

Court File No.: BK-23-00459641-0031  
Estate No.: 31-459641

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF  
INTEGRO BUILDING SYSTEMS INC.,  
IN THE CITY OF VAUGHAN,  
IN THE PROVINCE OF ONTARIO

**AIDE MEMOIRE OF THE TRUSTEE**

March 7, 2024

**CASSELS BROCK & BLACKWELL LLP**  
Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, ON M5H 0B4

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amerskey@cassels.com

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ahoy@cassels.com

*Lawyers for MNP Ltd. as Trustee of Integro  
Building Systems Inc.*

**TO: SERVICE LIST**

1. The sole issue to be determined at this case conference is the appropriate schedule for the Trustee's motion seeking the granting of the Administrative Order (the "**Administrative Order Motion**").<sup>1</sup>
2. The Trustee requests that the Trustee's motion seeking the Administrative Order be heard on the schedule set out at **Schedule "A"** of this Aide Memoire. The Trustee has consulted with CRA and counsel for the directors of the Bankrupt, each of which have confirmed that they are agreeable to the dates set out in the proposed schedule.
3. The Administrative Order, among other things, approves: (i) the activities of the Trustee set out in the First Report; (ii) the fees of the Trustee and its counsel (collectively, the "**Fees**"), as set out in the Fee Affidavits; and (iii) the Trustee's interim statement of receipts and disbursements included in the First Report.
4. In connection with the approval of the Fees, the Trustee is requesting that the portion of the Fees that were incurred in connection with its realization efforts be paid out of the proceeds of realization of the Estate. The Trustee intends to pay the remainder out of a retainer received by the Trustee in connection with the Assignment (the "**Retainer**").
5. RBC, a creditor of the Estate, disputes the source of payment of the Fees and other costs of administration and realization (the "**Other Costs**"). RBC does not dispute

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<sup>1</sup> Terms not otherwise defined herein have the meanings given to them in the First Report to Court of the Trustee dated February 14, 2024 (the "**First Report**").

the quantum of the Fees or the Other Costs. As such, the Trustee is not aware of any dispute of the appropriateness of its activities set out in the First Report.

6. RBC takes the position that:

- (a) the entirety of the Fees and the Other Costs should be paid out of: (i) the Retainer; (ii) the Indemnity (as defined below); and (iii) the proceeds of realization of CRA under the Deemed Trust Claim<sup>2</sup>, in no definitive order, but in each circumstance prior to the payment of any amounts out of the potential proceeds of realization of RBC; and
- (b) the Fees should not be paid out of the proceeds of realization of the Estate in priority to a secured creditor, namely RBC.

7. RBC seeks: (i) an order adjourning, *sine die*, the Administrative Order Motion; and (ii) a declaration that the Fees and the Other Costs not be paid out of the proceeds of realization of the Estate in priority to RBC.

## **I. Background**

8. In connection with the Assignment and pursuant to an Engagement Letter dated August 28, 2023, the Trustee received from Hi-Rise Vista Holdings Inc., 61/67 Clairville

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<sup>2</sup> The Deemed Trust Claim refers to a deemed trust claim held by CRA pursuant to Sections 227(4.1) and (4.1) of the *Income Tax Act* and related legislation in respect of unremitted source deductions.

Holdings Ltd. and Chafhold Corporation (collectively, the “**Indemnifiers**”): (i) the Retainer in the amount of \$287,000; and (ii) a fee indemnity agreement (the “**Indemnity**”).

9. CRA holds the first priority claim of the Estate in the form of the Deemed Trust Claim. On October 6, 2024, CRA filed a proof of claim with the Trustee setting out its claim, including the Deemed Trust Claim in the amount of \$3,039,239.40, pending finalization of its trust examination on the payroll/source deductions account of the Bankrupt (the “**Trust Examination**”).

10. In light of CRA’s estimated sum of the Deemed Trust Claim, the Trustee entered into the Administrative Agreement with CRA prior to undertaking any realization activities. Pursuant to the Administrative Agreement, CRA agreed to provide the Trustee with an entitlement to the proceeds of realization of the Estate in priority to its Deemed Trust Claim up to the amount of \$166,834.84 (the “**Allowable Amount**”) for its costs and expenses related to realization efforts and the administration of the Estate. On February 29, 2024, the Administrative Agreement was amended by letter to increase the Allowable Amount to \$305,560.13.

11. As set out in the First Supplemental Report, based upon the Trustee’s independent review of CRA’s claim, the Trustee determined the minimum amount of the Deemed Trust Claim is \$2,976,308.38. The Trustee further acknowledged that: (i) as of the date of the First Supplemental Report, CRA had not yet provided the Trustee with the finalized Trust

Examination; and (ii) the Deemed Trust Claim may subsequently be determined to be in excess of the Trustee's minimum calculation.

12. On March 7, 2024, CRA provided the Trustee with the finalized Trust Examination and an amended proof of claim (the "**Amended CRA Claim**"). The Amended CRA Claim values the Deemed Trust Claim in the amount of \$3,534,468.52. For reference, the Amended CRA Claim is attached as **Schedule "B"**.

13. At present, the amounts realized to date and expected to be realized with some certainty are approximately \$680,000 less than the Deemed Trust Claim, prior to application of any costs of realization. Accordingly, and based on expected realizations, the Trustee doesn't currently anticipate there will be any proceeds for distribution to any creditors of the Estate other than CRA.

14. The Fees were incurred as a direct result of the Trustee discharging its duties in the administration of the Estate. In recognition that certain of the fees and expenses directly relate to its realization efforts and a portion of the administration of the Estate necessary to facilitate such realizations, the Trustee has requested that \$228,229.02<sup>3</sup> of the Fees and Other Costs should be paid from the proceeds of realization. This approach is consistent with the general principle that creditors who benefit from the costs of

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<sup>3</sup> This figure does not include flow through amounts, including reimbursable expenses and tax amounts to be remitted.

realization should pay those costs first, as they are incurred for the benefit of the entire Estate.

15. RBC's request for an adjournment *sine die* is in practice an attempt to arbitrage the administration of the insolvency. RBC is not currently "in the money". It will likely never be "in the money". However, RBC is seeking to halt the administration of the Estate and the payment of the Trustee to some unknown future date when it might, in RBC's estimation, be in a position to recover.

16. Further, RBC's position that the costs of realization not be paid out of the proceeds of realization would result in RBC recovering from the Estate at no cost to itself, while other creditors in priority to RBC, such as CRA and the Indemnifiers, bear all costs associated with such recovery efforts.

17. RBC's motion has unreasonably delayed the payment of the fees and expenses of a court officer that has diligently and responsibly discharged its duties in a complex bankruptcy proceeding. Consistent with the principle that court officers should be remunerated when they have properly discharged their duties, this matter should be dealt with on an expedited basis.

**Schedule "A"**

**Proposed Schedule for the Administrative Order Motion**

<b>Description</b>	<b>Deadline<sup>4</sup></b>
Filing of any additional materials (Trustee and supporting parties)	March 15, 2024
Cross examinations (all parties, as necessary)	March 22, 2024
Delivery of Factum (Trustee and supporting parties)	April 5, 2024
Delivery of Factum (RBC)	April 8, 2024
Hearing <sup>5</sup>	April 18, 2024 <sup>6</sup>

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<sup>4</sup> The effective time of the deadline, in each instance, shall be deemed to be 5:00 p.m. (ET) on the date set out in this column.

<sup>5</sup> The scheduled hearing shall be no more than two hours in length.

<sup>6</sup> Hearing shall be on such date or such other time as is available to the Court as soon as reasonably possible thereafter.

**Schedule "B"**  
**Amended CRA Claim**

TIME RECEIVED  
March 7, 2024 at 8:59:46 AM EST

REMOTE CSID  
9056152349

DURATION  
99

PAGES  
6

STATUS  
Received

2024-03-07 08:58

CRA-ARC 9056152349 >>

P 1/6

UNCLASSIFIED

CANADA REVENUE AGENCY  
TORONTO WEST TAX SERVICES OFFICE  
5800 HURONTARIO STREET  
MISSISSAUGA ONT  
L5R 4B4

FACSIMILE TRANSMITTAL SHEET

TO: <b>Matthew Lem</b>	FROM: <b>René Tegelaar</b>
COMPANY: <b>MNP Ltd.</b>	DATE: <b>2024-03-07</b>
FAX NUMBER: <b>FAX 416 323.5240</b>	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER: <b>416 515.3882</b>	SENDER'S REFERENCE NUMBER:
RE: <b>Integro Building Systems Inc.</b>	YOUR REFERENCE NUMBER:

URGENT  FOR REVIEW  PLEASE COMMENT  PLEASE REPLY  PLEASE RECYCLE

**Attached is our amended proof of claim and proxy for the Bankruptcy of Integro Building Systems Inc.**



Canada Revenue Agency  
Agence du revenu  
du Canada

Tax Centre  
Mississauga ON L5R 4B4

March 07, 2024

ATTENTION: MATTHEW LEM  
MNP LTD.  
1 ADELAIDE STREET EAST  
SUITE 1900  
TORONTO ON M5C 2V9

Dear Sir/Madam:

Re: INTEGRO BUILDING SYSTEMS INC.  
of the City of Vaughan  
in the Province of Ontario  
Date of the bankruptcy: August 31, 2023

Please find enclosed our amended claim and supporting schedule in the above-noted insolvency event for the amount of \$4,100,946.93.

Issue dividend payment directly to the Receiver General quoting the account number shown on the schedule.

Please send individual, corporate, payroll and excise duty dividend payments to:

Canada Revenue Agency  
PO BOX 3800 STN A  
Sudbury ON P3A 0C3

Please send goods and services tax/harmonized sales tax (GST/HST) remittances, including dividend payments to the applicable tax centre (shown on your client's GST/HST return).

If you need more information about this claim, such as a more detailed breakdown of the debt, please contact the undersigned at one of the telephone numbers provided in this letter.

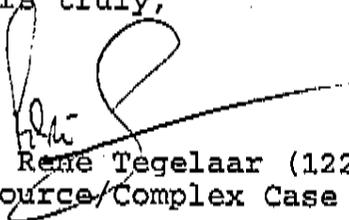
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**Canada**

National Insolvency Office  
5800 Hurontario Street  
Mississauga ON L5R 4B4

Local: 416-605-7020  
Toll Free: 1-833-540-3352  
Fax: 416-556-1820  
Web site: [canada.ca/taxes](http://canada.ca/taxes)

Yours truly,

A handwritten signature in black ink, appearing to be 'Rene Tegelaar', written over a horizontal line.

Mr. Rene Tegelaar (1220)  
Resource/Complex Case Officer

Enclosure(s)

ATTACHMENT PAGE 1

Proof of Claim (Form 31)  
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8),  
81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e)  
and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the following address:

Canada Revenue Agency  
London-Windsor Tax Services Office  
Insolvency Intake Centre  
Collections Directorate  
451 Talbot Street, 3rd Floor  
London ON N6A 4R3

Attention: Mr. René Tegelaar (1220)

In the matter of the bankruptcy of INTEGRO BUILDING SYSTEMS INC. of the City of Vaughan in the Province of Ontario, and the claim of His Majesty the King in Right of Canada as represented by the Minister of National Revenue, creditor.

I, Mr. René Tegelaar (1220), of the City of Mississauga in the Province of Ontario, do hereby certify:

1. That I am a resource officer/complex case officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy namely the 31st of August 2023, and still is, indebted to the creditor in the sum of \$4,100,946.93, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$566,478.41. That in respect of this debt, I do not hold any assets of the debtor as security.

(X) PROPERTY CLAIM of \$3,534,468.52.

That property holding a value equal to the debt enumerated in the Schedule "A" was in possession of the debtor and still remains in the possession of the debtor and (or) the trustee. The claimant hereby claims an interest in all assets of the debtor up to the value of the property claim shown. The claimant is entitled to demand from the trustee the return of the property.

ATTACHMENT PAGE 2

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

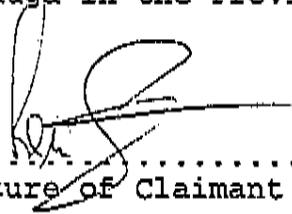
6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

NIL

Sworn before me at the City of Mississauga in the Province of Ontario, on March 7, 2024.



.....  
Commissioner of Oaths



.....  
Signature of Claimant

ATTACHMENT PAGE 3

Schedule "A"

Name: INTEGRO BUILDING SYSTEMS INC.

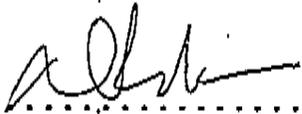
Unsecured claim

Income Tax Act  
 Account number: 815290390RP0001  
 Assessed period(s): 2022, 2023  
 Principal: \$0.00  
 Penalty and interest: \$566,478.41

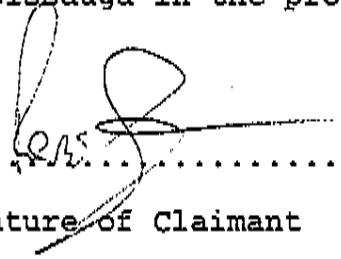
Property claim

Income Tax Act  
 (relating to payroll deductions for deemed trust)  
 Account number: 815290390RP0001  
 Assessed period(s): 2022, 2023  
 Principal: \$3,534,468.52  
  
 Total: \$3,534,468.52

Sworn before me at the City of Mississauga in the province of Ontario, on March 7, 2024.

  
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Commissioner of Oaths

  
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Signature of Claimant

IN THE MATTER OF THE BANKRUPTCY OF INTEGRO BUILDING SYSTEMS INC., IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

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PROCEEDING COMMENCED AT  
TORONTO

**AIDE MEMOIRE OF THE TRUSTEE**

**CASSELS BROCK & BLACKWELL LLP**

Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, ON M5H 0B4

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ahoy@cassels.com

*Lawyers for MNP Ltd. as Trustee of Integro Building  
Systems Inc.*