unrestricted use of the Golf Course Lands to operate the Golf Club without paying rent for four years, followed by a reduced rent thereafter. It further suggests that these terms were deliberately structured to eliminate a commercial lease expense and reduce the financial support Chetti would otherwise have had to provide to WMI and 785. However, it remains unclear to the Receiver how the Company was expected to meet its ongoing obligations to its lenders (including principal and interest payments) and other creditors (such as The Corporation of the Town of New Tecumseth (the "**Town**") for property taxes, which obligation has ballooned to more than \$225,000) in the absence of rental income.

The Lease was also said to be conditional on 785 investing \$4.0 million to be used towards improvements to the Golf Course Lands—an investment Chetti claims was more beneficial than having WMI or 785 pay ongoing rent to the Company. Notwithstanding the Receiver's repeated requests, to date, Chetti has also failed to provide the Receiver with any evidence that the purported \$4.0 million investment was actually made or what improvements resulted from same.

The Receiver notes that the Second Chetti Affidavit fails to address the curious timing of the execution of the Lease (i.e. after the Eisen Mortgage and Goldy Mortgage were in default and following the commencement of the Goldy Power of Sale Proceedings), nor does it provide, in the Receiver's view, any reasonable explanation as to why each of Eisen and Goldy were not notified of the Lease at the time it was executed (as well as the nearly 13-month period that followed, until it was provided following requests from the Receiver).

Taking the foregoing into consideration, as well as the findings/questions raised by the Receiver in the First Report and Eisen in the February 2025 Eisen Motion, the Receiver continues to have reasonable concerns as to the validity of the Lease, the intent with which it was entered into and its potential impact on the proposed Sale Process.

- d. **Efforts to cooperate with the Receiver** – in the Second Chetti Affidavit, it is represented that Chetti is making every effort to gather and provide the information requested by the Receiver and, despite many of the records not being in his possession, Chetti continues to search for the relevant documents to the best of his ability. However, as discussed later in this report, the Receiver made several information requests both before and after the date of the Second Chetti Affidavit, the majority of which remain outstanding. The Receiver's ongoing attempts to follow up on these requests have been substantively ignored. In addition, on or about March 10, 2025, the Receiver and Chetti agreed to schedule an in-person meeting among the Receiver and the bookkeeper of WMI/785 for the purpose of addressing, in part, the Receiver's information requests. The meeting was postponed by Chetti due to a family medical matter. During the ensuing three weeks, the Receiver emailed Chetti four times to reschedule the meeting. No substantive response has been provided;
- e. **Offer for the sale of the Golf Course Lands/Golf Club** – the Second Chetti Affidavit misrepresents the facts surrounding an offer made for the Golf Course Lands and Golf Club. Ashleen Hotels Inc. ("**Ashleen**"), a company the Receiver understands to operate in the hospitality industry, submitted an unsolicited offer to Chetti on December 8, 2024 (the "**Initial Offer**"), for the acquisition of the Company. For clarity, the offer is drafted such that Woodington Estates Inc. is the seller – not WMI, 785 or a combination of the entities. The Receiver notes that the Initial Offer contemplated a purchase price in excess of the amount of all known liabilities of the Company at that time. Before advising the Receiver of the offer, Chetti marked

up the offer to, among other things, increase the purchase price by \$4.5 million and update the seller to include 785, and returned it to Ashleen, unsigned (the “**Revised Offer**”). On December 19, 2024, Blaney, on behalf of Chetti, sent an email to the Receiver to, among other things, advise of the Revised Offer and Chetti’s revisions to same, and included a copy of the Revised Offer as an attachment. A redacted copy of the Revised Offer is included herein as **Appendix “D”**. An unredacted copy of the Revised Offer is included herein as **Confidential Appendix “1”**. Based on direct conversations with the prospective buyer’s agent, the Receiver understands that the buyer was not prepared to proceed at the inflated price.

Chetti’s assertion that the Receiver failed to pursue this offer and that it allowed a valuable opportunity to be lost is a misrepresentation. In fact, the Receiver engaged in multiple discussions with the prospective buyer’s agent to explore the viability of a transaction in the context of these receivership proceedings. The buyer’s agent even attended the Receiver’s office, unsolicited, to better understand the proceedings and the steps required to advance a deal. At the meeting (and on subsequent calls among the Receiver and the agent), the Receiver advised that any offer seeking to acquire the Golf Course Lands and the Golf Club business would need to encompass the property/assets of the Golf Course Lands and the Golf Club, and should be submitted jointly to the Receiver and Chetti for consideration. A revised email offer (the “**Second Revised Offer**”) was later submitted, but at a significantly reduced price compared to what was contemplated in the Initial Offer, and which would result in a shortfall to the Company’s creditors. The Receiver further notes that the buyer under the Second Revised Offer was a numbered company, which, as advised by Ashleen’s agent, is an entity related to Ashleen. A redacted copy of the Second Revised Offer is included herein as **Appendix “E”**. An unredacted copy of the Second Revised Offer is included herein as **Confidential Appendix “2”**. The Receiver, in turn (and in consideration of the *Soundair* principals), advised the agent that the revised offer was insufficient to support a transaction outside of a formal, Court-approved sale process and encouraged the prospective purchaser to participate in the contemplated Sale Process, should the Court grant the relief in the Receiver’s Motion.

The Receiver is of the view that efforts to market the Golf Course Lands and Golf Club may be impaired if the Revised Offer and Second Revised Offer are made public at this time as the information could be prejudicial to any future sale efforts, including the proposed Sale Process. In the circumstances, the Receiver believes that it is appropriate for the Revised Offer and Second Revised Offer to be filed with the Court on a confidential basis and sealed until the completion of the Sale Process, should the Court grant such relief, or upon further order of the Court.

Efforts to Negotiate a Cooperative Sale Process Agreement

17. Since the Filing Date, the Receiver and the Company, as well as their respective counsel, with the involvement of Eisen, WLP and Goldy (and their respective counsel), discussed and engaged in negotiations regarding a collaborative sale process structure. These discussions/negotiations took place prior to and since the service of the Receiver's Motion and the Responding Motion Record, with a view to reaching an agreement prior to the initial return date of the Receiver's Motion (March 6, 2025, the "**March 6 Hearing**"). As noted above, while material progress was made, the parties agreed to adjourn the March 6 Hearing to April 16, 2025, to provide the time needed to either (i) finalize a collaborative sale process agreement or (ii) prepare to litigate the Receiver's Motion.
18. After agreeing to adjourn the March 6 Hearing, the parties continued to discuss/negotiate. However, there remained certain unresolved matters. In an effort to resolve these matters, on March 6, 2025, each of the Receiver, the Company, Eisen and WLP, as well as their counsel and counsel to Goldy, attended an in-person, without-prejudice meeting at the offices of the Receiver's counsel, Aird & Berlis LLP ("**A&B**") (the "**March 6 Meeting**"). On March 12, 2025, A&B circulated a revised draft of the collaborative sale process agreement to Company counsel, which draft had been shared with and approved by counsel to Eisen and Goldy.
19. No agreement having been formalized, on March 20, 2025, A&B circulated a proposed litigation timetable to Company counsel. On March 24, 2025, Company counsel responded to A&B, providing a conditional term sheet for the Proposed New Refinancing (as defined below) (the "**March 24 Blaney Email**").
20. After exchanges between A&B and Company counsel on March 25 and 26, 2025, it was determined that the Receiver's Motion would need to be rescheduled (resulting in the April 2 Case Conference and April 2 Endorsement).

Prospective Refinancing Transaction

21. A copy of a term sheet (the "**Term Sheet**") setting out the terms of a conditional offer to refinance the Golf Course Lands (the "**Proposed New Refinancing**"), attached to the March 24 Blaney Email, is summarized as follows:
 - a. Refinancing commitment: \$22.015 million;
 - b. Purpose of funds: replacement of two existing private mortgages: first for \$12.5 million and second for \$6.0 million, with the remainder of funds to be used towards soft costs for development preparation and the interest reserve;
 - c. Term: 12 months (6 months closed);
 - d. Interest rate: 10.75%;

- e. Fees: \$990,000 (or 4.5% of loan amount);
- f. Deposit (refundable): \$15,000;
- g. Sources/uses of funds:

Uses	Amount (in \$000s)	Sources	Amount (in \$000s)
Payment of existing first mortgage	12,500	New first mortgage	22,000
Payment of existing second mortgage	6,000	Deposit	15
Interest reserve (6 months)	1,183		
Legal fees (estimated)	10		
Fees	990		
Available for use	1,333		
Total uses	22,015	Total sources	22,015

- h. Conditions: including, but not limited to, performing further due diligence and obtaining an appraisal that confirms the proposed loan-to-value is no greater than what is indicated in the Term Sheet (i.e. at least 57.44%).
22. The Receiver notes the following regarding the Proposed New Refinancing:
- a. the contemplated fee of \$990,000 is considerably high. When combined with interest, the Company will effectively be paying a blended rate of 15% over the 12-month term of the loan, which is 4% greater than the current interest rates in effect for the Eisen Mortgage and the Goldy Mortgage;
 - b. as discussed in the First Report, Eisen has a collateral mortgage of \$5.0 million secured against the Golf Course Lands, which ranks in third position behind the Goldy Mortgage. Absent a subordination of the fees and interest reserve to Eisen's collateral mortgage, the terms of the Proposed New Refinancing are prejudicial to Eisen;
 - c. the Receiver has received little to no substantive information regarding the proposed lender or its capacity to complete the Proposed New Refinancing. The Receiver has not been provided with sufficient information to instill any level of confidence that the Proposed New Refinancing will meaningfully develop; and
 - d. Eisen has informed the Receiver that the terms of the Proposed New Refinancing are unacceptable and does not support proceeding with a refinancing transaction on that basis.

Outstanding Information Requests

23. As discussed in the First Report, since its appointment, the Receiver has been working to obtain information regarding the affairs and operations of the Company in order to perform its Court-ordered mandate and prepare for the Sale Process. While certain of this information was obtained/provided

(in many cases, from third-party sources), significant portions remained outstanding as of the date of the First Report, which led to additional questions and concerns for the Receiver.

24. Since the date of the First Report, the Receiver has continued its efforts to obtain information regarding the affairs and operations of the Company. On February 4, 2025, February 10, 2025 and March 4, 2025 (collectively, the “**Information Request Emails**”), the Receiver sent emails to Chetti to request, inter alia, the following information:
- a. historical financial information of the Company;
 - b. environmental reports concerning the Golf Course Lands;
 - c. any agreement between the Company and WMI setting out the arrangement for the use/lease/occupation etc. of the Golf Course Lands (it was subsequently represented in the Second Chetti Affidavit that no such agreement existed);
 - d. copies of documents supporting the use of funds in respect of the alleged investment by 785 in the Golf Course Lands in connection with the \$4.0 million funding commitment provided under the Lease;
 - e. copy of the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any Golf Club assets;
 - f. updates on the status of the Potential Plazacorp Refinancing, including supporting documents evidencing same, and the Torca Transaction;
 - g. updates with respect to insurance on the Golf Club. As noted in the First Report, the Golf Club's previous insurance policy was terminated due to non-payment of premiums. At that time, Chetti was working to secure a more affordable replacement. Following further follow-ups by the Receiver, Chetti confirmed that a new policy had been put into effect and provided a copy of the policy on March 11, 2025; and
 - h. financial and other information regarding the operations and affairs of the Golf Club in connection with the Receiver's attempts to arrange for an appraisal of the Golf Club.
25. Copies of the Information Request Emails are attached hereto as **Appendix “F”**.
26. At the March 6 Meeting, the Receiver and Chetti discussed the Receiver's information requests, where Chetti expressed to the Receiver that he wished to cooperate and agreed to arrange an in-person meeting among the Golf Club's bookkeeper and the Receiver, particularly to address and satisfy the Receiver's information request in connection with the proposed appraisal. Following additional correspondence after the March 6 Meeting, a meeting was scheduled for March 12, 2025. On March 11, 2025, Chetti wrote to the Receiver to advise that the meeting had to be postponed one-week as Chetti had to tend to a family medical matter. On March 17, 2025, the Receiver wrote

to Chetti to confirm that the meeting was to proceed as rescheduled, but did not receive a response. Despite additional attempts by the Receiver to reschedule the meeting (which Chetti did not respond to), the meeting never occurred.

27. On April 24, 2025, the Receiver sent a further email to Chetti in connection with its prior information requests (the “**April 24 Email**”), a copy of which is attached hereto as **Appendix “G”**.
28. Also on April 24, 2025, the Receiver received a copy of unaudited 2024 financial statements for WMI (the “**2024 WMI Statements**”) from Barry Kerbel, a realtor and individual who purports to have a historical business relationship with Chetti. The Receiver subsequently provided a copy of the financial statements to Chetti and Company counsel on May 5, 2025, seeking to, among other things, verify the validity of same. A copy of the Receiver’s email is attached hereto as **Appendix “H”**. The Receiver received two responses from Chetti on May 6, 2025, advising that the financial statements should not be relied upon and instructing the Receiver to cease any further requests for information. These responses are attached hereto as **Appendix “I”**.
29. As of the date of this Supplementary First Report, the Receiver has not received a response to its requests for documents/information regarding (i) historical financial information of the Company, (ii) the \$4.0 million funding commitment provided under the Lease, (iii) the transfer/conveyance of assets agreement(s) between WMI and 785 in respect of the transfer/conveyance of any Golf Club assets, (iv) the status of the Potential Plazacorp Refinancing and the Torca Transaction and (v) financial and other information regarding the operations and affairs of the Golf Club, including specific questions regarding the reporting of the historical financial statements of WMI.

Other Matters

Torca Transaction

30. Background regarding the Torca Transaction is provided in the First Report and not repeated herein.
31. Since the First Report, the Receiver has requested (including the Information Request Emails and the April 24 Email) an update on the status of the Torca Transaction. The Receiver was last advised by Chetti that the Torca Transaction would close by no later than February 28, 2025. The Receiver has not received a response from Chetti regarding its requests for updates on such. The Receiver understands from other sources that, as of the date of this Supplementary First Report, the Torca Transaction has not closed.

Potential Plazacorp Refinancing

32. Background regarding the Potential Plazacorp Refinancing is provided in the First Report and not repeated herein.
33. Since the First Report, the Receiver has requested (including the Information Request Emails and the April 24 Email) an update on the status of the Potential Plazacorp Refinancing. The Receiver has

not received a response from Chetti regarding its requests for such updates. The Receiver is not aware of any development regarding the Potential Plazacorp Refinancing.

IV. BORROWING LIMIT

34. The Receiver's borrowing limit pursuant to paragraph 21 of the Receivership Order is presently \$250,000 (the "**Receiver's Borrowing Limit**"). To date and in accordance with the Receivership Order, the Receiver has borrowed \$250,000 from Eisen by way of a Receiver's Certificate dated January 31, 2025 (the "**January 2025 Receiver's Certificate**").
35. The Receiver understands that the Company does not maintain bank accounts, and, as a land-owner that provides tenancy free-rent to its tenant, has no source of income. The Receiver is required to borrow funds for the professional costs and ancillary disbursements associated with the administration of these proceedings. As detailed in the statement of interim receipts and disbursements for the period from the Filing Date to May 12, 2025 (as discussed below, the "**Interim SRD**"), the Receiver has used virtually all of the funds borrowed. In order to continue to fund these proceedings and implement the Sale Process, the Receiver recommends that the Receiver's Borrowing Limit be increased to \$650,000. The receiver understands that such relief will be included in the May 2025 Eisen Motion.
36. The Receiver notes that each of Eisen and Goldy support the proposed increase to the Receiver's Borrowing Limit.

V. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

37. Attached hereto at **Appendix "J"** is the Interim SRD, which reflects the Receiver's receipts and disbursements for the period from the Filing Date to May 12, 2025. As set out in the Interim SRD, the Receiver is currently holding funds in the amount of approximately \$182, as of May 12, 2025.

VI. ACTIVITIES OF THE RECEIVER

38. The Receiver's activities since the date of the First Report have included, among other things, the following:
 - a. corresponding extensively with A&B, Chaitons (counsel to Eisen) and Goodmans (counsel to Goldy), regarding all aspects of the Receiver's mandate and these receivership proceedings;
 - b. reviewing a demand letter dated February 11, 2025 issued to Chetti by Goodmans (on behalf of Goldy), demanding on Chetti's personal guarantee granted in favour of Goldy in respect of the Company's obligations under the Goldy Loan;
 - c. dealing with various matters, concerning insurance of the Golf Club and Golf Course Lands, including, corresponding with Chetti and his insurance broker, regarding the Insurance

Termination Notice and replacement insurance for the Golf Club, arranging insurance in respect of the Golf Course Lands, corresponding with Aon Parizeau Inc./Aon Reed Stenhouse Inc., the insurance broker engaged by the Receiver, regarding same, and corresponding with an insurance consultant in respect of various insurance matters concerning the Golf Club and the Golf Course Lands;

- d. corresponding with realtors regarding the proposed Sale Process and the status of the proceedings generally;
- e. corresponding with a golf course equipment financier who financed the purchase of WMI's/785's machinery and equipment (including golf carts), regarding the status of the proceedings generally and the proposed Sale Process;
- f. corresponding with Chetti, the Company and Blaney (the Company's counsel), regarding various matters in these proceedings, including the Receiver's information requests, the proposed Sale Process, the proposed cooperative sale process, insurance matters, the Proposed New Refinancing and other matters concerning these proceedings;
- g. dealing with various matters in connection with the proposed cooperative sale process, including:
 - i. reviewing and commenting on multiple drafts of an agreement setting out the terms of the contemplated cooperative sale process (collectively, the "**Draft Agreements**");
 - ii. attending at the March 6 Meeting;
 - iii. preparing an estimated realization analysis setting out a range of outcomes from the sale of the Golf Course Lands and Golf Club; and
 - iv. corresponding with A&B, Chetti, the Company, Blaney, Chaitons, WLP and Goodmans regarding the Draft Agreements and other matters concerning the proposed cooperative sale process;
- h. corresponding with Chaitons, Eisen and Goodmans regarding funding of these proceedings in accordance with the Receivership Order. As noted above, since the Filing Date, the Receiver has borrowed \$250,000;
- i. executing the January 2025 Receiver's Certificate;
- j. corresponding with various parties, including their agents and advisors, that have expressed interest in a transaction to acquire the Golf Course Lands and the Golf Club;
- k. corresponding with WLP regarding the Responding Motion Record, the proposed Sale Process, the proposed cooperative sale process and the Proposed New Refinancing, among other things;

- l. reviewing past appraisals of the Golf Club;
- m. corresponding with John Chetti (Chetti's son) regarding an alleged offer to acquire the Golf Course Lands;
- n. reviewing materials and corresponding with various counsel and A&B in connection with ancillary litigation proceedings;
- o. reviewing the Proposed New Refinancing term sheet and corresponding with A&B, Blaney, Chaitons and Goodmans regarding same and the terms of and other related matters concerning the Proposed New Refinancing;
- p. reviewing the aide-memoire of the Receiver dated April 1, 2025 in connection with the April 2 Case Conference, as well as the proposed timetable for delivery of materials in connection with the June 27 Hearing, and corresponding with A&B, Chaitons, Goodmans and Blaney regarding same;
- q. attending at Court in respect of the April 2 Case Conference;
- r. dealing with estate banking matters, including opening an estate bank account and paying post-filing expenses;
- s. maintaining the Case Website;
- t. preparing the Notice and Statement of the Receiver pursuant to Section 246(2) of the BIA;
- u. preparing the Interim SRD;
- v. reviewing various materials filed in connection with these proceedings since the First Report, including, among other materials, the Responding Motion Record and the February 2025 Eisen Motion;
- w. drafting this Supplementary First Report; and
- x. dealing with all other matters pertaining to the administration of this mandate.

VII. RECOMMENDATION AND CONCLUSION

- 39. Based on all of the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief described herein.

All of which is respectfully submitted this 13th day of May 2025

**ALBERT GELMAN INC.,
solely in its capacity as Receiver of
Woodington Estates Inc.
and not its personal or any other capacity**

 **Bryan
Gelman**
Per: _____
Bryan Gelman, CIRP, LIT

 _____
Per: _____
Adam Zeldin, CPA, CA, CIRP, LIT

APPENDIX “C”

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

- and -

WOODINGTON ESTATES INC.

Respondent

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

**SECOND SUPPLEMENTARY FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS RECEIVER**

JUNE 20, 2025

I. INTRODUCTION AND PURPOSE

1. This report (the “**Second Supplementary First Report**”) supplements the First Report of the Receiver dated January 27, 2025 (the “**First Report**”) and the Supplementary First Report of the Receiver dated May 13, 2025 (the “**Supplementary First Report**”).
2. Copies of the First Report and Supplementary First Report, each without appendices, are attached hereto as **Appendix “A”** and **Appendix “B”**, respectively. Copies of the First Report and Supplementary First Report, each with appendices, are available on the Receiver’s website at <https://www.albertgelman.com/filedocuments/>.
3. Capitalized terms not defined in this Second Supplementary First Report have the meanings given to them in the First Report and the Supplementary First Report.
4. Unless otherwise stated, this Second Supplementary First Report is subject to the scope and terms of reference in the First Report.

Purpose of the Second Supplementary First Report

5. The purpose of this Second Supplementary First Report is to:
 - a. provide a short update on recently filed materials in this matter and briefly address the responding affidavit filed by Chetti dated June 16, 2025 (the “**Third Chetti Affidavit**”); and
 - b. provide the Court with an update with respect to the Receiver’s mandate to monitor receipts and disbursements of WMI and 785, as ordered pursuant to the endorsement of The Honourable Justice Black dated June 2, 2025 (the “**June 2 Endorsement**”), a redacted copy of which is attached hereto as **Appendix “C”**.

II. RECENT UPDATES

6. On June 11, 2025, Turf Care Financial Ltd., Care Lending Group Limited, operating as Turf Care Financial, and Turf Care Products Canada Ltd. (“**Turf Care**”) served an application under the PPSA for possession of certain leased equipment used in the day-to-day operations of the Golf Club (the “**Turf Care Application**”). On June 16, 2025, Turf Care also served a motion record responding to the materials filed by the Receiver and Eisen on May 13, 2025.
7. As noted above, the Third Chetti Affidavit was served on June 16, 2025 and addresses, among other things: (i) the WMI GSA, (ii) a purported security interest in 785 held by Rock Garden Development Corporation (a company controlled by Chetti, as represented in the Third Chetti Affidavit), (iii) a proposed refinancing transaction, (iv) Eisen’s Third Mortgage (as defined in the Third Chetti Affidavit) on the Golf Course Lands and the interrelationship of same with respect to the Highway 27 Property (as defined in the First Report) and (v) the Turf Care Application.

8. The Receiver understands that Eisen will be filing an affidavit in response to the Third Chetti Affidavit.

The Proposed Refinancing

9. The Third Chetti Affidavit discusses a proposed refinancing transaction that would provide sufficient funding to repay the Eisen Loan and Goldy Loan, in full (i.e. the first and second mortgages on the Golf Course Lands). It is unclear to the Receiver if the foregoing refinancing transaction is the same proposed refinancing transaction discussed in the Supplementary First Report (and defined therein as the “Proposed Refinancing”). The Receiver’s comments regarding the Proposed Refinancing are provided in the Supplementary First Report and not repeated herein.
10. The Third Chetti Affidavit also represents that Chetti anticipates receipt of a commitment letter imminently in respect of the contemplated refinancing transaction. As of the date of this Second Supplementary First Report, the Receiver has not been provided with a copy of a commitment letter in this regard.

III. UPDATE ON THE RECEIVER’S MONITORING MANDATE

11. The June 2 Endorsement provides, *inter alia*, the following:
- “Mr. Chaiton for the applicant asked that I also include, as terms of the adjournment, that AGI be allowed to monitor receipts and disbursements of the respondents and that only ordinary course business expenditures are to be permitted pending the determination of the motion. Mr. Ullman resists these terms. On balance the terms strike me as fair and reasonable, and I order them. There is benefit to maintaining the status quo pending the disposition of this matter.”*
12. On June 2, 2025, the Receiver wrote to Chetti to, among other things, request and coordinate the delivery of documentation and information in connection with the Receiver’s monitoring mandate as ordered in the June 2 Endorsement (the “**June 2 Receiver Email**”). A copy of the June 2 Receiver Email is attached hereto as **Appendix “D”**.
13. On the same day, Blaney McMurtry LLP (counsel to the Respondent, “**Blaney**”), responded to the Receiver (the “**June 2 Blaney Email**”) to, among other things, suggest that the June 2 Receiver Email overstates the intention of the June 2 Endorsement and that Blaney would provide a response to the June 2 Receiver Email. A copy of the June 2 Blaney Email is attached hereto as **Appendix “E”**.
14. On June 5, 2025, the Receiver, together with its counsel (Aird & Berlis LLP, “**A&B**”), attended a call with Blaney to discuss, among other things, the June 2 Receiver Email, including the scope of the Receiver’s information request and the Receiver’s monitoring mandate more broadly.
15. On June 12, 2025, the Receiver, A&B, and Blaney participated in a follow-up call to discuss, among other matters, the status of the Receiver’s information request and monitoring mandate, as no

- progress had been made to date. During the call, it was conveyed to the Receiver that, in light of Chetti's personal health situation, other members of his family, including his son, John Chetti (**"John"**), would be managing the operations and affairs of the Golf Club on an interim basis. It was further discussed that, in view of this arrangement, John would be the appropriate point of contact for coordinating the monitoring mandate, and that Blaney would follow up with him accordingly.
16. On June 13, 2025, the Receiver emailed John (the **"June 13 Receiver Email"**) to coordinate the Receiver's attendance at the Golf Club to review records and set a protocol for ongoing monitoring. A copy of the June 13 Receiver Email is attached hereto as **Appendix "F"**.
 17. On June 16, 2025, the Receiver sent a follow-up email to John, as no response had been received to the June 13 Receiver Email. Shortly thereafter, John replied and requested a call, which the Receiver attended. During the call, the Receiver and John discussed scheduling a meeting to review financial records and set a monitoring protocol. However, John declined to schedule or confirm any meeting until June 18, 2025. The Receiver remains unclear as to the relevance of this delay in the context of its monitoring mandate—particularly given its understanding that interim measures were in place for the operation of the golf club, and that the requested information should be readily accessible through the in-house bookkeeper.
 18. Later on June 16, 2025, A&B wrote to Blaney to advise of, among other things, the Receiver's call with John (the **"June 16 A&B Email"**) and to request that Blaney speak with its client to rectify the matter. A copy of the June 16 A&B Email is attached hereto as **Appendix "G"**.
 19. On June 18, 2025, the Receiver sent a follow-up email to John. In response, John wrote to the Receiver that, due to delays in connection with Chetti's medical situation, he would respond the following day to coordinate a time.
 20. In consideration of all the foregoing and as it had been sixteen (16) days since the June 2 Endorsement and the Receiver's initial outreach to commence the monitoring mandate, the Receiver sent a further email to John on June 18, 2025 (the **"June 18 Receiver Email"**), in an effort to advance the monitoring process. As noted in the June 18 Receiver Email, the Receiver requested a shortened list of information be provided immediately, consisting of materials it expected would be readily available from the in-house bookkeeper (without prejudice to its broader information request). A copy of the June 18 Receiver Email is attached hereto as **Appendix "H"**. In response, John advised that he would provide the requested information but that it *"will take a couple of days"*.
 21. As of the date of this Second Supplementary First Report, the Receiver has not received any of the requested information nor has the Receiver been able to confirm a date to meet with any representative of the Golf Club. As such, no monitoring pursuant to the June 2 Endorsement has taken place.

All of which is respectfully submitted this 20th day of June 2025

**ALBERT GELMAN INC.,
solely in its capacity as Receiver of
Woodington Estates Inc.
and not its personal or any other capacity**

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes, likely representing the initials 'AG'.

Per: _____
Adam Zeldin, CPA, CA, CIRP, LIT

APPENDIX “D”



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO: CV-24-00725570-00CL DATE: MAY 30, 2025

NO. ON LIST: 01

TITLE OF PROCEEDING: **EISEN TRUSTEE, MELVYN v. WOODINGTON ESTATES INC. et al**

BEFORE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Harvey Chaiton Gary, Counsel	Applicant: Eisen, Trustee, Melvyn	harvey@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Nicole Maragna, Counsel	Lien Claimant: Silvio Construction	nmaragna@bianchipresta.com
David T. Ullmann, Counsel	Respondent: Woodington Estates Inc.	dullmann@blaney.com
Langley Douglas Drew, Counsel	Respondent: Turf Care Products Canada Limited	dlangley@wvllp.ca
Tom Friedland, Counsel	Respondent: Goldy Metals Holdings Inc.	tfriedland@goodmans.ca
Samantha Hans, Counsel	Receiver: Albert Gelman Inc.	shans@airdberlis.com -
Adam Zeldin, Counsel	Receiver: Albert Gelman Inc.	azeldin@albertgelman.com
Steve Graff, Counsel	Receiver: Albert Gelman Inc	sgraff@airdberlis.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE W.D. BLACK:

- [1] A full-day motion was scheduled - by Steele J. in her endorsement of April 2, 2025 - to proceed before me in this matter (with which I have had previous involvement) on June 27, 2025. The motion was framed as a motion to allow the receiver ("Receiver"), currently appointed over WEI (this endorsement will use this and other terms as defined in the materials) to undertake a sales process relative to the lands and golf course at issue in this case.
- [2] Justice Steele in her endorsement confirmed a timetable for the exchange of materials and for cross-examinations (if required).
- [3] It is worth noting that the Receiver was initially appointed over only WEI because, at the time of the application, the security held by the applicant appeared to be limited to the Real Property.
- [4] On May 9, 2025, the Receiver learned that the applicant had discovered a general security agreement ("GSA") executed by WMI in favour of Mr. Eisen. The applicant proceeded to file a motion record containing a fresh as amended notice of motion for the appointment of AGI as receiver over WMI and 785, and an affidavit sworn by Mr. Eisen on May 13 attaching a copy of the newly discovered GSA.
- [5] The Receiver has since received from Gowlings (who acted for Joseph Chetti when he (via entities he controlled) purchased the Real Property and the Golf Club in January of 2019), a letter from Gowlings to Mr. Eisen enclosing various executed closing documents, including a copy of the GSA.
- [6] It is clear that the surfacing of the WMI GSA somewhat expands and changes the nature of the hearing that was scheduled for June 27. Among other things, the Receiver, while still seeking approval of a sales process (which is opposed by the respondent WEI), is also now seeking the appointment of AGI as an equitable receiver over WMI and 785 as alternative relief.
- [7] There is a debate among the parties as to who bears responsibility – or who bears what degree of responsibility – for the late emergence of the WMI GSA.
- [8] The respondent WEI asserts, as its first position, that the applicant is primarily or solely responsible for the late appearance of the WMI GSA, and that I ought to exclude the WMI GSA from the record.
- [9] I decline to do that. It is not clear to me that responsibility for the late surfacing of the WMI GSA is not shared, and in any event, it strikes me as a document that is relevant to this matter going forward.
- [10] WEI's second position is that the motion ought to be adjourned, for at least three reasons.
- [11] First, Mr. Ullman for WEI argues that the applicant's office had at least two months to review their records – and took all of that time – such that fairness requires that the respondent have a like amount of time to respond to the changed circumstances.

[12] Second, WEI argues that there is no prejudice to the applicant (and the Receiver) to wait until the fall, and that the golf course, as one might expect, is booked up with various events through the summer that ought not to be disrupted.

[13] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[14] The applicant and the Receiver took issue with all three arguments.

[15] In my view, which I expressed to the parties, a hearing during the week of July 14 represents a reasonable compromise, and so I have booked the matter for a full day on July 15, 2025.

[16] On that basis, the parties agreed to a schedule between now and the return of the motion, as follows:

- (a) [REDACTED]
[REDACTED]
- (b) The Turf Care motion is to be delivered by June 10, 2025;
- (c) The respondent's responding materials are to be delivered by June 13, 2025;
- (d) If there is a CCAA application (which I am told is being contemplated by the respondent), reply material is to be delivered by June 20, 2025;
- (e) Written interrogatories of the Receiver are due by June 23, 2025;
- (f) Cross-examinations (Mr. Chetti, Mr. Eisen and possibly a representative of Windsor Private Capital Limited Partnership and a representative of Turf Care), on June 25-26, 2025;
- (g) Factums of the moving parties by July 7, 2025;
- (h) Delivery of factums from responding parties by July 11, 2025; and
- (i) As noted, the full day hearing on July 15, 2025.

[17] The Receiver and I have received certain additional medical information concerning Mr. Chetti's condition today (May 30), ahead of schedule. It is clear that that information demonstrates that Mr. Chetti has a legitimate and significant medical concern.

[18] I was asked by Mr. Ullman during the hearing [REDACTED] to allow for Mr. Chetti's cross-examination to proceed on the basis of written interrogatories. Counsel opposite advised that they would be prepared to agree to examine Mr. Chetti remotely, or even to come to his residence [REDACTED]

[19] [REDACTED]
[REDACTED]
[REDACTED]

[20] In the circumstances, I direct, provisionally, that the examination of Mr. Chetti may proceed by Zoom (or other agreed remote platform), or at a location (within reason) of Mr. Chetti's choice. [REDACTED]

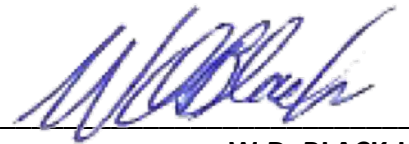
[REDACTED]

[REDACTED]

[REDACTED]

[21] Mr. Chaiton for the applicant asked that I also include, as terms of the adjournment, that AGI be allowed to monitor receipts and disbursements of the respondents and that only ordinary course business expenditures are to be permitted pending the determination of the motion. Mr. Ullman resists these terms. On balance the terms strike me as fair and reasonable, and I order them. There is benefit to maintaining the status quo pending the disposition of this matter.

[22] Parties made additional representations about positions they wish to assert, and about costs. In my view those matters are best left to the hearing of the motion itself.



W.D. BLACK J.

RELEASE DATE: JUNE 2, 2025

APPENDIX “E”

Adam Zeldin

From: Adam Zeldin
Sent: July 9, 2025 8:57 PM
To: Adam Zeldin
Subject: FW: Woodington - Ongoing Monitoring and Meeting

From: Adam Zeldin
Sent: June 25, 2025 10:26 AM
To: John Chetti <jc@qmpizza.com>
Cc: dullmann@blaney.com; Steven L. Graff <sgraff@airdberlis.com>; Joe Chetti <joechetti@icloud.com>; Bryan Gelman <bgelman@albertgelman.com>; Steven Pitucci <spitucci@albertgelman.com>
Subject: RE: Woodington - Ongoing Monitoring and Meeting

Hi John,

I'm following up again as we have not yet received any of the requested information. Could you please confirm when it will be provided?

In addition, we still have not scheduled a time to attend the golf club to review the financial records and establish a monitoring protocol. Can you please confirm that you will meet with the Receiver either tomorrow (June 26) or Friday (June 27)? It would also be helpful that the bookkeeper be present.

Thanks,
Adam

APPENDIX “F”

Adam Zeldin

From: Adam Zeldin
Sent: July 9, 2025 8:58 PM
To: Adam Zeldin
Subject: FW: Woodington - Ongoing Monitoring and Meeting

From: John Chetti <jc@qmpizza.com>
Sent: June 25, 2025 11:31 AM
To: Adam Zeldin <azeldin@albertgelman.com>
Cc: dullmann@blaney.com; Steven L. Graff <sgraff@airdberlis.com>; Joe Chetti <joechetti@icloud.com>; Bryan Gelman <bgelman@albertgelman.com>; Steven Pitucci <spitucci@albertgelman.com>
Subject: Re: Woodington - Ongoing Monitoring and Meeting

We are prepared to pay off all parties by next Friday. We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receivers role in this transaction to ensure it is acting ethically.

John Chetti

Queen Margherita
www.qmpfrozenfoods.com
jc@qmpizza.com

On Wed, Jun 25, 2025 at 10:26 AM Adam Zeldin <azeldin@albertgelman.com> wrote:

Hi John,

I'm following up again as we have not yet received any of the requested information. Could you please confirm when it will be provided?

In addition, we still have not scheduled a time to attend the golf club to review the financial records and establish a monitoring protocol. Can you please confirm that you will meet with the Receiver either tomorrow (June 26) or Friday (June 27)? It would also be helpful that the bookkeeper be present.

Thanks,

Adam

APPENDIX “G”

Adam Zeldin

From: Adam Zeldin
Sent: July 9, 2025 9:06 PM
To: Adam Zeldin
Subject: FW: Woodington - Ongoing Monitoring and Meeting

From: Adam Zeldin
Sent: July 3, 2025 12:57 PM
To: John Chetti <jc@qmpizza.com>
Cc: dullmann@blaney.com; Steven L. Graff <sgraff@airdberlis.com>; Joe Chetti <joechetti@icloud.com>; Bryan Gelman <bgelman@albertgelman.com>; Steven Pitucci <spitucci@albertgelman.com>
Subject: RE: Woodington - Ongoing Monitoring and Meeting

Hi John,

I am writing to follow up on your statement below: *"we are prepared to pay off all parties by next Friday"*, which is tomorrow. Can you provide an update on this, including any supporting documentation (e.g., LOL, term sheet, or other materials) that would substantiate this representation?

We are not responding to the remainder of your email at this time. This should not be taken as any acceptance of, or agreement with, the comments contained therein.

Thanks,
Adam

From: John Chetti <jc@qmpizza.com>
Sent: June 25, 2025 11:31 AM
To: Adam Zeldin <azeldin@albertgelman.com>
Cc: dullmann@blaney.com; Steven L. Graff <sgraff@airdberlis.com>; Joe Chetti <joechetti@icloud.com>; Bryan Gelman <bgelman@albertgelman.com>; Steven Pitucci <spitucci@albertgelman.com>
Subject: Re: Woodington - Ongoing Monitoring and Meeting

We are prepared to pay off all parties by next Friday. We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receivers role in this transaction to ensure it is acting ethically.

John Chetti

Queen Margherita
www.qmpfrozenfoods.com
jc@qmpizza.com

On Wed, Jun 25, 2025 at 10:26 AM Adam Zeldin <azeldin@albertgelman.com> wrote:

Hi John,

I'm following up again as we have not yet received any of the requested information. Could you please confirm when it will be provided?

In addition, we still have not scheduled a time to attend the golf club to review the financial records and establish a monitoring protocol. Can you please confirm that you will meet with the Receiver either tomorrow (June 26) or Friday (June 27)? It would also be helpful that the bookkeeper be present.

Thanks,

Adam

APPENDIX “H”

Adam Zeldin

From: Adam Zeldin
Sent: July 9, 2025 9:07 PM
To: Adam Zeldin
Subject: FW: Woodington - Ongoing Monitoring and Meeting

From: Adam Zeldin
Sent: July 4, 2025 4:23 PM
To: John Chetti <jc@qmpizza.com>
Cc: 'dullmann@blaney.com' <dullmann@blaney.com>; Steven L. Graff <sgraff@airdberlis.com>; Samantha Hans <shans@airdberlis.com>; Bryan Gelman <bgelman@albertgelman.com>
Subject: RE: Woodington - Ongoing Monitoring and Meeting

Hi John,

Thanks for the call yesterday in respect of the proposed refinancing. We understand from our discussion that you purport to have arranged financing and that your counsel is in discussions with Mel Eisen's counsel regarding potential terms.

However, despite our prior requests, we have not yet received any documentation confirming the existence of committed financing. The only document provided to date remains the conditional term sheet sent to the Receiver in March 2025. While you have advised that funding is imminent and expected to be sufficient to *"pay off all parties..."* by today, we have not received any materials to confirm this. If such documentation is now available, we would appreciate it being shared at your earliest convenience.

We also want to address the following statements in your June 25, 2025 email:

"We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receiver's role in this transaction to ensure it is acting ethically."

To clarify:

- No information or access to the records of WMI and 785 (or personnel for purposes of advancing the monitoring mandate) has been provided to date, so the reference to "any more" access is inaccurate.
- Refusing to provide access to allow the Receiver to carry out its Court-ordered monitoring role is a direct obstruction of the process ordered by the Court.
- The fees and disbursements of the Receiver are subject to review and approval by the Court. At the appropriate time, our accounts will be brought before the Court for approval, and you will have an opportunity to raise any objections or concerns you may have at that time.
- Lastly, the Receiver has had no involvement nor is it a party to the proposed refinancing transaction. Any suggestion that the Receiver has acted improperly in connection with that proposed transaction is both inaccurate and without basis.

We reiterate that none of the information requested to date in connection with our Court-ordered monitoring mandate has been provided. We see no basis for the continued refusal to provide this information. Accordingly, we again request that you produce the documents and information outlined in our previous emails, and that you

confirm a date for us to attend at the property for a meeting (with the bookkeeper present) to review records and establish a monitoring protocol.

Thanks,
Adam

From: John Chetti <jc@qmpizza.com>
Sent: July 3, 2025 3:28 PM
To: Adam Zeldin <azeldin@albertgelman.com>
Subject: Re: Woodington - Ongoing Monitoring and Meeting

Call me if you wish to discuss 416-418-1246
Sent from my iPhone

On Jul 3, 2025, at 12:56 PM, Adam Zeldin <azeldin@albertgelman.com> wrote:

Hi John,

I am writing to follow up on your statement below: *"we are prepared to pay off all parties by next Friday"*, which is tomorrow. Can you provide an update on this, including any supporting documentation (e.g., LOI, term sheet, or other materials) that would substantiate this representation?

We are not responding to the remainder of your email at this time. This should not be taken as any acceptance of, or agreement with, the comments contained therein.

Thanks,
Adam

From: John Chetti <jc@qmpizza.com>
Sent: June 25, 2025 11:31 AM
To: Adam Zeldin <azeldin@albertgelman.com>
Cc: dullmann@blaney.com; Steven L. Graff <sgraff@airdberlis.com>; Joe Chetti <joechetti@icloud.com>; Bryan Gelman <bgelman@albertgelman.com>; Steven Pitucci <spitucci@albertgelman.com>
Subject: Re: Woodington - Ongoing Monitoring and Meeting

We are prepared to pay off all parties by next Friday. We will not be granting any more access and we require final invoices. We will not incur or pay anymore Receiver bills and are in the process of having a review to see if the bills are justified. We will be documenting the receivers role in this transaction to ensure it is acting ethically.

John Chetti

Queen Margherita
www.qmpfrozenfoods.com
jc@qmpizza.com

On Wed, Jun 25, 2025 at 10:26 AM Adam Zeldin <azeldin@albertgelman.com> wrote:

Hi John,

I'm following up again as we have not yet received any of the requested information. Could you please confirm when it will be provided?

In addition, we still have not scheduled a time to attend the golf club to review the financial records and establish a monitoring protocol. Can you please confirm that you will meet with the Receiver either tomorrow (June 26) or Friday (June 27)? It would also be helpful that the bookkeeper be present.

Thanks,

Adam