

Court File No.

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

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS
AMENDED**

**AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C., 1985, C. C-44, AS AMENDED**

**AND IN THE MATTER OF A WINDING UP OF
FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES
INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER
2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.**

Applicants

APPLICATION RECORD

May 19, 2020

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

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Lawyers for the Applicant

INDEX

Tab	Document
1.	Notice of Application
2.	Affidavit of Joseph Thomson sworn May 19, 2020
A.	Exhibit “A” - Copy of FHH’s corporate profile report
B.	Exhibit “B” - Copy of FHFS’s corporate profile report
C.	Exhibit “C” - Copy of FHC’s corporate profile report
D.	Exhibit “D” - Copy of FHMB’s corporate profile report
E.	Exhibit “E” - Copy of FHGP2’s corporate profile report
F.	Exhibit “F” - PSC account statement for FHH’s brokerage account dated April 30, 2020
G.	Exhibit “G” - Copy of FHH’s most recent internal unaudited income statement and balance sheet for the two months ending April 30, 2020
H.	Exhibit “H” - Copy of FHH’s audited unconsolidated financial statements for the year ended February 28, 2019
I.	Exhibit “I” - Copy of FHH’s audited consolidated financial statements for the year ended February 28, 2019
J.	Exhibit “J” - Copy of the PSC Winding-up Order
K.	Exhibit “K”- Copy of the resolution of the board of directors of FHH
L.	Exhibit “L”- Copy of the consent from certain specified shareholders of FHH
M.	Exhibit “M”- Copy of the shareholder register for the class B voting shares
3.	Consent of MNP Ltd.
4.	Draft Winding Up Order
5.	Blackline to Model Order

Tab 1

**ONTARIO
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NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on a date and at a time to be set at the courthouse at 330 University Avenue, 8th Floor, Toronto, Ontario M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve

a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date May , 2020

Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: **THE SERVICE LIST**

APPLICATION

1. The Applicants, First Hamilton Holdings Inc. (“**FHH**”), First Hamilton Financial Services Inc. (“**FHFS**”), and First Hamilton General Partner 2 Inc. (“**FHGP2**”) pursuant to the *Business Corporations Act* (Ontario) (“**OBCA**”); and (b) First Hamilton Capital Inc. (“**FHC**”) and First Hamilton Mortgage Brokers Inc. (“**FHMB**” and, together with FHH, FHFS, FHGP2 and FHC, the “**FHH Entities**”), make an application for an Order, among other things:

(a) abridging the time for service and filing and validating the manner of service of this notice of application and the application record, and dispensing with service thereof on any interested party other than those served with these proceedings;

(b) winding-up of FHH and its direct subsidiaries pursuant to the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* (Canada), as applicable.

(c) approving the appointment of MNP Ltd. (“**MNP**”) as liquidator (the “**Liquidator**”) of FHH and its direct subsidiaries;

(d) staying all proceedings and remedies taken or which might be taken in respect of FHH, its subsidiaries or any of their property, except upon leave of this Court being granted, or as otherwise provided;

(e) granting a priority charge over the assets, properties and undertakings of FHH and its direct subsidiaries (collectively, the “**Property**”) to secure the fees and disbursements of the Liquidator, its counsel, and counsel to the Applicants, incurred both before and after the granting of the Winding Up Order (the “**Administration Charge**”);

(f) granting such further and other relief as counsel may request and this Court may permit.

2. The grounds for the application are:

(a) FHH is a business investment corporation whose business is closely related to the business and activities of PACE Securities Corp. (“PSC”).

(b) FHH carries on its business as an investment corporation, principally through using the services of PSC, in the capacity as portfolio manager, to invest FHH’s funds in corporate bonds and debt instruments and to assist FHH to acquire or develop equity investments.

(c) Three shareholders of FHH, holding approximately 80.2% of the issued and outstanding class B voting shares of FHH, support this Application for a Winding up Order, and FHH has no other class of shareholders who have voting rights in respect of a special resolution for a winding-up;

(d) FHH holds 100% of the of the issued and outstanding common shares of each of the other FHH Entities;;

(e) Recent turmoil in the global capital markets caused by the COVID-19 pandemic has had a negative impact on FHH and its viability;

(f) On May 14, 2020, PSC made an application to this Court and was granted an Order for a Court-supervised winding up of PSC and its direct and indirect subsidiaries.

- (g) The directors of FHH have passed a resolution approving this Application for a court-supervised Winding up Order in respect of FHH and its subsidiaries;
- (h) The resolution of the directors of FHH authorizes FHH to make an application to this Court under the *Business Corporations Act* (Ontario) for the Court-supervision of its winding-up;
- (i) The directors of FHH consider it advisable to have the winding-up of FHH and its direct subsidiaries brought under the supervision of this Court to:
 - (i) facilitate MNPs ability to develop and implement a plan for the liquidation, including a claims process, if necessary;
 - (ii) provide for an ability to efficiently enforce the terms of any liquidation plan and corresponding ancillary relief provided in the *Business Corporations Act* (Ontario) or *Canada Business Corporations Act* (Canada) in connection with the liquidation as against any third parties;
 - (iii) afford MNP, in its capacity as liquidator, the opportunity to seek the advice and directions of the Court should that become necessary under the circumstances;
 - (iv) afford MNP, in its capacity as liquidator, certain protection in carrying out the liquidation;
- (j) The proposed Order seeks an Administrative Charge over the Property of FHH and its subsidiaries;

(k) It is just and equitable and in the interests of the shareholders, creditors and other stakeholders of FHH and its subsidiaries that the FHH Entities be wound up and that the winding-up of FHH and its subsidiaries continue under a voluntary wind-up under the supervision of this Court at this time;

(l) FHH cannot by reason of its liabilities continue its business and it is advisable to wind it up;

(m) Sections 193, 207, 208, 209 and 210 of the *Business Corporations Act*, , R.S.O. 1990, c. B.16;

(n) Section 211, 214 and 215 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44;

(o) Rules 3.02, 14.05, and 16 of the Rules of Civil Procedure, *R.R.O.* 1990, Reg. 194;

(p) the equitable jurisdiction of this Court; and

(q) such further and other grounds as counsel may advise and this Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) the Affidavit of Joseph Thomson sworn May 19, 2020;

(b) the Consent of MNP to be filed; and

(c) such further and other evidence as counsel may advise and this Honourable Court may permit.

May 19, 2020

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Applicants

Court File No. ●

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

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Applicants

AFFIDAVIT OF JOSEPH THOMSON
(sworn May 19, 2020)

I, **JOSEPH THOMSON**, of the City of Hamilton, in the Province of Ontario, MAKE
OATH AND SAY:

I. OVERVIEW

1. I am the President and Chief Executive Officer of First Hamilton Holdings Inc. (“**FHH**”), a business investment corporation incorporated and subsisting under the *Business Corporations Act* (Ontario) (“**OBCA**”). I have been a director and the President and Chief Executive Officer of FHH since its incorporation on February 21, 2018.

2. Based on the foregoing, I have knowledge of the Company and the matters to which I depose in this affidavit based on my personal knowledge or based on my review of relevant reports and documents of FHH that have been prepared by the Chief Financial Officer of FHH or provided to me by others, in which case I believe such information to be true in all material respects. Where I do not possess knowledge of the information described herein, I have stated the source of my information and, in all such cases, believe it to be true.
3. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.
4. This affidavit is sworn in support of an application for an Winding-Up Order in respect of (a) FHH, First Hamilton Financial Services Inc. (“**FHFS**”), and First Hamilton General Partner 2 Inc. (“**FHGP2**”) pursuant to the OBCA; and (b) First Hamilton Capital Inc. (“**FHC**”) and First Hamilton Mortgage Brokers Inc. (“**FHMB**” and, together with FHH, FHFS, FHGP2 and FHC, the “**FHH Entities**”) pursuant to the *Canada Business Corporations Act* (Canada) (the “**CBCA**”).

II. THE FIRST HAMILTON ENTITIES

A. FHH

5. FHH is a corporation incorporated under the OBCA. Its registered office is located at 199 Bay Street, Suite 2200, Toronto, Ontario M5L 1G4 and its head office is located at 100 King Street West, Suite 2400, Hamilton, Ontario L8P 1A2 (the “**Head Office**”). A copy of FHH’s corporate profile report is attached to my Affidavit as **Exhibit “A”**.
6. The current officers and directors of FHH are as follows:

- (a) Joseph Thomson (“**Thomson**”), President, Chief Executive Officer and a director;
 - (b) Ernest Larry Eves, director and Chairman of the Board;
 - (c) Timothy Huxley, director and Secretary;
 - (d) Michael Leskovec, director; and
 - (e) Cliff Pereira, acting Chief Financial Officer and Chief Risk Officer.
7. Other than FHH itself, each of the FHH Entities is a direct subsidiary of FHH. The capital structure of the FHH Entities is as follows:
- (a) FHH has four classes of shares that have outstanding shares:
 - (i) series A non-voting redeemable preference shares issued to various investors,
 - (ii) series B non-voting redeemable preference shares issued to various investors,
 - (iii) class A non-voting shares issued 2 shareholders, and
 - (iv) class B voting shares issued to 7 shareholders.
 - (b) FHH holds 100% of the issued and outstanding common shares of FHC, and FHC has no other shareholders;
 - (c) FHH holds 100% of the of the issued and outstanding common shares of FHMB, and FHMB has no other shareholders;
 - (d) FHH holds 100% of the of the issued and outstanding common shares of FHGP2, and FHGP2 has no other shareholders;

- (e) FHH holds 100% of the of the issued and outstanding common shares of FHFS, and FHFS has no other shareholders; and
 - (f) FHH holds 100% of the issued and outstanding common shares of two other inactive entities known as First Hamilton General Partner Inc. (“**FHGP**”) and Wheeler Corp. (“**WC**”), both incorporated in the State of Delaware in the United States, neither of which has any other shareholders.
8. FHH carries on business as a business investment corporation, principally through using the services of PACE Securities Corp. (“**PSC**”), in the capacity as portfolio manager, to invest FHH’s funds in corporate bonds and debt instruments and to acquire or develop equity investments.
9. FHH was created as an investment vehicle for qualified investors to earn fixed dividends from FHH investing in a basket of high-yield bonds. FHH raised capital by selling preference shares. FHH used those proceeds to purchase high-yield bonds and added more high-yield bonds to its portfolio by purchasing on “margin” through its accounts at PSC. The interest and any trading profits earned on the bonds net of management costs and other expenses was to be used to fund regular dividend payments to the preference shareholders.
10. For FHH’s investments in corporate bonds through its accounts at PSC, PSC does not hold its customers’ cash and securities itself. Rather, it is registered with the Investment Industry Regulatory Organization (“**IIROC**”) as a Type 2 Introducing Broker, and as such contracts its back-office functions to a “carrying broker”. Laurentian Bank Securities Limited (“**LBS**”) is PSC’s carrying broker and the custodian of its securities and its clients’ cash and securities.

11. Margin is a form of loan whereby the broker loans money to its client to allow the client to purchase more securities than could otherwise be purchased with the amount of money the client has available in the account. The loan in the account is collateralized by the securities purchased and cash, and comes with a periodic interest rate. Because LBS is PSC's carrying broker, any margin loans provided through a PSC account are in fact provided by LBS.
12. The dividends owing to FHH's preference shareholders are cumulative, meaning that any dividends (whether or not declared) which are not paid are accumulated and remain payable to investors at a later date.
13. In addition to investing in corporate bonds, FHH was created to invest in or to acquire businesses which it could control and operate.
14. FHH currently has one active subsidiary. FHFS operates as a mortgage broker.

B. FH Financial Services

15. FHFS is a corporation incorporated under the OBCA. Its registered office and its head office are located at 100 King Street West, Suite 2400, Hamilton, Ontario L8P 1A2 (the "**Head Office**"). A copy of FHFS's corporate profile report is attached to my Affidavit as **Exhibit "B"**.
16. Cliff Pereira is the President and director of FHFS as listed on the corporate profile report.
17. FHFS operates as a licensed mortgage broker in Ontario.

C. FHC

18. FHC is a corporation incorporated under the CBCA. Its registered is located at 199 Bay Street, Suite 2200, Toronto, Ontario M5L 1G4 and its head office is located at the Head Office. A copy of FHC's corporate profile report is attached to my Affidavit as **Exhibit "C"**.

19. FHC is currently an inactive subsidiary.

20. I am the sole director of FHC as listed on the corporate profile report. I am also the sole officer of FHC.

D. FHMB

21. FHMB is a corporation incorporated under the CBCA. Its registered office and head office are located at the Head Office. A copy of FHMB's corporate profile report is attached to my Affidavit as **Exhibit "D"**.

22. FHMB is currently an inactive subsidiary.

23. Cliff Pereira is the sole director of FHMB as listed on the corporate profile report. Cliff Pereira is also the sole officer of FHMB.

E. FHGP2

24. FHGP2 is a corporation incorporated under the OBCA. Its registered office is located at 199 Bay Street, Suite 2200, Toronto, Ontario M5L 1G4 and its head office is located at the Head Office. A copy of FHGP2's corporate profile report is attached to my Affidavit as **Exhibit "E"**.

25. FHGP2 is currently an inactive subsidiary.
26. I am the sole officer and director of FHGP2 as listed on the corporate profile report.

III. FHH'S BUSINESS

A. Overview of FHH's Business

27. FHH carries on business as a business investment corporation, principally through using the services of PSC, in the capacity as portfolio manager, to invest FHH's funds in corporate bonds and debt instruments and to assist FHH to acquire or develop equity investments.
28. As of April 30, 2020, as shown on the PSC account statement for FHH's brokerage account, a copy of which is attached to my Affidavit as **Exhibit "F"**:
 - (a) the market value of the corporate bonds and other securities managed by PSC and held at LBS for FHH was approximately:
 - (i) Cdn\$4,441,084 and
 - (ii) US\$1,647,737;
 - (b) the margin loans owed by FHH to LBS were approximately US\$4,168,103;
 - (c) the FHH account at LBS through PSC had a cash credit balance of approximately Cdn\$3,051,680 (after a post month-end transaction settlement);
 - (d) the Canadian corporate bonds in FHH's account held at LBS through PSC had:
 - (i) principal amounts aggregating Cdn\$11,641,440,

- (ii) annual interest rates ranging from 5.375% to 10.5%, and
 - (iii) maturity dates from November 15, 2021 until September 15, 2023, and
 - (e) the United States corporate bonds had:
 - (i) principal amounts aggregating US\$1,856,000,
 - (ii) an annual interest rate of 6.5%, and
 - (iii) a maturity date of March 15, 2023.
 - 29. To my knowledge, there have been no transactions regarding corporate bonds held in the FHH accounts at LBS through PSC since April 30, 2020.
 - 30. FHH earns revenue principally from the interest on the corporate bonds and appreciation on the value of the corporate bonds which were purchased at a discount to par when they are held to maturity or are sold at a capital gain prior to maturity.
 - 31. FHH has expenses which include management fees and transactional costs payable to PSC and other normal operating expenses of a business such as rent, salaries and fees for professional services.
- B. FHH Has Incurred Substantial Losses**
- 32. FHH sold preference shares to investors and used the proceeds from those share sales to invest in a basket of high-yield corporate bonds, the interest and gains on which were intended to be used to pay operating expenses (including management fees to PSC) and dividends to holders of the preference shares, as well as to fund other business ventures.

33. For the reasons explained below, the business of FHH suffered significant setbacks as a result of various factors, including the precipitous decline in the bond markets during the current COVID-19 pandemic, which resulted in FHH having to respond to margin calls by LBS. While FHH was able to reach certain arrangements with LBS in April 2020, FHH was required to liquidate significant portions of its portfolio of corporate bonds in order to respond to changing margin requirements and an agreement with LBS to close out the margin account. As a result, FHH realized significant losses.

C. Employees of the FHH Entities

34. FHH currently has no employees. All remaining employees were dismissed on May 14, 2020 and, other than the acting Chief Financial Officer, have been paid their salaries up to and including that date, so that there are no outstanding payroll obligations except to the acting Chief Financial Officer.

D. Real Property Lease Obligations

35. FHH leases the Head Office premises in Hamilton, Ontario. While the FHH Entities operate from those premises, only FHH is responsible for the lease. FHH's Head Office lease obligation is approximately \$20,000 per month, including base rent, taxes and operating costs. FHH's lease obligations were not paid for the month of May 2020 and the landlord changed the locks on the premises over this past week-end.

E. Cash Management System

36. The FHH Entities' cash management system, including the collection, transfer and disbursements of funds, is administered from the Head Office (the "**Cash Management System**").
37. The FHH Entities maintain three (3) bank accounts, all of which are located in Ontario and held at a major Canadian chartered bank. These accounts include:
- (a) one account maintained to hold FHH's Canadian dollar cash balance;
 - (b) one account maintained to hold FHH's US dollar cash balance; and
 - (c) one account maintained to hold FHFS's Canadian dollar cash balance for its mortgage brokerage business.
38. None of the other FHH Entities hold bank accounts. Any expenses incurred by the other FHH Entities are paid by FHH and charged to their intercompany loan accounts.
39. As at the date of this Affidavit, the estimated consolidated cash balance for all of the FHH Entities' bank accounts was approximately \$8,000.

IV. CAPITAL STRUCTURE

40. FHH has been financed through the following capital structure.

A. Share Capital

41. FHH has issued the following shares:

- (a) 2,536,544 series A non-voting redeemable preference shares plus an equal number of warrants, issued as units at \$10,00 per unit,
- (b) 729,660 series B non-voting redeemable preference shares at \$10.00 each,
- (c) 17,000 class A non-voting shares at \$0.01 each, and
- (d) 1,010,000 class B voting shares at \$0.01 each.

B. Margin Accounts with LBS

FHH operates margin accounts through PSC with LBS. As at April 30, 2020, the margin accounts had the following balances:

- (a) the margin loans owed to LBS of approximately US\$4,168,103; and
- (b) a cash credit balance of approximately Cdn\$3,051,680 (after a post month-end transaction settlement).

C. Other Indebtedness

- 42. FHH has no capital lease obligations but has an obligation for its premises lease of approximately \$776,000 through to the end of the term.

D. Trade Creditors

- 43. Based on my discussions with FHH's Chief Financial Officer, I understand that trade creditors are owed approximately \$1,450,000 as at April 30, 2020, before any employee or contract termination costs and prior to any claims by LBS pursuant to margin loans through its carrying broker agreement with PSC. This is comprised of approximately \$314,000

owed to trade creditors, an income tax provision of \$325,000 and approximately \$776,000 for its lease liability.

V. FINANCIAL POSITION OF THE FHH ENTITIES

A. Financial Statements

44. Attached as **Exhibit “G”** is a copy of FHH’s most recent internal unaudited income statement and balance sheet for the two months ending April 30, 2020.
45. Attached as **Exhibit “H”** is a copy of FHH’s audited unconsolidated financial statements for the year ended February 28, 2019. Under applicable accounting principles, redeemable preference shares are treated as a liability.
46. Attached as **Exhibit “I”** is a copy of FHH’s audited consolidated financial statements for the year ended February 28, 2019. Under applicable accounting principles, redeemable preference shares are treated as a liability.
47. As at April 30, 2020, the most recent interim period, the FHH Entities had (all amounts approximate):
 - (a) consolidated assets with a book value of \$13 million;
 - (b) total consolidated liabilities of \$34 million (including \$30 million for preference share redemption obligations); and
 - (c) total consolidated deficit of \$20.85 million.

VI. MATTERS LEADING UP TO THE WINDING-UP FILING

A. LBS Changing Margin Requirements

48. I understand from my review of materials filed in Court in Court File No. CV-20-00638882-00CL in connection with an application brought by FHH and PACE Financial Limited (“**PFL**”), a subsidiary of PSC, against LBS (the “**LBS Application**”) that, beginning in or about late 2018, LBS was looking to amend its exposure to PSC, and in particular to PFL and FHH, given that LBS’s exposure to the margin loans to PFL and FHH were the largest in its portfolio, and were significantly larger than its next largest margin customer. At its height, PFL and FHH together had between \$80 million and \$90 million in margin loans with LBS.
49. LBS’s move to reduce its exposure to PFL and FHH accelerated in early 2020. The changes LBS made included lowering the maximum margin loan exposure to a particular security as well as lowering the maximum aggregate margin loans to any one client and raising the required margin rate from 7% to 52% for a significant percentage of the portfolio.
50. In addition to these changes, the margin limits imposed by LBS were declining as a result of the turmoil in the global capital markets caused by the Covid-19 pandemic. This had the result of requiring FHH to liquidate significant parts of its portfolio to meet the new margin requirements. Ultimately, LBS reduced FHH’s borrowing capacity to zero on April 30, 2020.
51. These changes had a negative impact on FHH’s revenues. Principally, the reduction in the assets in its portfolio meant lower interest income from the corporate bonds which it held.

It also resulted in sales of corporate bonds at prices substantially less than their acquisition costs.

B. Winding Up of PSC and PFL and Other Events

52. Effective May 14, 2020, PSC and its subsidiaries, including PFL, obtained an order from the Ontario Superior Court of Justice to be wound up pursuant to sections 206 to 218 of the OBCA (the “**PSC Winding-up Order**”). A copy of the PSC Winding-up Order is attached to my Affidavit as **Exhibit “J”**.
53. The effect of the PSC Winding-up Order is that, pursuant to regulatory requirements as I understand those regulatory requirements:
- (a) PSC cannot operate as an investment dealer,
 - (b) registered representatives who were registered to work at PSC cannot transact any trades or continue any other regulated activities through PSC,
 - (c) all registered representatives who were registered to work at PSC must transfer their registrations to an alternative investment dealer in order to transact any trades or continue any other regulated activities, and
 - (d) clients who had investment accounts at PSC must transfer the securities and cash holdings in their accounts at PSC to an alternative investment dealer in order to implement investment decisions.
54. In April 2020, FHH had entered into a letter of intent to acquire PSC and its subsidiaries. As a result of the PSC Winding-up Order, FHH cannot proceed with the acquisition of

PSC, an acquisition which FHH believed to be accretive and to represent an opportunity to consolidate the operations of FHH and PSC and recover the losses experienced through the events of the past several months.

55. On May 18, 2020, LBS gave notice to FHH (i) that FHH was in default of their settlement agreement which had been extended to May 15, 2020, (ii) that the outstanding margin loan balance was US\$2,008,153.11 and (iii) that LBS was intending to seize the remaining collateral in FHH's accounts. FHH responded by advising LBS of the terms of the PSC Winding-up Order including paragraph 3 thereof.

C. Board Support

56. The board of directors of FHH has approved this application seeking the court-supervised wind-up of FHH and its direct subsidiaries. A copy of the resolution of the board of directors of FHH is attached as **Exhibit "K"** (the "**FHH Board Resolution**").

D. Shareholder Support

57. As a result of the foregoing, shareholders of FHH holding 810,100 class B voting shares, representing approximately 80.2% of the votes which could be cast in respect of a special resolution, have consented to FHH applying to the Ontario Superior Court of Justice seeking the court-supervised wind-up of FHH and its direct subsidiaries. A copy of the consent from certain specified shareholders of FHH, is attached as **Exhibit "L"** (the "**Winding-Up Resolution Consent**"). A copy of the shareholder register for the class B voting shares is attached as **Exhibit "M"**.

58. FHH is confident that a special resolution would be passed if sought. A special resolution can be approved (i) by a written resolution of all of the shareholders entitled to vote or (ii) by a resolution approved by holders holding $66 \frac{2}{3}$ % of the voting shares.
59. Two of the seven holders of class B voting shares hold their class B voting shares of FHH through brokerage accounts at LBS.
60. Given the sudden implementation of the PSC Winding-up Order on Thursday afternoon, May 14, 2020, FHH is concerned about the length of time that it would take to proceed with a special resolution to implement a winding-up of the FHH Entities. More specifically, if FHH were to ask all shareholders holding voting shares to sign such a special resolution, there would be significant delays caused by the complexities caused by two minor shareholders who would need to get proxies from LBS for the class B voting shares held on their behalf in LBS accounts. Similarly, if FHH were to call a shareholders meeting of all holders of class B voting shares, such a meeting could not be held for at least ten days after the mailing of the notice calling the shareholders meeting as the OBCA requires that at least ten days' notice be given to all shareholders holding voting shares and proxies would need to be pursued by shareholders holding their shares in brokerage accounts.
61. FHH desires to implement an orderly wind-up under a court-supervised winding up pursuant to the OBCA (in the case of FHH, FHFS and FHGP2) and CBCA (in the case of FHC and FHMB). However, in the circumstances with the attendant delays in pursuing a special resolution, it is impractical to seek a special resolution. Nonetheless, three of the directors hold or control approximately 80.2% of the class B voting shares and have

confirmed their support for an application to court to seek a court order to implement an orderly wind-up under a court-supervised winding up pursuant to the OBCA.

62. As noted in the Winding-up Resolution, FHH seeks to have MNP Ltd. (the “MNP”) act as the liquidator of each of the FHH Entities. MNP has consented to act as the liquidator of the FHH Entities in the within proceedings, subject to Court approval. I understand a copy of the consent will be included in the Application Record or provided to the Court. MNP has experience in the wind-up of corporations under the OBCA and under the CBCA, and has acted as a licensed insolvency trustee in the past and is well suited to act as licensed insolvency trustee of these entities if required at a later date. MNP has consented to act as licensed insolvency trustee if required at a later date.
63. I understand a copy of a proposed Winding-Up Order will be included in the Application Record. The proposed Winding-Up Order contemplates, among other things:
- (a) a Court-ordered charge over the Property (as defined in the Winding-Up Order) would be granted in favour of MNP, in its capacity as liquidator, counsel to MNP, and counsel to the FHH Entities to secure the payment of their professional fees and disbursements, whether incurred prior to, on or after the date of the Winding-Up Order (the “**Administration Charge**”). All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the orderly winding-up of the FHH Entities; and
 - (b) a stay of proceedings or enforcement process in any court of tribunal against or in respect of the FHH Entities or their affiliates, or the court-appointed liquidator, affecting any of the FHH Entities current and future assets, undertakings and

properties of every nature and kind whatsoever, except with the written consent of the liquidator, or with leave of the Court.

64. Having the winding-up brought under the supervision of this Court will:
- (a) facilitate the liquidator's ability to develop and implement a plan for the liquidation, including a claims process if necessary;
 - (b) provide for an ability to efficiently enforce the terms of a liquidation plan and any corresponding ancillary relief provided in the OBCA (in the case of FHH, FHFS and FHGP2) or CBCA (in the case of FHC and FHMB) in connection with the liquidation as against any third parties;
 - (c) afford MNP, in its capacity as liquidator, to seek the advice and directions of the Court should that become necessary under the circumstances; and
 - (d) afford MNP, in its capacity as liquidator, certain protection in carrying out the liquidation. These tools are particularly necessary in the present circumstances.
65. The directors of FHH are of the view that an orderly court-supervised wind-down under the OBCA and CBCA at this time is in the best interests of all stakeholders of the FHH Entities as opposed to a bankruptcy or other liquidation process. The principal assets of FHH are corporate bonds held through accounts at PSC and FHH's activities were so closely related to PSC that, as a result of the PSC Winding-up Order, it no longer makes sense to carry on FHH's business. In these circumstances and for these reasons, the board of directors of FHH and a substantial majority of the class B voting shareholders are of the

view that a court-supervised winding-up of the FHH Entities on the terms proposed is appropriate and provides the greatest level of protection to all stakeholders.

VII. RELIEF SOUGHT

66. I believe the granting of the requested relief is in the best interest of the FHH Entities, and their stakeholders. FHH has initiated these proceedings to implement an orderly process to wind-up the business and operations of the FHH Entities for the benefit of all stakeholders.

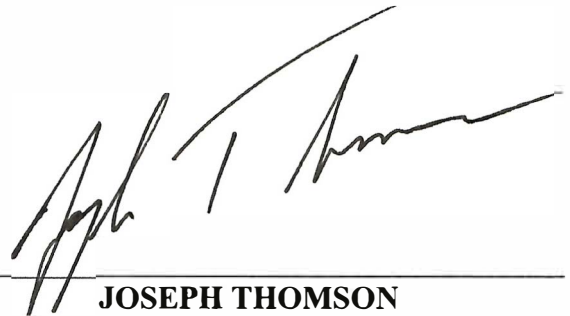
67. For these reasons, the board of directors of FHH has respectfully requested that this Honourable Court grant a wind-up order substantially in the form as the draft contained in the Application Record.

SWORN BEFORE ME by video conference at the City of Toronto, in the Province of Ontario on May 19, 2020.



Commissioner for Taking Affidavits
(or as may be)

}



JOSEPH THOMSON

This is Exhibit “A” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

EXHIBIT A - CORPORATE PROFILE
FIRST HAMILTON HOLDINGS INC.

Request ID: 024540146
Transaction ID: 75448404
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name		Incorporation Date
2621601	FIRST HAMILTON HOLDINGS INC.		2018/02/21
			Jurisdiction
			ONTARIO
Corporation Type	Corporation Status		Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE		NOT APPLICABLE
Registered Office Address		Date Amalgamated	Amalgamation Ind.
199 BAY STREET		NOT APPLICABLE	NOT APPLICABLE
Suite # 2200		New Amal. Number	Notice Date
TORONTO		NOT APPLICABLE	NOT APPLICABLE
ONTARIO			Letter Date
CANADA M5L 1G4			NOT APPLICABLE
Mailing Address		Revival Date	Continuation Date
199 BAY STREET		NOT APPLICABLE	NOT APPLICABLE
COMMERCE COURT WEST		Transferred Out Date	Cancel/Inactive Date
Suite # 2200		NOT APPLICABLE	NOT APPLICABLE
TORONTO		EP Licence Eff.Date	EP Licence Term.Date
ONTARIO		NOT APPLICABLE	NOT APPLICABLE
CANADA M5L 1G4		Date Commenced in Ontario	Date Ceased in Ontario
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors		
NOT AVAILABLE	Minimum Maximum		
	00001 00009		

Request ID: 024540146
Transaction ID: 75448404
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2621601

Corporation Name

FIRST HAMILTON HOLDINGS INC.

Corporate Name History

FIRST HAMILTON HOLDINGS INC.

Effective Date

2018/02/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

ERNEST
LARRY
EVES

Address

18805 CENTREVILLE CREEK ROAD

CALEDON
ONTARIO
CANADA L7K 2M2

Date Began

2018/03/09

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024540146
Transaction ID: 75448404
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2621601

Corporation Name

FIRST HAMILTON HOLDINGS INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
HUXLEY

Address

12 BOND STREET SOUTH

HAMILTON
ONTARIO
CANADA L8S 1S7

Date Began

2018/03/09

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/02/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024540146
Transaction ID: 75448404
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2621601

Corporation Name

FIRST HAMILTON HOLDINGS INC.

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/02/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/02/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 024540146
Transaction ID: 75448404
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2621601

Corporation Name

FIRST HAMILTON HOLDINGS INC.

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/02/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 024540146
Transaction ID: 75448404
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:17
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

2621601

Corporation Name

FIRST HAMILTON HOLDINGS INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2019	1C	2019/09/01 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit “B” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

EXHIBIT B - CORPORATE PROFILE
 FIRST HAMILTON FINANCIAL SERVICES INC.

Request ID: 024540149
 Transaction ID: 75448410
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2020/05/19
 Time Report Produced: 08:10:29
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2645419	FIRST HAMILTON FINANCIAL SERVICES INC.	2018/07/12
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
FIRST HAMILTON FINANCIAL SERVICES 100 KING STREET W		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
FIRST HAMILTON FINANCIAL SERVICES 100 KING STREET W		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001
		00009
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 024540149
Transaction ID: 75448410
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:29
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2645419

Corporation Name

FIRST HAMILTON FINANCIAL SERVICES INC.

Corporate Name History**Effective Date**

FIRST HAMILTON FINANCIAL SERVICES INC.

2018/12/06

HAMILTON DEPOSIT BROKERS INC.

2018/07/12

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

SWITHIN

3366 FELLMORE DRIVE

DOMINGO

MISSISSAUGA
ONTARIO
CANADA L5C 2E2

Date Began

2020/01/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

AUTH'D SIGNING OFFICER

Resident Canadian

Request ID: 024540149
Transaction ID: 75448410
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:29
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2645419

Corporation Name

FIRST HAMILTON FINANCIAL SERVICES INC.

Administrator:

Name (Individual / Corporation)

CLIFF
PEREIRA

Address

308 SOUDAN AVE

TORONTO
ONTARIO
CANADA M4S 1W5

Date Began

2019/09/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

CLIFF
PEREIRA

Address

308 SOUDAN AVE

TORONTO
ONTARIO
CANADA M4S 1W5

Date Began

2019/09/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 024540149
Transaction ID: 75448410
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:29
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2645419

Corporation Name

FIRST HAMILTON FINANCIAL SERVICES INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2020/03/16 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "C" referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)



**Government
of Canada**

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du Canada**

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#)

→ [Corporations Canada](#) → [Search for a Federal Corporation](#)

Federal Corporation Information - 1038860-2

[Order copies of corporate documents](#)

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number

1038860-2

Business Number (BN)

795877117RC0001

Corporate Name

First Hamilton Capital Inc.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2017-08-31

Registered Office Address

199 Bay Street, Suite 2200
Toronto ON M5L 1G4
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors**Minimum** 1**Maximum** 10

Joseph Thomson
1312 Roylen Road
Oakville ON L6H 1V4
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings**Anniversary Date (MM-DD)**

08-31

Date of Last Annual Meeting

2019-02-25

Annual Filing Period (MM-DD)

08-31 to 10-30

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2020 - Not due
2019 - Filed
2018 - Filed

Corporate History

Corporate Name History

2017-08-31 to Present	First Hamilton Capital Inc.
-----------------------	-----------------------------

Certificates and Filings

Certificate of Incorporation
2017-08-31

[Order copies of corporate documents](#)

[Start New Search](#)

[Return to Search Results](#)

Date Modified:

2020-04-20

This is Exhibit “D” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal stroke that extends to the right.

Commissioner for Taking Affidavits (or as may be)



**Government
of Canada**

**Gouvernement
du Canada**

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#)

→ [Corporations Canada](#) → [Search for a Federal Corporation](#)

Federal Corporation Information - 1160360-4

[Order copies of corporate documents](#)

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number

1160360-4

Business Number (BN)

772643532RC0001

Corporate Name

First Hamilton Mortgage Brokers Inc.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2019-09-03

Registered Office Address

2400-100 King Street West
Hamilton ON L8P 1A2
Canada

i Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors**Minimum** 1**Maximum** 10

Cliff Periera
308 Soudan Avenue
Toronto ON M4S 1W5
Canada

i Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings**Anniversary Date (MM-DD)**

09-03

Date of Last Annual Meeting

Not available

Annual Filing Period (MM-DD)

09-03 to 11-02

Type of Corporation

Not available

Status of Annual Filings

2020 - Not due

Corporate History

Corporate Name History

2019-09-03 to Present

First Hamilton Mortgage Brokers Inc.

Certificates and Filings

Certificate of Incorporation

2019-09-03

[Order copies of corporate documents](#)

[Start New Search](#)

[Return to Search Results](#)

Date Modified:

2020-04-20

This is Exhibit "E" referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

EXHIBIT E - CORPORATE PROFILE
FIRST HAMILTON GENERAL PARTNERS 2 INC.

Request ID: 024540150
Transaction ID: 75448412
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:30
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name		Incorporation Date
2657090	FIRST HAMILTON GENERAL PARTNER 2 INC.		2018/09/25
			Jurisdiction
			ONTARIO
Corporation Type	Corporation Status		Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE		NOT APPLICABLE
Registered Office Address		Date Amalgamated	Amalgamation Ind.
199 BAY STREET COMMERCE COURT WEST Suite # 2200 TORONTO ONTARIO CANADA M5L 1G4		NOT APPLICABLE	NOT APPLICABLE
		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
Mailing Address			Letter Date
199 BAY STREET COMMERCE COURT WEST Suite # 2200 TORONTO ONTARIO CANADA M5L 1G4			NOT APPLICABLE
		Revival Date	Continuation Date
		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced in Ontario	Date Ceased in Ontario
	Minimum Maximum		
Activity Classification	00001 00009	NOT APPLICABLE	NOT APPLICABLE
NOT AVAILABLE			

Request ID: 024540150
Transaction ID: 75448412
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:30
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2657090

Corporation Name

FIRST HAMILTON GENERAL PARTNER 2 INC.

Corporate Name History

FIRST HAMILTON GENERAL PARTNER 2 INC.

Effective Date

2018/09/25

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/09/25

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024540150
Transaction ID: 75448412
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:30
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2657090

Corporation Name

FIRST HAMILTON GENERAL PARTNER 2 INC.

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/09/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/09/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Request ID: 024540150
Transaction ID: 75448412
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:30
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2657090

Corporation Name

FIRST HAMILTON GENERAL PARTNER 2 INC.

Administrator:

Name (Individual / Corporation)

JOSEPH
THOMSON

Address

1312 ROYLEN ROAD

OAKVILLE
ONTARIO
CANADA L6H 1V4

Date Began

2018/09/25

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Request ID: 024540150
Transaction ID: 75448412
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/05/19
Time Report Produced: 08:10:30
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2657090

Corporation Name

FIRST HAMILTON GENERAL PARTNER 2 INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2018/10/23 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "F" referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

First Hamilton Holdings Inc
2400-100 King St W
Hamilton On L8P 1A2

For the period of

April 1 to April 30, 2020

Client ID

Rep ID

2E-PA9

2EJT

Investment Advisor

Joseph Thomson

Phone 905 532-9633

jthomson@pacesecurities.com

Contact Information

50 Burnhamthorpe Road West , Suite
600

Mississauga, ON L5B 3C2

Phone 905 532-0529

For the period of
Client ID

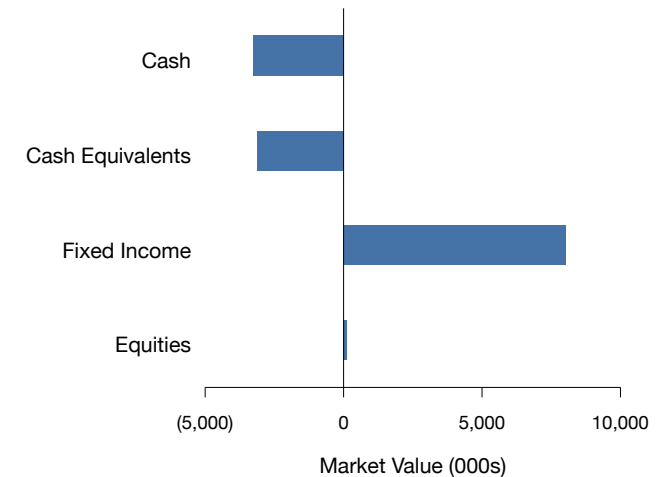
April 1 to April 30, 2020
2E-PA9

Your Financial Summary

Account Type	Account ID	March 31, 2020	April 30, 2020			
		Total Value (\$)	Cash (\$)	Investments (\$)	Total Value (\$)	%
Margin (CAD)	2E-PA9L-3	13,741,400.46	2,529,024.56	4,955,272.00	7,484,296.56	426.3
Margin (USD)	2E-PA9M-1	(10,183,687.17)	(5,799,503.85)	71,017.11	(5,728,486.74)	(326.3)
Total		3,557,713.29	(3,270,479.29)	5,026,289.11	1,755,809.82	100.0

Total Value and Asset Allocation

Asset Type	March 31, 2020		April 30, 2020		Variation
	\$ Value	%	\$ Value	%	\$ Value
Cash	(9,699,229.70)	(272.6)	(3,270,479.29)	(186.3)	6,428,750.41
Cash Equivalents	0.00	0.0	(3,114,543.48)	(177.4)	(3,114,543.48)
Fixed Income	13,079,018.72	367.6	8,023,217.17	457.0	(5,055,801.55)
Equities	177,924.27	5.0	117,615.42	6.7	(60,308.85)
Total	3,557,713.29	100.0	1,755,809.82	100.0	(1,801,903.47)



Account Activity Summary

	This Period	Year to Date
Cash Credits	4,260,698.12	7,811,643.52
Cash Debits	(4,319,641.70)	(8,395,020.78)
Investments Purchased	(406,463.02)	(3,461,282.35)
Investments Sold/Expired	6,279,282.90	39,634,504.85
Dividends/Interests	386,187.79	1,495,251.89
Distribution	0.00	0.00
Administration Charges	(28.25)	(5,341.25)
Taxes	0.00	0.00
Others	0.00	0.00
Total	6,200,035.84	37,079,755.88

The summary values are in Canadian dollars. The rate used: USD to CAD at 1.39140

For the period of
Client ID

April 1 to April 30, 2020
2E-PA9

2E-PA9L-3 Margin (CAD)

Earnings & Charges Summary

Earnings	Current Month	Year to Date
Interests	18,908.56	461,355.12
Total	18,908.56	461,355.12

Charges	Current Month	Year to Date
Interests	0.00	22,950.64
Administration	0.00	45,200.00
Total	0.00	68,150.64

2E-PA9L-3 Margin (CAD)

Monthly Activity

Trade Date	Settlement Date	Activity	Quantity	Description	Price	Debited from Account	Credited to Account
Opening Credit Balance							5,663,290.83
04/07/2020	04/07/2020	Transfer		2EPBEL5/2EPA9L3			86,495.12
04/08/2020	04/08/2020	Transfer		2EPA9L3/2EPBEL5		41.70	
04/15/2020	04/15/2020	HST		WIRE TRANSFER		3.25	
04/15/2020	04/15/2020	Fee		WIRE TRANSFER		25.00	
04/15/2020	04/15/2020	Funds Wired		WIRE TRANSFER		80,000.00	
04/16/2020	04/16/2020	Conversion		TO M1 RATE 1.4132		4,239,600.00	
04/28/2020	04/25/2020	Interest		INTEREST TO APR 25			2,168.83
04/28/2020	04/30/2020	Accrued Int	(2,000,000.000)	CREW ENERGY CB 6.5%14MR24			16,739.73
04/28/2020	04/30/2020	Sell	(2,000,000.000)	CREW ENERGY CB 6.5%14MR24	54.00000		1,080,000.00
Closing Credit Balance							2,529,024.56

2E-PA9L-3 Margin (CAD)

Transactions to settle after April 30

Trade Date	Settlement Date	Activity	Quantity	Description	Price	Debited from Account	Credited to Account
04/30/2020	05/04/2020	Accrued Int	(952,200.000)	CREW ENERGY CB 6.5%14MR24			8,648.06
04/30/2020	05/04/2020	Sell	(952,200.000)	CREW ENERGY CB 6.5%14MR24	54.00000		514,188.00
Closing Credit After Settlement							3,051,860.62

For the period of
Client ID

April 1 to April 30, 2020
2E-PA9

2E-PA9L-3 Margin (CAD)

Total Value and Asset Allocation

Description	Symbol	Shares/Par Value	Book Value	Market Price	Market Value	% of Portfolio	Asset Location
Cash							
Credit Balance			2,529,024.56		2,529,024.56	33.8	
Securities Positions							
CREW ENERGY CB 6.5%14MR24		952,200	828,110.49	58.0000	552,276.00	7.4	
FIRST HAMILTON 5%B PF RST		65,190	651,900.00	1.4400	93,873.60	1.3	
FIRST HAMILTON CAP 2 LPU		10,774	107,740.00	4.6977	50,613.02	0.7	Safekeeping
FIRST HAMILTON-A PFD RSTD		43,462	322,113.41 ²	1.4400	62,585.28	0.8	
IRON MTN C19 5.375%15SP23		17,000	17,612.26	105.1500	17,875.50	0.2	
PERPETUAL EN 8.75% 23JA22		690,000	667,350.00	99.6640	687,681.60	9.2	
SHERRITT 7.5% 24SP23		1,634,000	763,670.54	8.7500 *	142,975.00	1.9	
SHERRITT S1 C17 8% 15NV21		3,659,000	2,618,530.83	44.0000	1,609,960.00	21.5	
SOURCE EN C18 10.5%15DC21		5,141,440	4,952,951.05	30.0000	1,542,432.00	20.6	
VESTA 144A RD8.125%24JL23		500,000	487,500.00	39.0000	195,000.00	2.6	
WTS-FIRST HAMILTON 11JN23		2,500	1,250.00	Not available			
WTS-FIRST HAMILTON 24JL23		1,033		Not available			
WTS-FIRST HAMILTON 30AP23		39,929	18,624.00 ²	Not available			
Total Securities Positions			11,437,352.58		4,955,272.00	66.2	
Month-End Portfolio Value			13,966,377.14		7,484,296.56	100.0	

2E-PA9M-1 Margin (USD)

Earnings & Charges Summary

Earnings	Current Month	Year to Date	Charges	Current Month	Year to Date
Interests	301,688.09	1,159,969.95	Interests	37,724.48	308,307.54
Total	301,688.09	1,159,969.95	Total	37,724.48	308,307.54

For the period of
Client ID

April 1 to April 30, 2020
2E-PA9

2E-PA9M-1 Margin (USD)

Monthly Activity

Trade Date	Settlement Date	Activity	Quantity	Description	Price	Debited from Account	Credited to Account
Opening Debit Balance						10,876,667.45	
04/01/2020	04/03/2020	Accrued Int	(475,000.000)	TASEKO C20 U\$ 8.75%15JN22			12,468.75
04/01/2020	04/03/2020	Sell	(475,000.000)	TASEKO C20 U\$ 8.75%15JN22	45.00000		213,750.00
04/09/2020	04/09/2020	Accrued Int	615,000.000	TASEKO C19 U\$ 8.75%15JN22		17,040.63	
04/09/2020	04/09/2020	Buy	615,000.000	TASEKO C19 U\$ 8.75%15JN22	47.50000	292,125.00	
04/09/2020	04/09/2020	Accrued Int	(615,000.000)	TASEKO C20 U\$ 8.75%15JN22			17,040.63
04/09/2020	04/09/2020	Sell	(615,000.000)	TASEKO C20 U\$ 8.75%15JN22	47.50000		292,125.00
04/07/2020	04/09/2020	Accrued Int	(600,000.000)	TASEKO C20 U\$ 8.75%15JN22			16,625.00
04/07/2020	04/09/2020	Sell	(600,000.000)	TASEKO C20 U\$ 8.75%15JN22	47.00000		282,000.00
04/08/2020	04/13/2020	Accrued Int	(700,000.000)	TASEKO C19 U\$ 8.75%15JN22			20,076.39
04/08/2020	04/13/2020	Sell	(700,000.000)	TASEKO C19 U\$ 8.75%15JN22	47.50000		332,500.00
04/09/2020	04/14/2020	Accrued Int	(60,000.000)	TASEKO C20 U\$ 8.75%15JN22			1,735.42
04/09/2020	04/14/2020	Sell	(60,000.000)	TASEKO C20 U\$ 8.75%15JN22	47.50000		28,500.00
04/13/2020	04/15/2020	Accrued Int	(2,050,000.000)	W & T OFFSH CB 9.75%1NV23			91,054.17
04/13/2020	04/15/2020	Sell	(2,050,000.000)	W & T OFFSH CB 9.75%1NV23	30.00000		615,000.00
04/16/2020	04/16/2020	Conversion		FROM L3 RATE 1.4132			3,000,000.00
04/16/2020	04/20/2020	Accrued Int	(1,000,000.000)	ATHABAS CB U\$9.875%24FB22			15,361.11
04/16/2020	04/20/2020	Sell	(1,000,000.000)	ATHABAS CB U\$9.875%24FB22	21.00000		210,000.00
04/16/2020	04/20/2020	Accrued Int	(1,000,000.000)	ATHABAS CB U\$9.875%24FB22			15,361.11
04/16/2020	04/20/2020	Sell	(1,000,000.000)	ATHABAS CB U\$9.875%24FB22	21.00000		210,000.00
04/17/2020	04/21/2020	Accrued Int	(848,000.000)	ATHABAS CB U\$9.875%24FB22			13,258.83
04/17/2020	04/21/2020	Sell	(848,000.000)	ATHABAS CB U\$9.875%24FB22	18.25000		154,760.00
04/17/2020	04/21/2020	Accrued Int	(516,000.000)	ATHABAS CB U\$9.875%24FB22			8,067.88
04/17/2020	04/21/2020	Sell	(516,000.000)	ATHABAS CB U\$9.875%24FB22	18.25000		94,170.00
04/17/2020	04/21/2020	Accrued Int	(250,000.000)	CENTURY AL C17 7.5% 1JN21			7,291.67
04/17/2020	04/21/2020	Sell	(250,000.000)	CENTURY AL C17 7.5% 1JN21	85.00000		212,500.00
04/22/2020	04/24/2020	Accrued Int	(1,000,000.000)	4FIN RGS CB U\$10.75%1MY22			51,659.72
04/22/2020	04/24/2020	Sell	(1,000,000.000)	4FIN RGS CB U\$10.75%1MY22	68.00000		680,000.00
04/28/2020	04/25/2020	Interest		INTEREST TO APR 25		20,683.85	

For the period of
Client ID

April 1 to April 30, 2020
2E-PA9

Trade Date	Settlement Date	Activity	Quantity	Description	Price	Debited from Account	Credited to Account
04/23/2020	04/27/2020	Accrued Int	(6,000.000)	INTL WIRE CB 10.75% 1AG21			154.08
04/23/2020	04/27/2020	Sell	(6,000.000)	INTL WIRE CB 10.75% 1AG21	57.00000		3,420.00
04/23/2020	04/27/2020	Accrued Int	(600,000.000)	4FIN RGS CB U\$10.75%1MY22			31,533.33
04/23/2020	04/27/2020	Sell	(600,000.000)	4FIN RGS CB U\$10.75%1MY22	68.00000		408,000.00
Closing Debit Balance						4,168,103.84	

2E-PA9M-1 Margin (USD)

Total Value and Asset Allocation

Description	Symbol	Shares/Par Value	Book Value	Market Price	Market Value	% of Portfolio	Asset Location
Cash							
Debit Balance			(4,168,103.84)		(4,168,103.84)		
Securities Positions							
DEAN 144A C18 6.5% 15MR23		400,000	326,000.00	2.7500 USD	11,000.00	21.6	
DEAN REGS C18 6.5% 15MR23		1,456,000	1,321,737.64	2.7500 USD	40,040.00	78.4	
Total Securities Positions			1,647,737.64		51,040.00	100.0	
Month-End Portfolio Value			(2,520,366.20)		(4,117,063.84)	100.0	

For Your Information

TRANSACTIONS THIS MONTH Opening and month-end balances are shown. Transactions are displayed in chronological order. Transactions that are for settlement subsequent to the date of the statement are excluded from the security position.

SECURITY POSITIONS Quantities listed as owing by you indicate securities which are currently due from you or which you have sold short. The estimated market value of an exchange listed security is obtained from sources we believe to be reliable, but we do not guarantee the accuracy. For securities not listed on an exchange or that are traded infrequently, the value given is an estimate which does not necessarily reflect the true market value. Some securities may not be priced because no data was available. An asterisk * is affixed beside the market price when market for this security is not active, therefore the market value has been estimated. When a market price cannot be established, we will indicate " Not available " in the column " Market Price ".

The " Book Value " represents in the case of a long security position, the total amount paid for the security, including any transaction charges related to the purchase, adjusted for reinvested distribution, returns of capital and corporate actions. In the case of a short security position, the total amount received for the security, net of any transaction charges related to the sale, adjusted for any distributions (other than dividends), returns of capital and corporate actions.

Segregated securities are securities held for you in an account registered in your name (Safekeeping) or in bearer form (Segregated).

Any free credit balances represent funds payable on demand which although properly recorded in our books are not segregated and may be used in the conduct of our business.

FEE The applicable taxes will be added to these fees which may vary on two months notice. GST – HST # 80948 2508 RT0001

ABBREVIATION may appear on your statement:

DSC	Deferred sales charge	RTS	Right
NCI	Non certificate issue	RVS	Restricted voting shares
NVS	Non-Voting shares	SVS	Subordinate voting share
RS	Restricted	WTS	Warrants

PLAN ACCOUNTS are registered with the Canada Revenue Agency for Laurentian Bank Trust Inc.

SHAREHOLDERS COMMUNICATIONS (CSA NI 54-101) Instructions may be modified at any time with a written notice.

CIPF Customers' accounts are protected by the Canadian Investor Protection Fund (CIPF) within specified limits

TAX PURPOSES All transactions, except transactions in RRSP/RIF accounts, are reported to Canada Revenue Agency (CRA). These transactions must be reported on your annual return of income. Please retain your statements for tax purposes.

BRITISH-COLUMBIA clients are entitled to certain additional information about us, including information about commissions and fees that we charge, and about administration proceedings that may relay to the firm or our staff.

PRIVACY STATEMENT We collect, retain and use information about our clients in order to service them as best we can and as may be required by the regulations or laws which govern our operations. We may share certain client information with third parties, including affiliates, such as data processing providers to generate statements or other broker dealers to execute trades but only to the extent that is necessary to facilitate the operation of your account. We may be required to disclose client information to our regulator to permit their ongoing surveillance of trading activity, sales and financial compliance and investigate any potential statutory or regulatory violations. We may also be required to disclose information to self-regulatory organizations, government institutions, law enforcement agencies or other regulatory bodies who can legally demand such disclosure.

LEVERAGE RISK DISCLOSURE Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

PLEASE CHECK THIS STATEMENT FOR ANY ERRORS, IRREGULARITIES OR OMISSIONS. IF ANY, THEY SHOULD BE REPORTED WITHIN THIRTY (30) DAYS OR MAILING OR DELIVERY OTHERWISE THE STATEMENT WILL BE CONSIDERED CORRECT AS PRINTED. WE RESERVE THE RIGHT TO ADJUST THIS STATEMENT FOR ERRORS OR OMISSIONS.

¹ These investments may be subject to a deferred sales charge if they are sold prior to the minimum period set by the fund.

² Market value information has been used to estimate part or all of the book value of this security position.

NOTICE REGARDING POSSIBLE CONFLICTS OF INTEREST PACE Financial Limited (PFL) and PACE Capital Partners LP (PCP LP) are wholly owned by PACE General Partner Limited a subsidiary 100% owned by PACE Securities Corp. PFL and PCP are "related issuers"* of PACE Securities Corp. First Hamilton Holdings Inc. is a "connected issuer"* of the President and CEO of PACE Securities Corp. *(Within the meaning of National Instrument 33-105). A summary statement of our financial position and a list of Partners, Directors and Executives is available to our clients upon written request.

This is Exhibit “G” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

First Hamilton Holdings Inc.
Profit & Loss
March through April 2020

7:55 AM

05/12/2020

Accrual Basis

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
Investment income			
Equities-Gain/loss	0.00	86,453.42	86,453.42
Gain (loss)-Bonds sale/redemptn			
2EPA9L3	-1,602,572.58	-1,056,639.54	-2,659,212.12
2EPA9M1	-5,945,218.51	-7,610,686.45	-13,555,904.96
Total Gain (loss)-Bonds sale/redemptn	<u>-7,547,791.09</u>	<u>-8,667,325.99</u>	<u>-16,215,117.08</u>
Interest received	401,897.37	123,210.84	525,108.21
Unrealized MTM			
2EPA9M1	0.00	-1,770,218.23	-1,770,218.23
Total Unrealized MTM	<u>0.00</u>	<u>-1,770,218.23</u>	<u>-1,770,218.23</u>
Total Investment income	<u>-7,145,893.72</u>	<u>-10,227,879.96</u>	<u>-17,373,773.68</u>
Total Income	-7,145,893.72	-10,227,879.96	-17,373,773.68
Expense			
Audit	2,083.33	2,083.33	4,166.66
Bank Service Charges	73.26	73.10	146.36
Consulting			
Natel Strategies	6,780.00	6,780.00	13,560.00
Total Consulting	<u>6,780.00</u>	<u>6,780.00</u>	<u>13,560.00</u>
Depreciation Expense			
Equipment	40.60	40.60	81.20
Furniture	2,902.06	2,902.06	5,804.12
Leasehold improvements	4,199.59	4,199.59	8,399.18
Right of use	4,520.15	4,520.15	9,040.30
Total Depreciation Expense	<u>11,662.40</u>	<u>11,662.40</u>	<u>23,324.80</u>
Directors compensation	5,416.33	5,333.00	10,749.33
Employment costs			
Benefits	315.00	315.00	630.00
CPP	711.93	497.91	1,209.84
EI	300.47	218.25	518.72
Payroll processing	69.35	24.15	93.50
Salaries	13,583.33	9,866.67	23,450.00
Total Employment costs	<u>14,980.08</u>	<u>10,921.98</u>	<u>25,902.06</u>
FX exchange gain/loss			

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Accrued interest-FX reva	-31,139.71	8,462.25	-22,677.46
BMO-FX	3.87	-1.61	2.26
Month end reva-LBS	1,722,007.79	-234,683.69	1,487,324.10
Re Debt securities	-1,721,230.64	294,089.49	-1,427,141.15
Total FX exchange gain/loss	<u>-30,358.69</u>	<u>67,866.44</u>	<u>37,507.75</u>
Insurance Expense			
D&O	560.00	560.00	1,120.00
Office Insurance	219.00	219.00	438.00
Total Insurance Expense	<u>779.00</u>	<u>779.00</u>	<u>1,558.00</u>
Interest Expense			
Amortized issue costs	65,000.00	65,000.00	130,000.00
Int-BMO	1.29	1.38	2.67
Lease interest	4,518.18	4,502.13	9,020.31
Margin accts	75,067.21	26,602.41	101,669.62
Preferred dividends	185,000.00	185,000.00	370,000.00
Total Interest Expense	<u>329,586.68</u>	<u>281,105.92</u>	<u>610,692.60</u>
Legal expenses	0.00	149,777.06	149,777.06
Management fees	11,300.00	11,300.00	22,600.00
Meals and Entertainment	9,315.70	261.43	9,577.13
Office Supplies	4.79	0.00	4.79
Printing and Reproduction	0.00	0.00	0.00
Professional Fees	7,178.28	7,833.33	15,011.61
Rent Expense	13,127.66	13,127.66	26,255.32
Subscription	3,067.00	2,226.00	5,293.00
Tax preparation	753.33	753.33	1,506.66
Telephone Expense			
Rogers	497.20	0.00	497.20
Total Telephone Expense	<u>497.20</u>	<u>0.00</u>	<u>497.20</u>
Training	0.00	0.00	0.00
Travel Expense	264.73	0.00	264.73
Total Expense	<u>386,511.08</u>	<u>571,883.98</u>	<u>958,395.06</u>
Net Ordinary Income	-7,532,404.80	-10,799,763.94	-18,332,168.74
Other Income/Expense			
Other Expense			
Ask My Accountant	7,811.00	2,179.00	9,990.00
Total Other Expense	<u>7,811.00</u>	<u>2,179.00</u>	<u>9,990.00</u>
Net Other Income	-7,811.00	-2,179.00	-9,990.00

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Net Income	<u>-7,540,215.80</u>	<u>-10,801,942.94</u>	<u>-18,342,158.74</u>

First Hamilton Holdings Inc.
Profit & Loss
March through April 2020

7:55 AM

05/12/2020

Accrual Basis

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
Investment income			
Equities-Gain/loss	0.00	86,453.42	86,453.42
Gain (loss)-Bonds sale/redemptn			
2EPA9L3	-1,602,572.58	-1,056,639.54	-2,659,212.12
2EPA9M1	-5,945,218.51	-7,610,686.45	-13,555,904.96
Total Gain (loss)-Bonds sale/redemptn	<u>-7,547,791.09</u>	<u>-8,667,325.99</u>	<u>-16,215,117.08</u>
Interest received	401,897.37	123,210.84	525,108.21
Unrealized MTM			
2EPA9M1	0.00	-1,770,218.23	-1,770,218.23
Total Unrealized MTM	<u>0.00</u>	<u>-1,770,218.23</u>	<u>-1,770,218.23</u>
Total Investment income	<u>-7,145,893.72</u>	<u>-10,227,879.96</u>	<u>-17,373,773.68</u>
Total Income	-7,145,893.72	-10,227,879.96	-17,373,773.68
Expense			
Audit	2,083.33	2,083.33	4,166.66
Bank Service Charges	73.26	73.10	146.36
Consulting			
Natel Strategies	6,780.00	6,780.00	13,560.00
Total Consulting	<u>6,780.00</u>	<u>6,780.00</u>	<u>13,560.00</u>
Depreciation Expense			
Equipment	40.60	40.60	81.20
Furniture	2,902.06	2,902.06	5,804.12
Leasehold improvements	4,199.59	4,199.59	8,399.18
Right of use	4,520.15	4,520.15	9,040.30
Total Depreciation Expense	<u>11,662.40</u>	<u>11,662.40</u>	<u>23,324.80</u>
Directors compensation	5,416.33	5,333.00	10,749.33
Employment costs			
Benefits	315.00	315.00	630.00
CPP	711.93	497.91	1,209.84
EI	300.47	218.25	518.72
Payroll processing	69.35	24.15	93.50
Salaries	13,583.33	9,866.67	23,450.00
Total Employment costs	<u>14,980.08</u>	<u>10,921.98</u>	<u>25,902.06</u>
FX exchange gain/loss			

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Accrued interest-FX reva	-31,139.71	8,462.25	-22,677.46
BMO-FX	3.87	-1.61	2.26
Month end reva-LBS	1,722,007.79	-234,683.69	1,487,324.10
Re Debt securities	-1,721,230.64	294,089.49	-1,427,141.15
Total FX exchange gain/loss	<u>-30,358.69</u>	<u>67,866.44</u>	<u>37,507.75</u>
Insurance Expense			
D&O	560.00	560.00	1,120.00
Office Insurance	219.00	219.00	438.00
Total Insurance Expense	<u>779.00</u>	<u>779.00</u>	<u>1,558.00</u>
Interest Expense			
Amortized issue costs	65,000.00	65,000.00	130,000.00
Int-BMO	1.29	1.38	2.67
Lease interest	4,518.18	4,502.13	9,020.31
Margin accts	75,067.21	26,602.41	101,669.62
Preferred dividends	185,000.00	185,000.00	370,000.00
Total Interest Expense	<u>329,586.68</u>	<u>281,105.92</u>	<u>610,692.60</u>
Legal expenses	0.00	149,777.06	149,777.06
Management fees	11,300.00	11,300.00	22,600.00
Meals and Entertainment	9,315.70	261.43	9,577.13
Office Supplies	4.79	0.00	4.79
Printing and Reproduction	0.00	0.00	0.00
Professional Fees	7,178.28	7,833.33	15,011.61
Rent Expense	13,127.66	13,127.66	26,255.32
Subscription	3,067.00	2,226.00	5,293.00
Tax preparation	753.33	753.33	1,506.66
Telephone Expense			
Rogers	497.20	0.00	497.20
Total Telephone Expense	<u>497.20</u>	<u>0.00</u>	<u>497.20</u>
Training	0.00	0.00	0.00
Travel Expense	264.73	0.00	264.73
Total Expense	<u>386,511.08</u>	<u>571,883.98</u>	<u>958,395.06</u>
Net Ordinary Income	-7,532,404.80	-10,799,763.94	-18,332,168.74
Other Income/Expense			
Other Expense			
Ask My Accountant	7,811.00	2,179.00	9,990.00
Total Other Expense	<u>7,811.00</u>	<u>2,179.00</u>	<u>9,990.00</u>
Net Other Income	-7,811.00	-2,179.00	-9,990.00

	<u>Mar 20</u>	<u>Apr 20</u>	<u>TOTAL</u>
Net Income	<u>-7,540,215.80</u>	<u>-10,801,942.94</u>	<u>-18,342,158.74</u>

This is Exhibit “H” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

FIRST HAMILTON HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS

**For the period from incorporation (February 21, 2018)
to February 28, 2019**



Independent Auditor's Report

To the Shareholders of First Hamilton Holdings Inc.

Opinion

We have audited the consolidated financial statements of First Hamilton Holdings Inc. (the "Company"), which comprise the consolidated statement of financial position as at February 28, 2019, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in equity (deficiency) and consolidated statement of cash flows for the period from incorporation (February 21, 2018) to February 28, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 28, 2019, and its consolidated financial performance and its consolidated cash flows for the period from incorporation (February 21, 2018) to February 28, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Koko Yamamoto.

McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 27, 2019

FIRST HAMILTON HOLDINGS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

ASSETS

Current assets

Cash	1,096,493
Interest receivable (Note 2)	980,573
Prepays and other receivable (Note 7)	249,926

Total current assets	<u>2,326,992</u>
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Non-current assets

Investment in bonds, measured at amortized cost (Notes 2 and 7)	46,951,623
Investment in bonds, measured at fair value (Note 2 and 7)	2,806,693
Property, furniture and equipment (Note 6)	187,633

Total non-current assets	<u>49,945,949</u>
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Total assets	<u>52,272,941</u>
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LIABILITIES

Current liabilities

Accounts payable and accrued liabilities (Note 4)	327,399
Due to related company (Note 7)	293,325
Due to broker (Note 3)	33,931,176

Total current liabilities	<u>34,551,900</u>
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Non-current liabilities

Preference shares (Note 4)	18,678,733
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Total liabilities	<u>53,230,633</u>
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SHAREHOLDERS' (DEFICIENCY) EQUITY

Share capital (Note 8)	10,171
(Deficit)	(967,863)

Total shareholder's (deficiency) equity	<u>(957,692)</u>
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Total liabilities and shareholder's (deficiency) equity	<u>52,272,941</u>
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Commitments and contingencies (Notes 4, 5 and 11)

Subsequent events (Note 12)

Approved on Behalf of the Board:

"Joseph Thomson", Director

"Ernest Larry Eves", Director

See accompanying notes to the consolidated financial statements

FIRST HAMILTON HOLDINGS INC.
CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

Revenue	
Interest income on bonds	2,155,237
Net realized (loss) on investments	(843,568)
Net unrealized (loss) on investments	(22,131)
(Loss) on options trading	(191,900)
Foreign exchange gain	22,388
Total revenues	<u>1,120,026</u>
Expenses	
Interest expense (Note 3)	564,705
Advertising and promotion	72,994
Management fees (Note 7)	38,541
Portfolio management fees	91,183
Professional fees	216,155
Dividends on preference shares (Note 4)	872,508
Amortization of issuance costs on preference shares (Note 4)	162,108
Office and general expenses	69,695
Total expenses	<u>2,087,889</u>
Net loss and comprehensive loss for the period	<u>(967,863)</u>

See accompanying notes to the consolidated financial statements

FIRST HAMILTON HOLDINGS INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

	Common shares		(Deficit)	Total shareholders' equity (deficiency)
	#	\$	\$	\$
Balance, beginning of period	-	-	-	-
Share capital issued				
Class B	1,010,100	10,101	-	10,101
Class A	7,000	70		70
Net (loss) for the period	-	-	(967,863)	(967,863)
Balance, February 28, 2019	<u>1,017,100</u>	<u>10,171</u>	<u>(967,863)</u>	<u>(957,692)</u>

See accompanying notes to the consolidated financial statements

FIRST HAMILTON HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

Cash flows from operating activities	
Net (loss) for the period	(967,863)
Item not affecting cash:	
Net unrealized loss on investments	22,131
Dividends on preference shares	872,508
Amortization of issuance costs of preference shares	162,108
Net change in non-cash working capital items	
Change in interest receivable	(980,573)
Change in accounts payable and accrued liabilities	83,879
Change in due to related company	293,325
Change in prepaids and other receivable	(241,724)
Net cash used in operating activities	<u>(756,209)</u>
Cash flows from investing activities	
Purchase of property, furniture and equipment	(187,633)
Investment in bonds	(61,802,036)
Proceeds of sale of bonds	12,021,589
Net cash provided by financing activities	<u>(49,968,080)</u>
Cash flows from financing activities	
Proceeds from issuance of common shares	1,970
Proceeds from issuance of preference shares	20,642,020
Redemption of preference shares	(77,400)
Issue costs paid	(2,047,995)
Preference share dividends paid	(628,989)
Due to broker, net financing	33,931,176
Net cash provided by financing activities	<u>51,820,782</u>
Net changes in cash during the period	1,096,493
Cash, beginning of the period	-
Cash, end of the period	<u>1,096,493</u>
Supplemental information	
Series A preference share dividends payable (Note 4)	243,519
Common share subscription receivable	8,201

See accompanying notes to the consolidated financial statements

**FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)**

First Hamilton Holdings Inc. (the "Company") was incorporated on February 21, 2018, under the Business Corporations Act (Ontario). The Company's head office is located at 199 Bay Street, Suite 2200, Commerce Court West, Toronto, ON, M5L 1G4.

The Company operates as an investment company and invests primarily in debt securities. The Company's investment activities are managed by PACE Securities Corp. (the "Investment Manager").

The financial statements were approved by the Board of Directors of the Company on July 27, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis except for those financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Principles of Consolidation

These financial statements include the accounts of the Company and its wholly owned inactive subsidiaries, First Hamilton Capital Inc., First Hamilton Financial Services Inc., and First Hamilton General Partner Inc. The Company also holds all of the issued and outstanding units of First Hamilton General Partner 2 Inc. and First Hamilton Capital Partners 2 LP (a partnership managed by First Hamilton General Partner 2 Inc.) which holds a portfolio of bond investments. Intra-group transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Foreign Currency Translation

The Company considers its functional and presentation currency to be the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Canadian dollars.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate at the period end date. Transactions in foreign currencies are recorded at the exchange rates prevailing at the dates of transactions.

Realized and unrealized foreign exchange gains and losses are recorded in operations.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks and other short-term investment in an active market with original maturities of three months or less. As at February 28, 2019, the Company did not have any cash equivalents.

Investment in Bonds

The business model for the bond investment portfolio held by First Hamilton Holdings Inc. is to collect contractual cash flows comprised of payments of principal and interest. Accordingly, this investment portfolio is recorded at amortized cost, less provisions for impairment.

The business model for the bond investment portfolio held by First Hamilton Capital Partners 2 LP is to collect contractual cash flows and sell the investments. Accordingly, this investment portfolio is measured at fair value through profit and loss.

Interest income is recognized as earned relative to the passage of time.

Investment in Options

Investments in options are classified as at fair value through profit or loss. Fair value is based on quoted market prices on a trade date basis.

Realized and unrealized changes in fair value are recognized in income in the period in which the changes occur. As at February 28, 2019, the Company did not have any investments in options.

Property, Furniture and Equipment

Property, furniture and equipment are measured at cost less accumulated depreciation. Depreciation is calculated based on estimated useful life using the following annual rates and methods:

Computer equipment - 20% straight line method
Leasehold improvements - straight line over the term of the lease

Impairments are recorded when the recoverable amounts of assets are less than their carrying amounts. The carrying values are assessed for impairment at each reporting date to identify events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Due to Broker

Due to broker is recorded on a trade date basis and measured at amortized cost.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Shareholders' Equity

Share capital is presented at the value of the shares at the time of their issuance. Costs related to the issuance of shares or warrants are reported in equity, net of tax, as a deduction of the issuance proceeds.

Preference Shares

Preference shares, which are mandatorily redeemable, are liabilities initially recorded at fair value, which is the principal amount net of the transaction costs related to the issuance of the preference shares, and subsequently measured at amortized cost using the effective interest rate method. Dividends on the preference shares are reflected as interest expense in operations when they are appropriately authorized and no longer at the discretion of the Company.

Costs related to the issuance of preference shares are deferred and amortized over the term of the preference shares.

Warrants

Warrants with a fixed exercise price are recognized in equity at the fair value on the date of grant and are measured using the Black-Scholes option pricing model. Incremental costs directly attributable to the issue of new warrants are shown in equity as a deduction, net of tax, from the proceeds. Unexercised expired warrants are transferred to deficit.

Transaction Costs

Transaction costs incurred to acquire financial assets or liabilities at fair value through profit or loss are expensed immediately in profit or loss as an expense, when incurred. Transaction costs incurred to acquire financial assets or liabilities at amortized cost are deferred and amortized over the term of the financial asset or liability. They include fees and commissions paid to agents, advisors, brokers and dealers.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and Deferred Income Taxes

Current income tax asset or liability for the current year is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the year end date.

Deferred income tax asset or liability is recognized on temporary differences between the tax basis of an asset or liability and its carrying amount on the statement of financial position. Deferred income tax asset or liability is measured using the income tax rates and laws that have been enacted or substantively enacted at the year-end date, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at the inception of the lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized in the statement of income and comprehensive income on a straight-line basis over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments and the fair value of the leased asset at the inception of the leases. Finance leases are amortized on a straight line basis over the lease term. The Company did not have any finance leases during the period ended February 28, 2019.

Share-based Payment Transactions

The fair value of stock options and warrants granted to employees and non-employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of equity-settled share-based payments to employees is measured at the grant date and recognized over the period during which the options and warrants vest. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value of the stock options and warrants granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options and warrants were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options and warrants that are expected to vest based on an estimate of the forfeiture rate.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the consolidated statement of loss. The Company has classified its cash, interest receivable, other receivable, due from related parties, and certain investment in bonds at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statement of financial position with changes in fair value recognized in other income or expense in the consolidated statement of loss. The Company has classified certain investment in bonds at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Dividends from such investments are recognized in other income in the consolidated statement of loss when the right to receive payments is established.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties, due to broker, and preference shares which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statement of loss.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payment transactions

The inputs used in accounting for share-based payment transactions are subject to significant judgement and estimation. The Company estimates the value of share-based compensation granted using the Black-Scholes valuation method. Several assumptions including volatility, risk-free interest rate and expected broker warrant life are significant assumptions used in determining the values of broker warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates and Judgments (continued)

Impairment of advances to related parties

Advances to related parties are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

New Standards, Amendments and Interpretations

A number of new standards and the following amendments to standards and interpretations are effective for annual periods beginning on or after March 1, 2019, and have not been applied in preparing these consolidated financial statements.

- IFRS 10 *Consolidated Financial Statements* – the effective date is yet to be determined.
- IFRS 16 *Leases* – effective for annual periods beginning on or after January 1, 2019.
- IAS 28 *Investments in Associates and Joint Ventures* – the effective date is yet to be determined.
- IFRIC 23 *Uncertainty over Income Tax Treatments* – effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact on the consolidated financial statements of adopting these standards.

2. INVESTMENT IN BONDS

Details of debt securities owned recorded at amortized cost and fair value are as follows:

Regional allocation	% of investment in bonds measured at amortized cost	% of investment in bonds measured at fair value
Canada	54%	84%
United States	32%	-
Marshall Islands	7%	-
Luxembourg	5%	16%
Argentina	2%	-

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

2. *INVESTMENT IN BONDS (continued)*

Sector allocation	% of investment in bonds measured at amortized cost	% of investment in bonds measured at fair value
Metals & Mining	29.47%	23%
Exploration & Production	18.24%	45%
Retail - Consumer Discretionary	8.06%	-
Food & Beverage	7.70%	-
Transportation & Logistics	6.97%	-
Consumer Finance	4.90%	16%
Forest & Paper Products Manufacturing	4.48%	16%
Homebuilders	3.98%	-
Health Care Facilities & Services	3.42%	-
Sovereigns	2.48%	-
Oil & Gas Services & Equipment	2.45%	-
Cable & Satellite	1.49%	-
Machinery Manufacturing	1.30%	-
Publishing & Broadcasting	1.06%	-
Containers & Packaging	0.98%	-
Refining & Marketing	0.88%	-
Pipeline	0.86%	-
Real Estate	0.65%	-
Hardware	0.59%	-
Consumer Products	0.02%	-
Biotechnology	0.02%	-

As at February 28, 2019, the Company had accrued interest receivable of \$980,573 in connection with these bonds.

3. *DUE TO BROKER*

Due to broker arising from securities transactions through Laurentian Bank Securities Inc. ("LBS"), the carrying broker, is recorded on a trade date basis. The Company utilizes the credit facilities of LBS and trades under margin accounts with an annual interest rate of 2.65% for CAD and 3.75% for USD. The balance due to broker is secured by the investment in bonds and payable on demand. During the period ended February 28, 2019 the Company was charged interest of \$564,705.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

4. PREFERENCE SHARES

During the period ended February 28, 2019, the Company, through an offering memorandum, offered for issuance, 1,000,000 (see Note 9), or such greater number as the Company determines, units comprised of one Series A preference share and one Class A share purchase warrant (see Note 6) for \$10 per unit. The Series A preference shares are redeemable, non-voting, unsecured, term preference shares with cumulative dividends at 7% per annum. Dividends are calculated quarterly based on the outstanding shares on the last day of March, June, September and December.

In the event that the Company does not list the Series A preference shares on the Toronto Stock Exchange, TSX Venture Exchange, Canadian Securities Exchange or any other recognized stock exchange in Canada (each a "Liquidity Event"), on or before December 31, 2020, the Series A preference shares will have a term of approximately five to five and three-quarter years, depending on the date of issuance, and will be redeemed March 1, 2024 (as of February 28, 2019, the redemption date had been extended from the original redemption date of December 31, 2023) (the "Redemption Date"), on which date the Company will be obligated to redeem the Series A preference shares for the redemption amount of \$10 per share plus any accrued and unpaid cumulative dividends, whether or not declared; provided, however, the Company has the right to extend the Redemption Date from time to time for one or more periods aggregating up to six months (but not past June 30, 2024) for liquidity purposes or for any other proper corporate purpose. (See Note 12(c) – Subsequent Events.) However, in the event that a Liquidity Event occurs on or before December 31, 2020, the Redemption Date will be extended indefinitely and the Company will not be obligated to redeem any of the Series A preference shares until the liquidation or winding up of the Company.

As at February 28, 2019, a total of 1,510,433 Series A preference shares were issued for gross proceeds of \$15,104,330.

During the period ended February 28, 2019, 7,740 Series A preference shares were purchased for cancellation for proceeds of \$77,400. Included in the value of the Series A preference shares are transaction costs of \$1,695,932, which include a 10% finders' fee paid to PACE Securities Corp. (see Note 7). During the period ended February 28, 2019, \$133,833 of the transaction costs were accreted and recognized in the net comprehensive income for the period.

During the period ended February 28, 2019, the Company, through an offering memorandum, offered for issuance, 1,000,000 (see Note 8), or such greater number as the Company determines, Series B preference shares for \$10 per share. These shares are redeemable and retractable, non-voting, unsecured, term preference shares with cumulative dividends at 5% per annum and discretionary bonus dividends of up to 2% per annum determined by the Board of Directors in its discretion based on the profitability of the Company. Dividends are calculated quarterly based on the outstanding shares on the last day of March, June, September and December.

The Company is obligated to redeem all Series B preference shares for the redemption amount of \$10 per share plus any accrued and unpaid cumulative dividends, whether or not declared, and all declared and unpaid discretionary bonus dividends on March 1, 2024 (as of February 28, 2019, the redemption date had been extended from the original redemption date of December 31, 2023); provided that the Company has the right to extend the redemption date from time to time for one or more periods up to but not past June 30, 2024, for liquidity purposes or for any other corporate purpose. (See Note 12(c) – Subsequent Events.)

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

4. PREFERENCE SHARES (continued)

In the event that a holder of Series B preference shares dies, the holder's estate has the right to require the Company to redeem the estate's Series B preference shares on not less than 90 days' notice.

As at February 28, 2019, a total of 553,769 Series B preference shares were issued for gross proceeds of \$5,537,690.

Included in the value of the Series B preference shares are transaction costs of \$352,064, which include a 5% finders' fee paid to PACE Securities Corp. (see Note 7). During the period ended February 28, 2019, \$28,275 of the transaction costs were accreted and recognized in the net comprehensive income for the period.

Dividends of \$628,989 were declared during the period ended February 28, 2019, representing 7% dividends on the Series A preference shares and 5% base dividends and 2% discretionary bonus dividends on the Series B preference shares. Included in accounts payable and accrued liabilities are additional dividends payable of \$243,519 as at February 28, 2019. The dividends on the preference shares are included in the current period operating expenses in conformity with the classification of the redeemable preference shares as liabilities.

5. WARRANTS

During the period ended February 28, 2019, the Company issued 1,510,433 Class A share purchase warrants as part of units issued (see Note 5) and also issued to the selling agents as compensation, 149,772 broker warrants with the same terms as the Class A share purchase warrants. The Class A share purchase warrants and broker warrants are exercisable up to the expiry time, being the earlier of (i) 3rd anniversary of a Liquidity Event or (ii) April 30, 2023. Each warrant entitles the holder to acquire one (1) Class A restricted voting share for \$10.00 at any time on or before the earlier of (i) the third anniversary of a Liquidity Event or (ii) the fifth anniversary of the first issuance of Series A preference shares (which first issuance occurred on April 30, 2018).

As at February 28, 2019 there were 1,660,205 warrants issued and exercisable. The grant date fair value of the warrants was estimated to be nominal, using the Black Scholes options pricing model, using the following assumptions: share price of \$0.01, interest rate of 2.50%, expected dividend yield of 7%, expected stock volatility of 100%, and expected life of 4 years.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

6. *PROPERTY, FURNITURE AND EQUIPMENT*

Property, furniture and equipment consist of the following:

	Leasehold improvement	Computer equipment	Total
	\$	\$	\$
Opening cost	-	-	-
Additions during the period	185,197	2,436	187,633
Balance - February 28, 2019	185,197	2,436	187,633
Opening accumulated depreciation	-	-	-
Depreciation for the period	-	-	-
Balance - February 28, 2019	-	-	-
Carry value - February 28, 2019	185,197	2,436	187,633

Property, furniture and equipment has not been depreciated as they were not yet available for use as at February 28, 2019.

No impairment losses have occurred during the period ended February 28, 2019.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY TRANSACTIONS

The Company is related to PACE Securities Corp., an investment dealer, by common management. The Company utilizes the brokerage services and investment management services of PACE Securities Corp. Under the terms of the management agreement dated March 29, 2018, the Company appointed PACE Securities Corp. as an investment manager in return for a monthly fee of \$10,000 for an interim period, to be adjusted at a date agreed by the parties, to management plus performance fees. The Company paid management fees of \$79,100 to PACE Securities Corp. during the period ended February 28, 2019, pursuant to this agreement.

During the period ended February 28, 2019, the Company issued preference shares through PACE Securities Corp. and paid finders' fees of \$1,787,325 to PACE Securities Corp., which were included in the issuance costs of the preference shares. In addition, the Company also issued 60,722 broker warrants to PACE Securities Corp.

During the period ended February 28, 2019, one of the subsidiaries paid portfolio management fees of \$12,083 to PACE Securities Corp.

Details of the related party transactions occurring during the period ended February 28, 2019 and the related balances outstanding at February 28, 2019 are as follows:

Included in the Consolidated Statement of Financial Position:

Investment in bonds held with PACE Securities Corp.	\$49,758,316
Prepaid directors' fees	22,915
Due from directors, unsecured, non-interest bearing, due on demand	107,500
Due to director	728
Unamortized issuance costs paid to PACE Securities Corp. included in preference shares	1,645,892
Amounts payable to PACE Securities Corp. for services	293,325

Included in the Consolidated Statement of Comprehensive Loss:

Management fees paid to PACE Securities	\$ 91,183
Amortization of issuance costs paid to PACE Securities Corp.	141,432
Directors' fees	38,541

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

8. *SHARE CAPITAL*

Authorized and issued share capital is as follows:

Authorized:

Unlimited number of common shares – Class A restricted voting shares

Unlimited number of common shares – Class B voting shares

Unlimited number of preference shares issuable in series

Series A preference shares: unlimited, at redemption amount of \$10,
dividends at 7%, cumulative, non-voting, redeemable

Series B preference shares: unlimited, at redemption amount of \$10,
dividends at 5%, cumulative, non-voting, redeemable and
retractable

Series C preference shares: unlimited, at redemption amount of
US\$10, dividends at 7%, cumulative, non-voting, redeemable

Issued:

1,010,100 Class B voting shares	\$
7,000 Class A restricted voting shares	10,101
	<u>70</u>
	10,171

1,510,433 Series A preference shares (Note 4)
553,769 Series B preference shares (Note 4)

During the period ended February 28, 2019, the Company issued 1,010,100 Class B voting shares at a price of \$0.01 per share and 7,000 Class A restricted voting shares at a price of \$0.01 per share.

During the period ended February 28, 2019, the Company issued 1,510,433 Series A preference shares. Refer to Note 4 for further details.

During the period ended February 28, 2019, the Company issued 553,769 Series B preference shares. Refer to Note 4 for further details.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

9. *INCOME TAXES*

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 26.5% is as follows:

	2019
	\$
Loss before income taxes	(967,863)
Expected income tax recovery based on statutory rate	(256,000)
Expense not deductible for tax purposes	237,000
Other	19,000
Tax provision	-

Deferred tax assets and liabilities recognized as at February 28, 2019 are comprised of taxable temporary differences related to:

Non-capital loss carryforwards	\$ 67,000
Other	(1,000)
Debt issue costs	(66,000)
	\$ -

10. *FINANCIAL INSTRUMENTS AND RISK EXPOSURE*

Financial assets are comprised of the following:

Cash	\$ 1,096,493
Investment in bonds, measured at amortized cost	46,951,623
Investment in bonds, measured at fair value	2,806,693
Interest receivable	980,573
Other receivable	8,101
	\$ 51,843,483

Financial liabilities are comprised of the following:

Accounts payable and accrued liabilities	\$ 327,399
Due to related companies	293,325
Due to broker	33,931,176
Preference shares	18,678,733
	\$ 53,230,633

The carrying values of the Company's current assets and liabilities approximate their fair values given the short term to maturity. The estimated fair value of the investment in bonds measured at amortized cost was \$46,193,130 as at February 28, 2019.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

10. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Company to transfer securities might be temporarily impaired.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options and long term debt securities is limited to the fair value of those positions.

The Company's use of leverage and borrowings can increase the Company's exposure to these risks, which in turn can also increase the potential returns the Company can achieve. The Company has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Company up to margin rates prescribed by LBS, the carrying broker.

The Company is exposed to the following risks on its financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its obligations to the Company. Financial instruments that potentially subject the Company to credit risk consist of investments in bonds, options and interest receivable.

The Company is not exposed to significant credit risk to options as the positions held by the Company as at the period end are not significant. Credit risk on investments in bonds and interest receivable is mitigated by diversifying the portfolio and by investing in issuers across different industries and countries. The analysis below summarizes the quality of the Company's investments in bonds as at February 28, 2019:

Credit rating	Percentage of total debt securities
BB+	0.83%
BB	8.40%
BB-	1.55%
B3	0.03%
B+	35.08%
B	14.53%
B-	21.38%
B *+	0.02%
CCC+	9.69%
CCC-	1.24%
CCCH	4.28%
NR	2.97%
Total	<u>100.0%</u>

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

10. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(a) Credit risk (continued)

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered to be limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The clearing and depository operations for the Company's security transactions are mainly concentrated with one prime broker, namely LBS (see Note 3), a subsidiary of a TSX listed financial institution. At February 28, 2019, all of the Company's investments were placed in custody with LBS. The Company has provided LBS with a general lien over all assets held in custody in return for services including borrowed securities and derivatives trading. LBS has the right to sell or re-pledge up to 100% of the collateral received to the extent of securities sold short and the fair value of derivatives in a loss position. The Company is therefore also exposed to credit risk to LBS to the extent that collateral provided has been sold or re-pledged. There are also risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Company; the Company should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Company may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Company is also exposed to counterparty credit risk on cash, interest receivable and other receivable balances.

As at February 28, 2019, none of these financial assets were impaired or past due.

At the reporting date, the amount of \$50,738,889 is the maximum exposure the Company has in respect to credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial instruments that potentially subject the Company to liquidity risk consist of accounts payable and accrued liabilities, due to broker, preference shares and commitments.

The Company issued 2,064,202 preference shares during the period ended February 28, 2019. The annual base dividends will be \$1,334,188 and annual bonus dividends, if payable, will be \$110,754 over the remaining term with principal of \$20,642,020 payable on the date of redemption, March 1, 2024 (as of February 28, 2019, extended from the original redemption date of December 31, 2023) (See Note 4). (See also Note 12(c) – Subsequent Events.)

Management monitors actual and projected cash flows to ensure that the Company will always have sufficient liquidity to meet its liabilities when due.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

10. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(c) Currency risk

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings.

At the period end date, the Company is exposed to currency risks with respect to the financial assets denominated in United States dollars totaling \$23,916,012 USD and financial liabilities denominated in United States dollars totaling \$24,488,609 USD. Currency risk is minimized by monitoring foreign currency transactions and cash flows.

As at February 28, 2019, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the total assets would have decreased or increased by \$1,574,750 and liabilities would have decreased or increased by \$1,612,452. In practice, the actual results may differ materially.

(d) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Company's investments in interest-bearing financial instruments. The Company is indirectly exposed to the market interest rate risk with respect to the balance due to broker under margin accounts. The interest charged by the broker is governed by the service agreement between the two parties.

A 1% increase (decrease) in interest rates would result in a decrease (increase) of \$172,584 in net income at February 28, 2019.

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Company is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The table below summarizes the Company's exposure to interest rate risks by remaining term-to-maturity.

	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
	\$	\$	\$	\$	\$
Bond	117,514	44,192,491	5,448,311	-	49,758,316

As at February 28, 2019, had prevailing interest rates raised or lowered by 1% assuming a parallel shift in the yield curve, with all other variables held constant, fair value would have decreased or increased, respectively, by approximately \$932,725. The Company's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

10. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(e) Market price risk

Market price risk is the risk that changes in market prices of securities will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings. The exposure to market price risk arises from its investments in bonds and other investments. Management continually monitors its investments in securities. Details of investment in bonds are disclosed in Note 2.

As at February 28, 2019, for investments in bonds, had the quoted market prices increased or decreased by 5%, with all other variables held constant, the total assets would have increased or decreased by \$2,449,991. In practice, the actual results may differ materially.

(f) Fair value

Financial assets and liabilities recorded at fair value in the Company's statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, as defined by IFRS 13, Fair Value Measurement, are as follows:

- Level 1 - quoted prices are available in active markets for identical financial assets or liabilities for which the Company has the ability to access at the measurement date;
- Level 2 - pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable for the financial asset or liability as of the measurement date, and fair value is determined through the use of models or other valuation methodologies; and
- Level 3 - one or more significant pricing inputs are unobservable for the financial asset or liability and include situations where there is little, if any, market activity for the financial asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

The following table summarizes the valuation of the Company's financial assets carried at fair value under the fair value hierarchy as at February 28, 2019:

	Level 1	Level 2	Level 3	Total
Investment in bonds	\$2,806,693	\$-	\$-	\$2,806,693

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

11. COMMITMENTS

Premises lease

The Company has signed an office lease, which commenced on March 1, 2019 and ends on February 28, 2034. The annual minimum payments are as follows:

	\$
2020	244,780
2021	244,780
2022	244,780
2023	244,780
2024	244,780
Thereafter	2,447,800
	<hr/>
Total	<u>3,671,700</u>

Management fees

See Note 7 for management fee arrangement with PACE Securities Corp.

12. SUBSEQUENT EVENTS

- a) Subsequent to February 28, 2019, dividends were declared on the Series A preference shares in the amount of \$747,801 and on the Series B preference shares in the amount of \$228,011.
- b) Subsequent to February 28, 2019, additional shares and warrants were issued as follows:
 - o 10,000 Class A restricted voting shares for aggregate cash proceeds of \$100.
 - o 1,016,111 Series A preference shares and 1,016,111 Class A share purchase warrants for aggregate cash proceeds of \$10,161,110.
 - o 175,891 Series B preference shares for aggregate cash proceeds of \$1,758,910.
 - o 95,488 broker warrants with the same terms as the Class A share purchase warrants.
- c) Subsequent to February 28, 2019, the fixed redemption date for the Series A preference shares and for the Series B preference shares was extended from time to time to June 29, 2024.

This is Exhibit "I" referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

FIRST HAMILTON HOLDINGS INC.
NON-CONSOLIDATED FINANCIAL STATEMENTS
For the period from incorporation (February 21, 2018)
to February 28, 2019

Independent Auditor's Report

To the Shareholders of First Hamilton Holdings Inc.

Opinion

We have audited the non-consolidated financial statements of First Hamilton Holdings Inc. (the "Company"), which comprise the non-consolidated statement of financial position as at February 28, 2019, and the non-consolidated statement of loss and comprehensive loss, non-consolidated statement of changes in equity and non-consolidated statement of cash flows for the period from incorporation (February 21, 2018) to February 28, 2019, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements of the Company are prepared, in all material respects, in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the non-consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting

We draw attention to Note 1 of the non-consolidated financial statements, which describes the basis of accounting. The non-consolidated financial statements are prepared to assist the Company in complying with the financial reporting requirements of the Ontario Securities Commission. As a result, the non-consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter – restriction on use

Our report is intended solely for First Hamilton Holdings Inc. and the Ontario Securities Commission and should not be distributed to or used by parties other than First Hamilton Holdings Inc. or the Ontario Securities Commission.

Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Koko Yamamoto.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 4, 2019

FIRST HAMILTON HOLDINGS INC.
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT February 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

ASSETS

Current assets

Cash	1,096,493
Interest receivable (Note 2)	923,533
Prepays and other receivable (Note 8)	246,991
Due from related parties (Note 4 and 8)	79,066

Total current assets	<u>2,346,083</u>
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Non-current assets

Investment in bonds (Note 2)	46,951,623
Investment in limited partnership (Note 8)	1,000,000
Investment in subsidiaries (Note 8)	12,000
Property, furniture and equipment (Note 7)	187,633

	<u>48,151,256</u>
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Total assets	<u>50,497,339</u>
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LIABILITIES

Current liabilities

Accounts payable and accrued liabilities (Note 5)	317,402
Due to related parties (Note 8)	281,243
Due to broker (Note 3)	32,101,730

Total current liabilities	<u>32,700,375</u>
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Non-current liabilities

Preference shares (Note 5)	18,678,733
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Total liabilities	<u>51,379,108</u>
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SHAREHOLDERS' (DEFICIENCY)

Share capital (Note 9)	10,071
(Deficit)	(891,840)

Total shareholder's (deficiency)	<u>(881,769)</u>
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Total liabilities and shareholder's (deficiency)	<u>50,497,339</u>
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Commitments and contingencies (Notes 5, 6 and 12)

Subsequent events (Note 13)

Approved on behalf of the Board:

"Joseph Thomson", Director

"Ernest Larry Eves", Director

FIRST HAMILTON HOLDINGS INC.
NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE PERIOD FROM February 21, 2018 TO February 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

Revenue	
Interest income on bonds	2,097,494
Net realized (loss) on investments	(843,568)
(Loss) on options trading	(191,900)
Foreign exchange gain	1,208
Total revenues	<u>1,063,234</u>
Expenses	
Interest expense (Note 3)	542,386
Advertising and promotion	72,994
Directors fees (Note 8)	38,541
Portfolio management fees (Note 8)	79,100
Professional fees	160,013
Dividends on preference shares (Note 5)	872,508
Amortization of issuance costs on preference shares (Note 5)	162,108
Office and general expenses	27,424
Total expenses	<u>1,955,074</u>
Loss before income taxes	(891,840)
Income tax provision (Note 10)	-
Net loss and comprehensive loss for the period	<u>(891,840)</u>

FIRST HAMILTON HOLDINGS INC.
NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE PERIOD FROM February 21, 2018 TO February 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

	Common shares		(Deficit)	Total shareholders' equity (deficiency)
	#	\$	\$	\$
Balance, beginning of period	-	-	-	-
Share capital issued				
Class B	1,000,100	10,001	-	10,001
Class A	7,000	70		70
Net (loss) for the period	-	-	(891,840)	(891,840)
Balance, February 28, 2019	<u>1,007,100</u>	<u>10,071</u>	<u>(891,840)</u>	<u>(881,769)</u>

FIRST HAMILTON HOLDINGS INC.
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM February 21, 2018 TO February 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

	\$
Cash flows from operating activities	
Net (loss) for the period	(891,840)
Item not affecting cash:	
Dividends on preference shares	872,508
Amortization of issuance costs of preference shares	162,108
Net change in non-cash working capital items	
Change in interest receivable	(923,534)
Change in accounts payable and accrued liabilities	73,884
Change in due to related company	281,243
Change in prepaids and other receivable	(238,890)
Net cash used in operating activities	<u>(664,521)</u>
Cash flows from investing activities	
Purchase of property, furniture and equipment	(187,633)
Change in due from related companies	(79,066)
Investment in subsidiaries	(12,000)
Investment in limited partnership	(1,000,000)
Investment in bonds	(58,973,212)
Proceeds of sale of bonds	12,021,589
Net cash used in investing activities	<u>(48,230,322)</u>
Cash flows from financing activities	
Proceeds from issuance of common shares	1,970
Proceeds from issuance of preference shares	20,642,020
Redemption of preference shares	(77,400)
Issue costs paid	(2,047,995)
Preference share dividends paid	(628,989)
Due to broker	32,101,730
Net cash provided by financing activities	<u>49,991,336</u>
Net changes in cash during the period	1,096,493
Cash, beginning of the period	-
Cash, end of the period	<u>1,096,493</u>
Supplemental information	
Series A preference share dividends payable (Note 5)	243,519
Share subscriptions receivable	8,101

**FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)**

First Hamilton Holdings Inc. (the "Company") was incorporated on February 21, 2018, under the Business Corporations Act (Ontario).

The Company's head office is located at 199 Bay Street, Suite 2200, Commerce Court West, Toronto, ON, M5L 1G4.

The Company operates as an investment company and invests primarily in debt securities. The Company's investment activities are managed by PACE Securities Corp. (the "Investment Manager").

The financial statements were approved by the Board of Directors of the Company on July 4, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB, and in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants. The principal accounting policies applied in the preparation of these non-consolidated financial statements are set out below.

Basis of Preparation

The non-consolidated financial statements have been prepared on a historical cost basis except for those financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign Currency Translation

The Company considers its functional and presentation currency to be the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Canadian dollars.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate at the period end date. Transactions in foreign currencies are recorded at the exchange rates prevailing at the dates of transactions.

Realized and unrealized foreign exchange gains and losses are recorded in operations.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks and other short-term investment in an active market with original maturities of three months or less. As at February 28, 2019, the Company did not have any cash equivalents.

Investment in Bonds

Investment in bonds are recorded at amortized cost as at the close of business at the period end date, less provisions for impairment.

Interest income is recognized as earned relative to the passage of time.

Investment in Options

Investments in options are classified as at fair value through profit or loss. Fair value is based on quoted market prices on a trade date basis.

Realized and unrealized changes in fair value are recognized in income in the period in which the changes occur. As at February 28, 2019, the Company did not have any investments in options.

Investment in Subsidiaries and limited partnership

In accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants, investments in subsidiaries and limited partnership are recorded at cost, less provisions for impairment.

Property, plant and equipment

Property, furniture and equipment are measured at cost less accumulated depreciation. Depreciation is calculated based on estimated useful life using the following annual rates and methods:

Computer equipment - 20% straight line method

Leasehold improvements - straight line over the term of the lease

Impairments are recorded when the recoverable amounts of assets are less than their carrying amounts. The carrying values are assessed for impairment at each reporting date to identify events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Due to Broker

Due to broker is recorded on a trade date basis and measured at amortized cost.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Shareholders' Equity

Share capital is presented at the value of the shares at the time of their issuance. Costs related to the issuance of shares or warrants are reported in equity, net of tax, as a deduction of the issuance proceeds.

Preference Shares

Preference shares, which are mandatorily redeemable, are liabilities initially recorded at fair value, which is the principal amount net of the transactions costs related to the issuance of the preference shares, and subsequently measured at amortized cost using the effective interest rate method. Dividends on the preference shares are reflected as interest expense in operations when they are appropriately authorized and no longer at the discretion of the Company.

Costs related to the issuance of preference shares are deferred and amortized over the term of the preference shares.

Warrants

Warrants with a fixed exercise price are recognized in equity at the fair value on the date of grant and are measured using the Black-Scholes option pricing model. Incremental costs directly attributable to the issue of new warrants are shown in equity as a deduction, net of tax, from the proceeds. Unexercised expired warrants are transferred to deficit.

Transaction Costs

Transaction costs incurred to acquire financial assets or liabilities at fair value through profit or loss are expensed immediately in profit or loss as an expense, when incurred. Transaction costs incurred to acquire financial assets or liabilities at amortized cost are deferred and amortized over the term of the financial asset or liability. They include fees and commissions paid to agents, advisors, brokers and dealers.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and Deferred Income Taxes

Current income tax asset or liability for the current year is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the year end date.

Deferred income tax asset or liability is recognized on temporary differences between the tax basis of an asset or liability and its carrying amount on the statement of financial position. Deferred income tax asset or liability is measured using the income tax rates and laws that have been enacted or substantively enacted at the year end date, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred income tax asset is recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at the inception of the lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized in the statement of income and comprehensive income on a straight-line basis over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments and the fair value of the leased asset at the inception of the leases. Finance leases are amortized on a straight line basis over the lease term. The Company did not have any finance leases during the period ended February 28, 2019.

Share-based Payment Transactions

The fair value of stock options and warrants granted to employees and non-employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of equity-settled share-based payments to employees is measured at the grant date and recognized over the period during which the options and warrants vest. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value of the stock options and warrants granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options and warrants were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options and warrants that are expected to vest based on an estimate of the forfeiture rate.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the non-consolidated statement of loss. The Company has classified its cash, interest receivable, other receivable, due from related parties, and investment in bonds at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the non-consolidated statement of financial position with changes in fair value recognized in other income or expense in the non-consolidated statement of loss.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the non-consolidated statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Dividends from such investments are recognized in other income in the non-consolidated statement of loss when the right to receive payments is established.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties, due to broker, and preference shares which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the non-consolidated statement of loss.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the non-consolidated statements of loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payment transactions

The inputs used in accounting for share-based payment transactions. The Company estimates the value of share-based compensation granted using the Black-Scholes valuation method. Several assumptions including volatility, risk-free interest rate and expected broker warrant life are significant assumptions used in determining the values of broker warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates and Judgments (continued)

Impairment of investments in and advances to subsidiaries, limited partnership and related parties
Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

New Standards, Amendments and Interpretations

A number of new standards, the following amendments to standards and interpretations are effective for annual periods beginning on or after March 1, 2019, and have not been applied in preparing these non-consolidated financial statements.

- IFRS 10 *Consolidated Financial Statements* – the effective date is yet to be determined.
- IFRS 16 *Leases* – effective for annual periods beginning on or after January 1, 2019.
- IAS 28 *Investments in Associates and Joint Ventures* – the effective date is yet to be determined.
- IFRIC 23 *Uncertainty over Income Tax Treatments* – effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact on the non-consolidated financial statements of adopting these standards.

2. INVESTMENT IN BONDS

Details of debt securities owned recorded at amortized cost are as follows:

Regional allocation	% of amortized cost
Canada	54%
United States	32%
Marshall Islands	7%
Luxembourg	5%
Argentina	2%

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

2. INVESTMENT IN BONDS (continued)

Sector allocation	% of amortized cost
Metals & Mining	29.47%
Exploration & Production	18.24%
Retail - Consumer Discretionary	8.06%
Food & Beverage	7.70%
Transportation & Logistics	6.97%
Homebuilders	4.90%
Consumer Finance	4.48%
Forest & Paper Products Manufacturing	3.98%
Health Care Facilities & Services	3.42%
Sovereigns	2.48%
Oil & Gas Services & Equipment	2.45%
Cable & Satellite	1.49%
Machinery Manufacturing	1.30%
Publishing & Broadcasting	1.06%
Containers & Packaging	0.98%
Refining & Marketing	0.88%
Pipeline	0.86%
Real Estate	0.65%
Hardware	0.59%
Consumer Products	0.02%
Biotechnology	0.02%

As at February 28, 2019, the Company had accrued interest receivable of \$923,533 in connection with these bonds.

3. DUE TO BROKER

Due to broker arising from securities transactions through Laurentian Bank Securities Inc. ("LBS"), the carrying broker, is recorded on a trade date basis. The Company utilizes the credit facilities of LBS and trades under margin accounts with an interest of 2.65% for CAD and 3.75% for USD. The balance due to broker is unsecured and payable on demand. During the period ended February 28, 2019 the Company was charged interest of \$542,386.

4. DUE FROM RELATED PARTIES

Due from related parties represent amounts due from subsidiaries and a limited partnership managed by a subsidiary. These amounts are unsecured, non-interest bearing and due on demand. Refer to Note 8 for details.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

5. PREFERENCE SHARES

During the period ended February 28, 2019, the Company, through an offering memorandum, offered for issuance, 1,000,000 (see Note 9), or as the Company determines, units comprised of one Series A preference shares for \$10 per share and one Class A share purchase warrant (see Note 6). The Series A preference shares are redeemable and retractable, non-voting, unsecured, term preference shares with cumulative dividends at 7% per annum. Dividends are calculated quarterly based on the outstanding shares on the last day of March, June, September and December.

The Company is planning to list the Series A preference shares on the Toronto Stock Exchange, TSX Venture Exchange, Canadian Securities Exchange or any other recognized stock exchange in Canada (the "Liquidity Event"). In the event that a Liquidity Event does not occur on or before December 31, 2020, the Series A preference shares will have a term of approximately five and three-quarter years and will be redeemed on December 31, 2023 (the "Redemption Date"), on which date the Company will be obligated to redeem the Series A preference shares for the redemption amount plus any accrued and unpaid cumulative dividends, whether or not declared; provided, however, the Company has the right to extend the Redemption Date from time to time for one or more periods aggregating up to six months (but not past June 30, 2024) for liquidity purposes or for any other proper corporate purpose. However, in the event that a Liquidity Event occurs on or before December 31, 2020, the Redemption Date will be extended indefinitely and the Company will not be obligated to redeem any of the Series A preference shares until the liquidation or winding up of the Company.

In the event that a holder of the preference shares dies, the holder's estate has the right to require the Company to redeem the preference shares on not less than 90 days' notice.

During the period ended February 28, 2019, 7,740 Series A preference shares were redeemed for proceeds of \$77,400.

As at February 28, 2019, a total of 1,510,433 Series A preference shares were issued for gross proceeds of \$15,104,330.

During the period ended February 28, 2019, the Company, through an offering memorandum, offered for issuance, 1,000,000 (see Note 9), or as the Company determines, Series B preference shares for \$10 per share. These shares are redeemable and retractable, non-voting, unsecured, term preference shares with cumulative dividends at 5% per annum and discretionary bonus dividends of up to 2% per annum determined by the Board of Directors in its discretion based on the profitability of the Company. Dividends are calculated quarterly based on the outstanding shares on the last day of March, June, September and December.

Included in the value of the Series A preference shares are transaction costs of \$1,695,932, which include a 10% finders' fee paid to PACE Securities Corp. (see Note 8). During the period ended February 28, 2019, \$133,833 of the transaction costs were accreted and recognized in the net comprehensive income for the period.

In the event that a holder of the preference shares dies, the holder's estate has the right to require the Company to redeem the preference shares on not less than 90 days' notice.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

5. PREFERENCE SHARES (continued)

Included in the value of the Series B preference shares are transaction costs of \$352,064, which include a 5% finders' fee paid to PACE Securities Corp. (see Note 8). During the period ended February 28, 2019, \$28,275 of the transaction costs were accreted and recognized in the net comprehensive income for the period.

Dividends of \$628,989 were declared during the period ended February 28, 2019, representing 7% dividends on the Series A preference shares and 5% base dividends and 2% discretionary bonus dividends on the Series B preference shares. Included in accounts payable and accrued liabilities are additional dividends payable of \$243,519 as at February 28, 2019. The dividends on the preference shares are included in the current period operating expenses in conformity with the classification of the preference shares as liabilities.

6. WARRANTS

During the period ended February 28, 2019, the Company issued 1,510,433 Class A share purchase warrants as part of units issued (see Note 5) and also issued 149,772 broker warrants with the same terms as the Class A share purchase warrants to the selling agents as compensation. The Class A share purchase warrants and broker warrants are exercisable up to the expiry time, being the earlier of (i) 3rd anniversary of a Liquidity Event(1) or (ii) April 30, 2023. Each warrant will entitle the holder to acquire one (1) Class A restricted voting share for \$10.00 at any time on or before the earlier of (i) the third anniversary of a Liquidity Event or (ii) the fifth anniversary of the first issuance of Series A preference shares (namely, April 30, 2018).

As at February 28, 2019 there were 1,660,205 warrants issued and exercisable. The grant date fair value of the warrants was estimated to be nominal, using the Black Scholes options pricing model, using the following assumptions: share price of \$0.01, interest rate of 2.50%, expected dividend yield of 7%, expected stock volatility of 100%, and expected life of 4 years.

7. PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment consist of the following:

	Leasehold improvement	Computer equipment	Total
	\$	\$	\$
Opening cost	-	-	-
Additions during the period	185,197	2,436	187,633
Balance - February 28, 2019	185,197	2,436	187,633
Opening accumulated depreciation	-	-	-
Depreciation for the period	-	-	-
Balance - February 28, 2019	-	-	-
Carry value - February 28, 2019	185,197	2,436	187,633

Property, furniture and equipment has not been depreciated as they were not yet available for use as at February 28, 2019.

No impairment losses have occurred during the period ended February 28, 2019.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

8. RELATED PARTY TRANSACTIONS

The Company is related to PACE Securities Corp., an investment dealer, by common management. The Company utilizes the brokerage services and investment management services of PACE Securities Corp. Under the terms of the management agreement dated March 29, 2018, the Company appointed PACE Securities Corp. as an investment manager in return for a monthly fee of \$10,000. The Company paid management fees of \$79,100 to PACE Securities Corp. during the period ended February 28, 2019, pursuant to this agreement.

During the period ended February 28, 2019, the Company issued preference shares through PACE Securities Corp. and paid finders' fees of \$1,787,325 to PACE Securities Corp., which were included in the issuance costs of the preference shares. In addition, the Company also issued 60,722 broker warrants to PACE Securities Corp.

The Company has the following, wholly owned subsidiaries and the amounts of its investments in these entities are as follows:

First Hamilton Capital Inc.	\$3,000
First Hamilton Financial Services Inc.	\$3,000
First Hamilton General Partner Inc.	\$3,000
First Hamilton General Partner 2 Inc.	\$3,000

The Company has also subscribed for all of the issued and outstanding units of First Hamilton Cap Partners 2 LP, a partnership managed by a First Hamilton General Partner 2 Inc.

These subsidiaries have not commenced active operations as at February 28, 2019.

Details of the related party transactions occurring during the period ended February 28, 2019 and the related balances outstanding at February 28, 2019 are as follows:

Included in the Non-Consolidated Statement of Financial Position:

Investment in bonds held with PACE Securities Corp.	\$46,951,623
Amounts receivable from subsidiaries and a limited partnership managed by a subsidiary (Note 4)	79,066
Prepaid directors' fees	22,915
Due from directors, unsecured, non-interest bearing, due on demand	107,500
Investment in subsidiaries	12,000
Investment in Class A units of First Hamilton Cap Partners 2 LP	1,000,000
Due to director	728
Unamortized issuance costs paid to PACE Securities Corp. included in preference shares	1,645,892
Amounts payable to PACE Securities Corp. for services	281,243

Included in the Non-Consolidated Statement of Comprehensive Income:

Management fees paid to PACE Securities	\$ 79,100
Amortization of issuance costs paid to PACE Securities Corp.	141,432
Directors' fees	38,541

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

9. *SHARE CAPITAL*

Authorized and issued share capital is as follows:

Authorized:

Unlimited number of common shares – Class A restricted voting shares

Unlimited number of common shares – Class B voting shares

Unlimited number of preference shares issuable in series

Series A preference shares: unlimited, at par value of \$10, dividends at 7%, cumulative, non-voting, redeemable and retractable

Series B preference shares: unlimited, at par value of \$10, dividends at 5%, cumulative, non-voting, redeemable and retractable

Series C preference shares: unlimited, at par value of US\$10, dividends at 7%, cumulative, non-voting, redeemable and retractable

Issued:		\$
	1,010,100 common shares– Class B voting shares	10,001
	7,000 common shares – Class A restricted voting shares	<u>70</u>
		10,071
	1,510,433 Series A preference shares (Note 5)	
	553,769 Series B preference shares (Note 5)	

During the period ended February 28, 2019, the Company issued 1,010,100 Class B voting shares at a price of \$0.01 per share and 7,000 common shares Class A restricted voting shares at a price of \$0.01 per share.

During the period ended February 28, 2019, the Company issued 1,510,433 Series A preference shares. Refer to Note 5 for further details.

During the period ended February 28, 2019, the Company issued 553,769 Series B preference shares. Refer to Note 5 for further details.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

10. INCOME TAXES

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 26.5% is as follows:

	2019
	\$
Loss before income taxes	(891,840)
Expected income tax recovery based on statutory rate	(236,000)
Expense not deductible for tax purpose	232,000
Other	4,000
Tax provision	-

Deferred tax assets and liabilities recognized as at February 28, 2019 are comprised of taxable temporary differences related to:

Non-capital loss carryforwards	\$ 52,000
Other	14,000
Debt issue costs	(66,000)
	\$ -

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

Financial assets are comprised of the following:

Cash	\$ 1,096,493
Investment in bonds	46,951,623
Investment in limited partnership	1,000,000
Due from related parties	79,006
Investment in subsidiaries	12,000
Interest receivable	923,533
	\$ 50,062,655

Financial liabilities are comprised of the following:

Accounts payable and accrued liabilities	\$ 317,402
Due to related companies	281,243
Due to broker	32,101,730
Preference shares	18,678,733
	\$ 51,379,108

The carrying values of the Company's current assets and liabilities approximates their fair values given the short term to maturity. The estimated fair value of the investment in bonds was \$46,193,130 as at February 28, 2019.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Company to transfer securities might be temporarily impaired.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options and long debt securities is limited to the fair value of those positions. On written call options, short future positions and on debt sold short, the maximum loss of capital can be unlimited.

The Company's use of leverage and borrowings can increase the Company's exposure to these risks, which in turn can also increase the potential returns the Company can achieve. The Company has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Company up to margin rates prescribed by LBS, the carrying broker.

The Company is exposed to the following risks on its financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its obligations to the Company. Financial instruments that potentially subject the Company to credit risk consist of investments in bonds, options and interest receivable.

The Company is not exposed to significant credit risk to options as the positions held by the Company as at the period end are not significant. Credit risk on investments in bonds and interest receivable is mitigated by diversifying the portfolio and by investing in issuers across different industries and countries. The analysis below summarizes the quality of the Company's investments in bonds as at February 28, 2019:

Credit rating	Percentage of total debt securities
BB+	0.9%
BB	7.9%
BB-	1.6%
B3	0.0%
B+	14.2%
B	34.8%
B-	21.8%
B *+	0.0%
CCC+	10.0%
CCC-	1.4%
CCCH	4.3%
NR	3.1%
Total	<u>100.0%</u>

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(a) Credit risk (continued)

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered to be limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The clearing and depository operations for the Company's security transactions are mainly concentrated with one prime broker, namely LBS (see Note 3), a TSX listed financial institution. At February 28, 2019, all of the Company's investments were placed in custody with LBS. The Company has provided LBS with a general lien over all assets held in custody in return for services including borrowed securities and derivatives trading. LBS has the right to sell or re-pledge up to 100% of the collateral received to the extent of equity securities sold short and the fair value of derivatives in a loss position. The Company is therefore also exposed to credit risk to LBS to the extent that collateral provided has been sold or re-pledged. There are also risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Company; the Company should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Company may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Company is also exposed to counterparty credit risk on cash, amounts due from related parties, investment in subsidiaries, other investment and other receivable balances.

As at February 28, 2019, none of these financial assets were impaired or past due.

At the reporting date, the amount of \$48,875,156 is the maximum exposure the Company has in respect to credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial instruments that potentially subject the Company to liquidity risk consist of accounts payable and accrued liabilities, due to broker, preference shares and commitments.

The Company issued 2,064,202 preference shares during the period ended February 28, 2019. The annual base dividends will be \$1,334,188 and annual bonus dividends if payable, will be \$110,754 over the remaining term with principal of \$20,642,020 payable on the date of redemption, December 31, 2023.

Management monitors actual and projected cash flows to ensure that the Company will always have sufficient liquidity to meet its liabilities when due.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(c) Currency risk

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings.

At the period end date, the Company is exposed to currency risks with respect to the financial assets denominated in United States dollars totaling \$22,897,199 USD and financial liabilities denominated in United States dollars totaling \$23,468,419 USD. Currency risk is minimized by monitoring foreign currency transactions and cash flows.

As at February 28, 2019, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, the total assets would have decreased or increased by \$1,507,666 and liabilities would have decreased or increased by \$1,545,278. In practice, the actual results may differ materially.

(d) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Company's investments in interest bearing financial instruments. The Company is indirectly exposed to the market interest rate risk with respect to the balance due to broker under margin accounts. The interest charged by the broker is governed by the service agreement between the two parties.

A 1% increase (decrease) in interest rates would result in a decrease (increase) of \$165,608 in net income at February 28, 2019.

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Company is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The table below summarizes the Company's exposure to interest rate risks by remaining term-to-maturity.

	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
	\$	\$	\$	\$	\$
Bond	117,514	41,777,582	5,056,527	-	46,951,623

As at February 28, 2019, had prevailing interest rates raised or lowered by 1% assuming a parallel shift in the yield curve, with all other variables held constant, fair value would have decreased or increased, respectively, by approximately \$872,369. The Company's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

(e) Market price risk

Market price risk is the risk that changes in market prices of securities will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings. The exposure to market price risk arises from its investments in bonds and other investment. Management continually monitors its investments in securities. Details of investment in bonds are disclosed in Note 2.

As at February 28, 2019, for investments in bonds, had the quoted market prices increased or decreased by 5%, with all other variables held constant, the total assets would have increased or decreased by \$2,309,657. In practice, the actual results may differ materially.

12. COMMITMENTS

Premise lease

The Company has signed an office lease, which commenced on March 1, 2019 and ends on February 28, 2034. The annual minimum payments are as follows:

	\$
2020	244,780
2021	244,780
2022	244,780
2023	244,780
2024	244,780
Thereafter	2,447,800
Total	<u>3,671,700</u>

Management fees

See Note 8 for management fee arrangement with PACE Securities Corp.

FIRST HAMILTON HOLDINGS INC.
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM FEBRUARY 21, 2018 TO FEBRUARY 28, 2019
(EXPRESSED IN CANADIAN DOLLARS)

13.SUBSEQUENT EVENTS

Subsequent to February 28, 2019, dividends of \$417,153 were declared for the quarter ended March 31, 2019, representing 5% base dividends and 2% discretionary bonus dividends of which \$243,519 was accrued at February 28, 2019.

Subsequent to February 28, 2019, additional shares and warrants were issued as follows:

- 10,000 common shares – Class A restricted voting shares for aggregate cash proceeds of \$100.
- 770,550 Series A preference shares and 770,550 Class A share purchase warrants for aggregate cash proceeds of \$7,705,500.
- 154,891 Series B preference shares for aggregate cash proceeds of \$1,548,910.
- 75,628 broker warrants with the same terms as the Class A share purchase warrants.

This is Exhibit “J” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

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

THE HONOURABLE MR.)
)
JUSTICE HAINEY) WEDNESDAY, THE 14th DAY
 OF MAY, 2020

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B.16, AS AMENDED**

**AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C., 1985, C. C-44, AS AMENDED**

**AND IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED**

WINDING-UP ORDER

THIS APPLICATION, made by Pace Securities Corp. (“**PSC**”), Pace Financial Limited (“**PFL**”), Pace Insurance Brokers Limited (“**PIB**”), Pace General Partner Limited (“**PGPL**”), together with PSC, PFL and PIB, the “**Companies**”), pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the “**OBCA**”) and section 214 of the *Canada Business Corporations Act*, RSC 1985, c. C-44 (the “**CBCA**”), for an Order, among other things, winding up each of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mitch Vininsky affirmed on May 14, 2020, and on hearing the submissions of counsel for the Companies,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS** that that each of the Companies shall be wound up pursuant to section 207 of the OBCA and section 214 of the CBCA with effect as of the date of this Order.

NO PROCEEDINGS AGAINST THE COMPANIES OR THEIR PROPERTY

3. **THIS COURT ORDERS** that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Companies, any of its subsidiaries or affiliates, or the Liquidator, or affecting any of the Companies’ current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and for greater certainty, including all funds on deposit with Laurentian Bank Securities and all customer accounts (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

4. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies or the Liquidator, or affecting the Property, including rights of set-off, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which the Companies are not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment;

- (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or
- (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

5. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by the Companies, except with the written consent of the Liquidator, or leave of this Court.

CONTINUATION OF SERVICES

6. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Companies' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

7. **THIS COURT ORDERS** that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Companies, except with the written consent of the Liquidator or leave of this Court.

THE LIQUIDATOR

8. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to section 210 of the OBCA and section 217(b) of the CBCA as liquidator (in such capacity, the “**Liquidator**”) of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing their Property, and the Companies’ officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by it shall co-operate fully with the Liquidator in the exercise of its powers and discharge of its obligations and provide the Liquidator with the assistance that is necessary to enable the Liquidator to adequately carry out the its functions.

9. **THIS COURT ORDERS** that the Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) deposit all money belonging to the Companies in any bank of Canada listed in Schedule I or II to the *Bank Act (Canada)* or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, which deposits shall not be made in the name of the Liquidator individually, but shall be separate deposit accounts in the Liquidator’s name as Liquidator of the Companies;
- (c) carry on the business of the Companies so far as may be required as beneficial for the winding up of the Companies;
- (d) sell any of the Property by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (e) enter into one or more agreements for the transfer of the Companies’ client accounts to other investment dealers on such terms as the Liquidator may in its discretion deem appropriate;

- (f) take such steps with respect to accounts of deferred customers (as that term is defined in the *Bankruptcy and Insolvency Act* (the “**BIA**”)) as the Liquidator may in its discretion deem appropriate;
- (g) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator’s powers and duties, including engaging the services of a broker to effect the sale of securities held by the Companies;
- (h) do all acts and execute, in the name and on behalf of the Companies, all documents, and for that purpose use the seal of the Companies, if any;
- (i) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Companies;
- (j) make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Companies may be rendered liable;
- (k) compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Companies and any contributory, alleged contributory or other debtor or person who may be liable to the Companies and all questions in any way relating to or affecting the Property, or the winding up of the Companies, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (l) disclaim any leases entered into by the Companies;
- (m) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies, their subsidiaries and, if necessary, any

trusts or special purpose entities for which the Companies continue to have responsibility;

- (n) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;
- (o) obtain any all applicable clearance certificates from governmental authorities;
- (p) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by the Companies;
- (q) establish and implement a claims process in respect of any or all of the Companies;
- (r) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) rateably among the registered shareholders thereof according to their rights and interests;
- (s) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Companies;
- (t) at any time after the affairs of any of the Companies have been fully wound up, make an application to the Court for an order dissolving any or all of the Companies;
- (u) wind up or dissolve all wholly-owned subsidiaries of the Companies; and
- (v) do and execute all such other things as are necessary for winding up the business and affairs of the Companies and distributing the Property.

10. **THIS COURT ORDERS** that the Liquidator shall provide any creditor or shareholder of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the

information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by the Companies is confidential or otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator may agree.

11. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under the OBCA and the CBCA, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA or any applicable legislation.
12. **THIS COURT ORDERS** that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the “**Administration Charge**”) on the Property, as security for such fees and disbursements, and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person.
13. **THIS COURT ORDERS** that the Liquidator and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
14. **THIS COURT ORDERS** that prior to the passing of their accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.
15. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or

perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

16. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Companies pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

FUNDING OF THE LIQUIDATION

17. **THIS COURT ORDERS** that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may

arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Liquidator’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Administration Charge.

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

19. **THIS COURT ORDERS** that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Liquidator’s Certificates**”) for any amount borrowed by it pursuant to this Order.

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

EMPLOYEES

21. **THIS COURT ORDERS** that all employees of the Companies shall be deemed terminated as of the date of this Order. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay.

PIPEDA

22. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Liquidator, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

SERVICE AND NOTICE

23. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.ey.com/ca/pacesecurities.

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

GENERAL

25. **THIS COURT ORDERS** that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

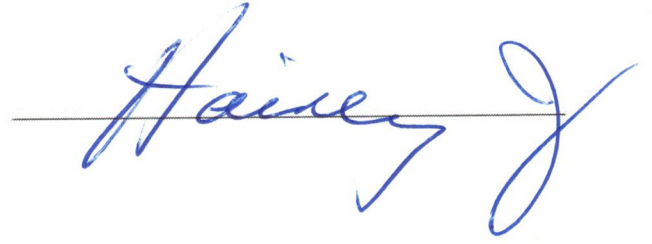
26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of the Companies.

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

28. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

30. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.

A handwritten signature in blue ink, appearing to read "Haisey J", is written over a horizontal line. The signature is cursive and stylized.

SCHEDULE "A"

LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ernst & Young Inc., the liquidator (the "**Liquidator**") of the assets, undertakings and properties of by Pace Securities Corp., Pace Financial Limited and Pace General Partner Limited (collectively, the "**Companies**"), including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 13th day of May, 2020 (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Liquidator from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Liquidator is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

**ERNST & YOUNG INC., solely in its
capacity as Liquidator of the Property, and
not in its personal capacity**

Per: _____

Name:

Title:

**IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED, AND
PACE GENERAL PARTNER LIMITED.**

Court File No. ●

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

WINDING-UP ORDER

GOODMANS LLP

Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Jason Wadden LSO# 467575M

jwadden@goodmans.ca

Michael Wilson LSO# 646740

mwilson@goodmans.ca

Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for the Applicants

7059851

Doc#4780501v5

This is Exhibit “K” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

**RESOLUTION OF THE DIRECTORS
OF
FIRST HAMILTON HOLDINGS INC.
(the “Corporation”)**

APPLICATION FOR A WINDING UP ORDER

WHEREAS substantial parts of the business of the Corporation were managed by PACE Securities Corp. (“PSC”) including managing the Corporation’s portfolio of debt instruments issued by corporations and other entities, as well as assisting the Corporation in assessing the acquisition and/or development of equity investments in private and public corporations and other entities;

AND WHEREAS the Corporation had entered into a letter of intent to acquire all of the shares and certain debt of PSC and its subsidiaries;

AND WHEREAS, effective May 14, 2020, PSC and its subsidiaries obtained an order from the Ontario Superior Court of Justice (the “PSC Winding-up Order”) to be wound up pursuant to sections 206 to 218 of the *Business Corporations Act* (Ontario) (the “OBCA”);

AND WHEREAS management of the Corporation understands that the effect of the PSC Winding-up Order is that, pursuant to regulatory requirements:

- (a) PSC cannot operate as an investment dealer,
- (b) registered representatives who were registered to work at PSC cannot transact any trades or continue any other regulated activities through PSC,
- (c) all registered representatives who were registered to work at PSC must transfer their registrations to an alternative investment dealer in order to transact any trades or continue any other regulated activities, and
- (d) clients who had investment accounts at PSC must transfer the securities and cash holdings in their accounts at PSC to an alternative investment dealer in order to be able to implement any investment decisions;

AND WHEREAS, as a result of the PSC Winding-up Order, the Corporation cannot proceed with the acquisition of PSC, an acquisition which the Corporation believed to be accretive and to represent an opportunity to consolidate the operations of the Corporation and PSC and recover the losses experienced through the events of the past several months;

AND WHEREAS the board of directors of the Corporation has the support of shareholders who own or control more than 80% of the issued and outstanding class B voting shares of the Corporation, the only class of shares having the right to vote on a special resolution to approve the winding up of the Corporation pursuant to sections 206 through 281 of the OBCA;

AND WHEREAS, if the Corporation were to ask all shareholders holding voting shares to sign such a special resolution, there would be significant delays caused by the complexities resulting from two minor shareholders who would need to get proxies for the class B voting shares held on their behalf in brokerage accounts and, similarly, if the Corporation were to call a shareholders meeting of all holders of class B voting shares, such a meeting could not be held for at least ten days

meeting of all holders of class B voting shares, such a meeting could not be held for at least ten days after the mailing of the notice calling the shareholders meeting as the OBCA requires that at least ten days' notice be given to all shareholders holding voting shares and proxies would need to be pursued by shareholders holding their shares in brokerage accounts;

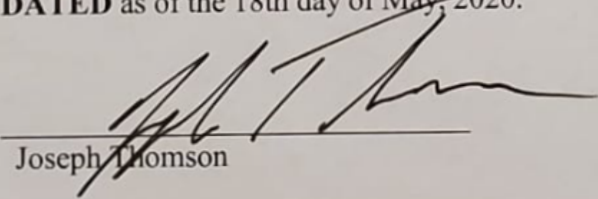
AND WHEREAS the board of directors believes it to be in the best interests of the Corporation and its stakeholders to implement an orderly court-supervised winding up pursuant to the OBCA as expeditiously as possible following the PSC Winding-up Order;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to apply to the Ontario Superior Court of Justice (Commercial List) for an order for the winding up of the Corporation pursuant to sections 206 through 218 of the *Business Corporations Act* (Ontario)
2. Each director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver all such documents, and to perform and to do all such acts and things as such officer or director may consider necessary or desirable for the purpose of giving effect to the foregoing, and all such acts and documents be and they are deemed to have been authorized by this resolution.
3. The foregoing resolution may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which so signed and delivered shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same resolution.

The foregoing resolution is hereby passed by all of the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario) as evidenced by their signatures hereto.

DATED as of the 18th day of May, 2020.



Joseph Thomson

Ernest Larry Eves

Timothy Huxley

Michael Leskovec

and its stakeholders to implement an orderly court-supervised winding up pursuant to the OBCA as expeditiously as possible following the PSC Winding-up Order;


NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to apply to the Ontario Superior Court of Justice (Commercial List) for an order for the winding up of the Corporation pursuant to sections 206 through 218 of the *Business Corporations Act* (Ontario)
2. Each director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver all such documents, and to perform and to do all such acts and things as such officer or director may consider necessary or desirable for the purpose of giving effect to the foregoing, and all such acts and documents be and they are deemed to have been authorized by this resolution.
3. The foregoing resolution may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which so signed and delivered shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same resolution.

The foregoing resolution is hereby passed by all of the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario) as evidenced by their signatures hereto.

DATED as of the 18th day of May, 2020.

Joseph Thomson Ernest Larry Eves



Timothy Huxley Michael Leskovec

after the mailing of the notice calling the shareholders meeting as the OBCA requires that at least ten days' notice be given to all shareholders holding voting shares and proxies would need to be pursued by shareholders holding their shares in brokerage accounts;

AND WHEREAS the board of directors believes it to be in the best interests of the Corporation and its stakeholders to implement an orderly court-supervised winding up pursuant to the OBCA as expeditiously as possible following the PSC Winding-up Order;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to apply to the Ontario Superior Court of Justice (Commercial List) for an order for the winding up of the Corporation pursuant to sections 206 through 218 of the *Business Corporations Act* (Ontario)
2. Each director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver all such documents, and to perform and to do all such acts and things as such officer or director may consider necessary or desirable for the purpose of giving effect to the foregoing, and all such acts and documents be and they are deemed to have been authorized by this resolution.
3. The foregoing resolution may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which so signed and delivered shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same resolution.

The foregoing resolution is hereby passed by all of the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario) as evidenced by their signatures hereto.

DATED as of the 18th day of May, 2020.

Joseph Thomson



Ernest Larry Eves

Timothy Huxley

Michael Leskovec

after the mailing of the notice calling the shareholders meeting as the OBCA requires that at least ten days' notice be given to all shareholders holding voting shares and proxies would need to be pursued by shareholders holding their shares in brokerage accounts;

AND WHEREAS the board of directors believes it to be in the best interests of the Corporation and its stakeholders to implement an orderly court-supervised winding up pursuant to the OBCA as expeditiously as possible following the PSC Winding-up Order;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and it is hereby authorized to apply to the Ontario Superior Court of Justice (Commercial List) for an order for the winding up of the Corporation pursuant to sections 206 through 218 of the *Business Corporations Act* (Ontario)
2. Each director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver all such documents, and to perform and to do all such acts and things as such officer or director may consider necessary or desirable for the purpose of giving effect to the foregoing, and all such acts and documents be and they are deemed to have been authorized by this resolution.
3. The foregoing resolution may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which so signed and delivered shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same resolution.

The foregoing resolution is hereby passed by all of the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario) as evidenced by their signatures hereto.

DATED as of the 18th day of May, 2020.

Joseph Thomson

Ernest Larry Eves

Timothy Huxley



Michael Leskovec

This is Exhibit "L" referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.



Commissioner for Taking Affidavits (or as may be)

CONSENT REGARDING SUPPORT IN LIEU OF A SPECIAL RESOLUTION OF THE
SHAREHOLDERS

HOLDING OR CONTROLLING CLASS B VOTING SHARES

OF

FIRST HAMILTON HOLDINGS INC.

(the “**Corporation**”)

WHEREAS there are seven (7) holders of class B voting shares of the Corporation;

AND WHEREAS there are no other classes of shares holding voting rights in respect of a special resolution to approve a special resolution pursuant to the *Business Corporations Act* (Ontario) that the Corporation apply to the Ontario Superior Court of Justice (Commercial List) for an order approving a court-supervised winding up of the Corporation pursuant to sections 206 to 218 (inclusive) of the *Business Corporations Act* (Ontario);

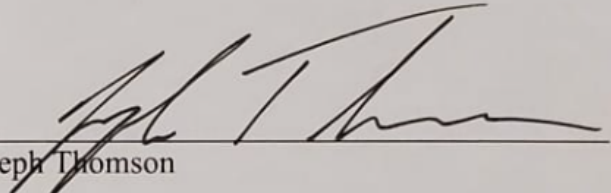
NOW THEREFORE the undersigned, who hold or control class B voting shares of the Corporation, hereby confirm that, if requested, each of the undersigned would consent in writing to and/or vote in favour of a special resolution pursuant to the *Business Corporations Act* (Ontario) that:

1. The Corporation apply to the Ontario Superior Court of Justice (Commercial List) for an order approving a court-supervised winding up of the Corporation pursuant to sections 206 to 218 (inclusive) of the *Business Corporations Act* (Ontario).
2. Any director or officer of the Corporation be authorized and directed on behalf of the Corporation to sign and deliver all documents and authorizations in implementation of the foregoing and to do all things necessary or advisable in connection with the foregoing.

[signature page follows]

The undersigned shareholders holding or controlling Class B Voting Shares of the Corporation and being the only class of shareholders of the Corporation entitled to vote at a meeting of shareholders in respect of a special resolution referred to above hereby sign the foregoing consent and support for the board of directors to proceed in accordance with the foregoing provisions of the *Business Corporations Act* (Ontario) to seek court approval for a winding up of the Corporation.

Dated as of May 18, 2020.



Joseph Thomson

ONAWA INVESTMENTS INC.

Per: _____
Ernest Larry Eves, President

Alexander McIlmoyle

Timothy Huxley

Joana Nims

LAURENTIAN BANK SECURITIES ACCT
2EPBCI4 ITF Christopher Barnes

Per: _____

Christopher Barnes, beneficial owner,
pursuant to Proxy and Power of Attorney

LAURENTIAN BANK SECURITIES ACCT
2EPABI7 ITF Gerald McRae

Per: _____

Gerald McRae, beneficial owner,
pursuant to Proxy and Power of Attorney

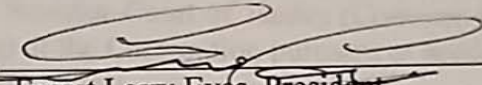
The undersigned shareholders holding or controlling Class B Voting Shares of the Corporation and being the only class of shareholders of the Corporation entitled to vote at a meeting of shareholders in respect of a special resolution referred to above hereby sign the foregoing consent and support for the board of directors to proceed in accordance with the foregoing provisions of the *Business Corporations Act* (Ontario) to seek court approval for a winding up of the Corporation.

Dated as of May 18, 2020.

Joseph Thomson

ONAWA INVESTMENTS INC.

Per: _____


Ernest Larry Eves, President

Alexander McIlmoyle

Timothy Huxley

Joana Nims

LAURENTIAN BANK SECURITIES ACCT
2EPBCI4 ITF Christopher Barnes

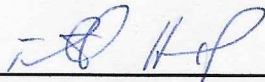
Per: _____

Christopher Barnes, beneficial owner,
pursuant to Proxy and Power of Attorney

LAURENTIAN BANK SECURITIES ACCT
2EPABI7 ITF Gerald McRae

Per: _____

Gerald McRae, beneficial owner,
pursuant to Proxy and Power of Attorney



Timothy Huxley

Joana Nims

LAURENTIAN BANK SECURITIES ACCT
2EPBCI4 ITF Christopher Barnes

Per: _____

Christopher Barnes, beneficial owner,
pursuant to Proxy and Power of Attorney

LAURENTIAN BANK SECURITIES ACCT
2EPABI7 ITF Gerald McRae

Per: _____

Gerald McRae, beneficial owner,
pursuant to Proxy and Power of Attorney

This is Exhibit “M” referred to in the
AFFIDAVIT OF JOSEPH THOMSON
sworn this 19th day of May, 2020.

A handwritten signature in blue ink, consisting of a stylized initial 'D' followed by a long horizontal stroke.

Commissioner for Taking Affidavits (or as may be)

FIRST HAMILTON HOLDINGS INC.

SHAREHOLDERS' REGISTER

Date	Name and Address	Shares Held		Cert.
		Number	Class	Number
Feb. 21, 2018	Joseph Thomson 1312 Roylen Road Oakville, Ontario L6H 1V4	100	Class B Voting Shares	CB-1
Mar. 19, 2018	Onawa Investments Inc. 18805 Centreville Creek Road Caledon, Ontario L7K 2M2	150,000	Class B Voting Shares	CB-2
Mar. 19, 2018	Alexander McIlmoyle 101 Fred Varley Drive Unionville, Ontario L3R 1S9	10,000	Class B Voting Shares	CB-3
Mar. 19, 2018	Christopher Barnes 116 George Street, Suite 402 Toronto, Ontario M5A 3S2 (Re-registration – see CB-8)	90,000	Class B Voting Shares	CB-4
Mar. 19, 2018	Gerald McRae 55 Greenhalf Drive Ajax, Ontario L1S 7N7 (Re-registration – see CB-9)	90,000	Class B Voting Shares	CB-5
Mar. 19, 2018	Timothy Huxley 12 Bond Street South Hamilton, Ontario L8S 1S7	20,000	Class B Voting Shares	CB-6
Mar. 19, 2018	Joseph Thomson 1312 Roylen Road Oakville, Ontario L6H 1V4	640,000	Class B Voting Shares	CB-7
Sept. 7, 2018	Laurentian Bank Securities Acct 2EPBCI4 ITF Christopher Barnes 1981 McGill College Ave, Suite 100 Montreal, QC H3A 3K3 (Re-registration – see CB-4)	90,000	Class B Voting Shares	CB-8

Date	Name and Address	Shares Held		Cert.
		Number	Class	Number
Sept. 7, 2018	Laurentian Bank Securities Acct 2EPABI7 ITF Gerald McRae 1981 McGill College Ave, Suite 100 Montreal, QC H3A 3K3 <i>(Re-registration – see CB-5)</i>	90,000	Class B Voting Shares	CB-9
May 11, 2018	Joana Nims 1 Ozner Crescent Woodbridge, ON L4H 0E2	10,000	Class B Voting Shares	CB-10
	Total:	1,010,100		

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED

AND IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**AFFIDAVIT OF JOSEPH THOMSON
(Sworn May 19, 2020)**

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: (416) 646-4608
Fax: (416) 865-1398

Lawyers for the Applicants

Tab 3

Court File No.

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

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS
AMENDED**

**AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C., 1985, C. C-44, AS AMENDED**

**AND IN THE MATTER OF A WINDING UP OF
FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES
INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER
2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.**

Applicants

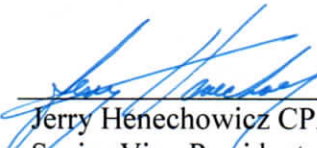
CONSENT

MNP Ltd. hereby consents to act as liquidator of the Applicants, pursuant to the terms of the draft Winding Up Order substantially in the form attached as Schedule A hereto, if so appointed by this Honourable Court.

DATED AT TORONTO, ONTARIO this 19th day of May, 2020.

MNP LTD.

Per:



Jerry Henechowicz CPA, CA, CIRP, LIT
Senior Vice-President

I have authority to bind the corporation.

Court File No.

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

THE HONOURABLE MR.) TUESDAY, THE 19th DAY
)
JUSTICE HAINEY) OF MAY, 2020

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

**AND IN THE MATTER OF A WINDING UP OF
FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES
INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2
INC. and FIRST HAMILTON MORTGAGE BROKERS INC.**

Applicants

WINDING-UP ORDER

THIS APPLICATION, made by First Hamilton Holdings Inc. ("**FHH**"), First Hamilton Financial Services Inc. ("**FHFS**"), First Hamilton Capital Inc. ("**FHC**"), First Hamilton General Partner 2 Inc. ("**FHGP2**") and First Hamilton Mortgage Brokers Inc. ("**FHMB**" and, collectively with FHH, FHFS, FHC and FHGP2, the "**Companies**"), pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**") and section 214 of the *Canada Business Corporations Act*, RSC 1985, c. C-44 (the "**CBCA**"), for an Order, among other things, winding up each of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Joseph Thomas sworn on May 19, 2020, and on hearing the submissions of counsel for the Companies,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS** that that each of the Companies shall be wound up pursuant to section 207 of the OBCA and section 214 of the CBCA with effect as of the date of this Order.

NO PROCEEDINGS AGAINST THE COMPANIES OR THEIR PROPERTY

3. **THIS COURT ORDERS** that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Companies, any of their subsidiaries or affiliates, or the Liquidator, or affecting any of the Companies’ current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and for greater certainty, including all funds, securities or other assets on deposit with or in the possession of Laurentian Bank Securities (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

4. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies or the Liquidator, or affecting the Property, including rights of set-off, are

hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which the Companies are not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

5. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by the Companies, except with the written consent of the Liquidator, or leave of this Court.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

6. **THIS COURT ORDERS** that (i) the Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation, Pace Securities Corporation, and Ernst & Young Inc., in its capacity as liquidator of Pace Securities Corporation shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

7. **THIS COURT ORDERS** that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator

unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

CONTINUATION OF SERVICES

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Companies' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in

each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

10. **THIS COURT ORDERS** that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Companies, except with the written consent of the Liquidator or leave of this Court.

THE LIQUIDATOR

11. **THIS COURT ORDERS** that MNP Ltd. is hereby appointed pursuant to section 210 of the OBCA and section 217(b) of the CBCA as liquidator (in such capacity, the “**Liquidator**”) of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing their Property, and the Companies’ officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by it shall co-operate fully with the Liquidator in the exercise of its powers and discharge of its obligations and provide the Liquidator with the assistance that is necessary to enable the Liquidator to adequately carry out the its functions.

12. **THIS COURT ORDERS** that the Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) deposit all money belonging to the Companies in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any

other depository approved by the Court, which deposits shall not be made in the name of the Liquidator individually, but shall be separate deposit accounts in the Liquidator's name as Liquidator of the Companies;

- (c) carry on the business of the Companies so far as may be required as beneficial for the winding up of the Companies;
- (d) sell any of the Property by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (e) enter into one or more agreements for the transfer of the Companies' client accounts to other investment dealers on such terms as the Liquidator may in its discretion deem appropriate;
- (f) take such steps with respect to accounts of deferred customers (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada) (the "BIA")) as the Liquidator may in its discretion deem appropriate;
- (g) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including engaging the services of a broker to effect the sale of securities held by the Companies;
- (h) do all acts and execute, in the name and on behalf of the Companies, all documents, and for that purpose use the seal of the Companies, if any;
- (i) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Companies;
- (j) make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Companies may be rendered liable;

- (k) compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Companies and any contributory, alleged contributory or other debtor or person who may be liable to the Companies and all questions in any way relating to or affecting the Property, or the winding up of the Companies, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (l) disclaim any leases entered into by the Companies;
- (m) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies, their subsidiaries and, if necessary, any trusts or special purpose entities for which the Companies continue to have responsibility;
- (n) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;
- (o) obtain any all applicable clearance certificates from governmental authorities;
- (p) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by the Companies;
- (q) establish and implement a claims process in respect of any or all of the Companies;
- (r) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) rateably among the registered shareholders thereof according to their rights and interests;
- (s) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Companies;

- (t) at any time after the affairs of any of the Companies have been fully wound up, make an application to the Court for an order dissolving any or all of the Companies;
- (u) wind up or dissolve all wholly-owned subsidiaries of the Companies;
- (v) assign any of the Companies into bankruptcy; and
- (w) do and execute all such other things as are necessary for winding up the business and affairs of the Companies and distributing the Property.

13. **THIS COURT ORDERS** that the Liquidator shall provide any creditor or shareholder of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by the Companies is confidential or otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator may agree.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under the OBCA and the CBCA, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA, the CBCA or any applicable legislation.

15. **THIS COURT ORDERS** that the Liquidator, counsel to the Liquidator, and counsel to the Companies shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, and the Liquidator, counsel to the Liquidator and counsel to the Companies shall be entitled to and are hereby granted a charge (the “**Administration Charge**”) on the Property, as security for such fees and disbursements, and that the Administration Charge shall form a first charge on the

Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person.

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

17. **THIS COURT ORDERS** that prior to the passing of their accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including its and the Companies’ legal fees and disbursements, and such amounts shall constitute advances against remuneration and disbursements when and as approved by this Court.

18. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Companies pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

FUNDING OF THE LIQUIDATION

20. **THIS COURT ORDERS** that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Liquidator’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Administration Charge.

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

22. **THIS COURT ORDERS** that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Liquidator’s Certificates**”) for any amount borrowed by it pursuant to this Order.

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

EMPLOYEES

24. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay. Nothing contained in this Order shall prejudice the rights of employees of the Companies to make claims under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 in the event that any of the Companies become bankrupt.

PIPEDA

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

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

[protocol/](#)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.mnpdebt.ca/firsthamilton .

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

GENERAL

28. **THIS COURT ORDERS** that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of any of the Companies.

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

31. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

33. **THIS COURT ORDERS** that the Liquidator may apply for its discharge upon providing one week's notice to the Applicants and to those parties who have filed a Notice of Appearance, and after passing its accounts in accordance with paragraph 16 hereof.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of [NTD: insert time] Eastern Daylight Time on the date of this Order.

SCHEDULE "A"

LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd, the liquidator (the "**Liquidator**") of the assets, undertakings and properties of by FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC. (collectively, the "**Companies**"), including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of May, 2020 (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Liquidator from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Liquidator is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

**MNP Ltd., solely in its capacity as Liquidator
of the Property, and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

Court File No. ●

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

WINDING-UP ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, P.O. Box 447

Commerce Court Postal Station

Toronto, Ontario, M5L 1G4

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Lawyers for the Applicants

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED
AND IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C., 1985, C. C-44, AS
AMENDED
AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON
FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER
2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

C O N S E N T

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Barristers & Solicitors
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LISA S. CORNE (27974M)
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Fax: (416) 865-1398

Lawyers for the Applicants

Tab 4

Court File No.

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

THE HONOURABLE MR.) TUESDAY, THE 19th DAY
)
JUSTICE HAINEY) OF MAY, 2020

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

**AND IN THE MATTER OF A WINDING UP OF
FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES
INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2
INC. and FIRST HAMILTON MORTGAGE BROKERS INC.**

Applicants

WINDING-UP ORDER

THIS APPLICATION, made by First Hamilton Holdings Inc. (“**FHH**”), First Hamilton Financial Services Inc. (“**FHFS**”), First Hamilton Capital Inc. (“**FHC**”), First Hamilton General Partner 2 Inc. (“**FHGP2**”) and First Hamilton Mortgage Brokers Inc. (“**FHMB**” and, collectively with FHH, FHFS, FHC and FHGP2, the “**Companies**”), pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the “**OBCA**”) and section 214 of the *Canada Business Corporations Act*, RSC 1985, c. C-44 (the “**CBCA**”), for an Order, among other things, winding up each of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Joseph Thomas sworn on May 19, 2020, and on hearing the submissions of counsel for the Companies,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS** that that each of the Companies shall be wound up pursuant to section 207 of the OBCA and section 214 of the CBCA with effect as of the date of this Order.

NO PROCEEDINGS AGAINST THE COMPANIES OR THEIR PROPERTY

3. **THIS COURT ORDERS** that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Companies, any of their subsidiaries or affiliates, or the Liquidator, or affecting any of the Companies’ current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and for greater certainty, including all funds, securities or other assets on deposit with or in the possession of Laurentian Bank Securities (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

4. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies or the Liquidator, or affecting the Property, including rights of set-off, are

hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which the Companies are not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

5. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by the Companies, except with the written consent of the Liquidator, or leave of this Court.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

6. **THIS COURT ORDERS** that (i) the Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation, Pace Securities Corporation, and Ernst & Young Inc., in its capacity as liquidator of Pace Securities Corporation shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

7. **THIS COURT ORDERS** that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator

unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

CONTINUATION OF SERVICES

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Companies' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in

each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

10. **THIS COURT ORDERS** that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Companies, except with the written consent of the Liquidator or leave of this Court.

THE LIQUIDATOR

11. **THIS COURT ORDERS** that MNP Ltd. is hereby appointed pursuant to section 210 of the OBCA and section 217(b) of the CBCA as liquidator (in such capacity, the “**Liquidator**”) of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing their Property, and the Companies’ officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by it shall co-operate fully with the Liquidator in the exercise of its powers and discharge of its obligations and provide the Liquidator with the assistance that is necessary to enable the Liquidator to adequately carry out the its functions.

12. **THIS COURT ORDERS** that the Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) deposit all money belonging to the Companies in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any

other depository approved by the Court, which deposits shall not be made in the name of the Liquidator individually, but shall be separate deposit accounts in the Liquidator's name as Liquidator of the Companies;

- (c) carry on the business of the Companies so far as may be required as beneficial for the winding up of the Companies;
- (d) sell any of the Property by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (e) enter into one or more agreements for the transfer of the Companies' client accounts to other investment dealers on such terms as the Liquidator may in its discretion deem appropriate;
- (f) take such steps with respect to accounts of deferred customers (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada) (the "BIA")) as the Liquidator may in its discretion deem appropriate;
- (g) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including engaging the services of a broker to effect the sale of securities held by the Companies;
- (h) do all acts and execute, in the name and on behalf of the Companies, all documents, and for that purpose use the seal of the Companies, if any;
- (i) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Companies;
- (j) make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Companies may be rendered liable;

- (k) compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Companies and any contributory, alleged contributory or other debtor or person who may be liable to the Companies and all questions in any way relating to or affecting the Property, or the winding up of the Companies, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (l) disclaim any leases entered into by the Companies;
- (m) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies, their subsidiaries and, if necessary, any trusts or special purpose entities for which the Companies continue to have responsibility;
- (n) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;
- (o) obtain any all applicable clearance certificates from governmental authorities;
- (p) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by the Companies;
- (q) establish and implement a claims process in respect of any or all of the Companies;
- (r) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) rateably among the registered shareholders thereof according to their rights and interests;
- (s) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Companies;

- (t) at any time after the affairs of any of the Companies have been fully wound up, make an application to the Court for an order dissolving any or all of the Companies;
- (u) wind up or dissolve all wholly-owned subsidiaries of the Companies;
- (v) assign any of the Companies into bankruptcy; and
- (w) do and execute all such other things as are necessary for winding up the business and affairs of the Companies and distributing the Property.

13. **THIS COURT ORDERS** that the Liquidator shall provide any creditor or shareholder of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by the Companies is confidential or otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator may agree.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under the OBCA and the CBCA, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA, the CBCA or any applicable legislation.

15. **THIS COURT ORDERS** that the Liquidator, counsel to the Liquidator, and counsel to the Companies shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, and the Liquidator, counsel to the Liquidator and counsel to the Companies shall be entitled to and are hereby granted a charge (the “**Administration Charge**”) on the Property, as security for such fees and disbursements, and that the Administration Charge shall form a first charge on the

Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person.

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

17. **THIS COURT ORDERS** that prior to the passing of their accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including its and the Companies’ legal fees and disbursements, and such amounts shall constitute advances against remuneration and disbursements when and as approved by this Court.

18. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;
- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Companies pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

FUNDING OF THE LIQUIDATION

20. **THIS COURT ORDERS** that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Liquidator’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Administration Charge.

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

22. **THIS COURT ORDERS** that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Liquidator’s Certificates**”) for any amount borrowed by it pursuant to this Order.

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

EMPLOYEES

24. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay. Nothing contained in this Order shall prejudice the rights of employees of the Companies to make claims under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 in the event that any of the Companies become bankrupt.

PIPEDA

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

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

[protocol/](#)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.mnpdebt.ca/firsthamilton .

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

GENERAL

28. **THIS COURT ORDERS** that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of any of the Companies.

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

31. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

33. **THIS COURT ORDERS** that the Liquidator may apply for its discharge upon providing one week's notice to the Applicants and to those parties who have filed a Notice of Appearance, and after passing its accounts in accordance with paragraph 16 hereof.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of [NTD: insert time] Eastern Daylight Time on the date of this Order.

SCHEDULE "A"

LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd, the liquidator (the "**Liquidator**") of the assets, undertakings and properties of by FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC. (collectively, the "**Companies**"), including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of May, 2020 (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Liquidator from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Liquidator is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

**MNP Ltd., solely in its capacity as Liquidator
of the Property, and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

Court File No. ●

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

WINDING-UP ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, P.O. Box 447

Commerce Court Postal Station

Toronto, Ontario, M5L 1G4

LISA S. CORNE (27974M)

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Fax: (416) 865-1398

Lawyers for the Applicants

Tab 5

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101
CJA (Ontario) Receiver

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

<u>THE HONOURABLE MR.</u>)	<u>TUESDAY, THE 19th DAY</u>
)	
THE HONOURABLE)	WEEKDAY, THE #
)	
JUSTICE — <u>HAINES</u>)	DAY OF MONTH <u>MAY</u> , 20 <u>20</u> YR

PLAINTIFF¹

Plaintiff

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS
AMENDED

~~-and-~~

DEFENDANT

Defendant

ORDER
(appointing Receiver)

~~THIS MOTION made by the Plaintiff² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* AND IN IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C., 1985, C. B.C-344, AS AMENDED (the "BIA")~~

AND IN THE MATTER OF A WINDING UP OF

¹—The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

²—Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

WINDING-UP ORDER

~~)-and~~ THIS APPLICATION, made by First Hamilton Holdings Inc. ("FHH"), First Hamilton Financial Services Inc. ("FHES"), First Hamilton Capital Inc. ("FHC"), First Hamilton General Partner 2 Inc. ("FHGP2") and First Hamilton Mortgage Brokers Inc. ("FHMB") and, collectively with FHH, FHES, FHC and FHGP2, the "**Companies**", pursuant to section ~~12017~~ of the *Courts of Justice Business Corporations Act*, R.S.O. 1990, c. ~~CB.4316~~, as amended (the "**OBCJA**") appointing ~~[RECEIVER'S NAME]~~ as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor~~"),~~ and section 214 of the *Canada Business Corporations Act*, RSC 1985, c. C-44 (the "**CBCA**"), for an Order, among other things, winding up each of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of ~~[NAME]~~ sworn ~~[DATE]~~ and the Exhibits thereto Joseph Thomas sworn on May 19, 2020, and on hearing the submissions of counsel for ~~[NAMES]~~, ~~no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver~~ the Companies,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ Application Record is hereby abridged and validated³ so

³ If service is effected in a manner other than as authorized by the *Ontario Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT APPLICATION

2. **THIS COURT ORDERS** that that each of the Companies shall be wound up pursuant to section 207 of the OBCA and section 214 of the CBCA with effect as of the date of this Order.

NO PROCEEDINGS AGAINST THE COMPANIES OR THEIR PROPERTY

3. **THIS COURT ORDERS** that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “Proceeding”) shall be commenced or continued against or in respect of the Companies, any of their subsidiaries or affiliates, or the Liquidator, or affecting any of the Companies’ current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and for greater certainty, including all funds, securities or other assets on deposit with or in the possession of Laurentian Bank Securities (collectively, the “Property”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

4. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Companies or the Liquidator, or affecting the Property, including rights of set-off, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which the Companies are not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety

or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

5. ~~2.~~ THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME] is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by the Companies, except with the written consent of the Liquidator, or leave of this Court.

RECEIVER'S POWERS

~~3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:~~

- ~~(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;~~
- ~~(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;~~
- ~~(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;~~

~~(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;~~

~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

~~(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;~~

~~(g) to settle, extend or compromise any indebtedness owing to the Debtor;~~

~~(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;~~

~~(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;~~

~~(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such~~

⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

~~terms and conditions of sale as the Receiver in its discretion may deem appropriate;~~

~~(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;~~

~~(i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and~~

~~(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;~~

~~and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.~~

~~(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;~~

~~(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;~~

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

⁵If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

~~(o) to apply for any permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;~~

~~(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;~~

~~(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and~~

~~(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.~~

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

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

6. ~~4.~~ **THIS COURT ORDERS** that (i) the ~~Debtor~~Companies, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order ~~(all of the foregoing, collectively, being "Persons" and each being a "Person"),~~ including without limitation, Pace Securities Corporation, and Ernst & Young Inc., in its capacity as liquidator of Pace Securities Corporation shall forthwith advise the ~~Receiver~~Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the ~~Receiver~~Liquidator, and

shall deliver all such Property to the ~~Receiver~~Liquidator upon the ~~Receiver's~~Liquidator's request.

7. ~~5.~~ **THIS COURT ORDERS** that all Persons shall forthwith advise the ~~Receiver~~Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Companies, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the ~~Receiver~~Liquidator or permit the ~~Receiver~~Liquidator to make, retain and take away copies thereof and grant to the ~~Receiver~~Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this ~~paragraph 5 or in paragraph 6 of this~~ Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the ~~Receiver~~Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

~~**NO PROCEEDINGS AGAINST THE RECEIVER**~~

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

~~**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**~~

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

~~**NO EXERCISE OF RIGHTS OR REMEDIES**~~

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

~~(iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.~~

~~NO INTERFERENCE WITH THE RECEIVER~~

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

CONTINUATION OF SERVICES

9. ~~12.~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the ~~Debtor~~Companies or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to the ~~Debtor~~Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Receiver~~Liquidator, and that the ~~Receiver~~Liquidator shall be entitled to the continued use of the ~~Debtor's~~Companies' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Receiver~~Liquidator in accordance with normal payment practices of the ~~Debtor~~Companies or such other practices as may be agreed upon by the supplier or service provider and the ~~Receiver~~Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

10. THIS COURT ORDERS that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or

officers are alleged under any law to be liable in their capacity as directors or officers of the Companies, except with the written consent of the Liquidator or leave of this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEESTHE LIQUIDATOR

11. ~~14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect~~MNP Ltd. is hereby appointed pursuant to section 210 of the OBCA and section 217(b) of the CBCA as liquidator (in such capacity, the "Liquidator") of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing their Property, and the Companies' officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by it shall co-operate fully with the Liquidator in the exercise of its powers and discharge of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act and provide the Liquidator with the assistance that is necessary to enable the Liquidator to adequately carry out the its functions.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

~~Property within the meaning of any Environmental Legislation, unless it is actually in possession.~~

~~LIMITATION ON THE RECEIVER'S LIABILITY~~

12. **THIS COURT ORDERS** that the Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) deposit all money belonging to the Companies in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, which deposits shall not be made in the name of the Liquidator individually, but shall be separate deposit accounts in the Liquidator's name as Liquidator of the Companies;
- (c) carry on the business of the Companies so far as may be required as beneficial for the winding up of the Companies;
- (d) sell any of the Property by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (e) enter into one or more agreements for the transfer of the Companies' client accounts to other investment dealers on such terms as the Liquidator may in its discretion deem appropriate;
- (f) take such steps with respect to accounts of deferred customers (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada) (the "BIA")) as the Liquidator may in its discretion deem appropriate;
- (g) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis,

including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including engaging the services of a broker to effect the sale of securities held by the Companies;

(h) do all acts and execute, in the name and on behalf of the Companies, all documents, and for that purpose use the seal of the Companies, if any;

(i) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Companies;

(j) make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Companies may be rendered liable;

(k) compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Companies and any contributory, alleged contributory or other debtor or person who may be liable to the Companies and all questions in any way relating to or affecting the Property, or the winding up of the Companies, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;

(l) disclaim any leases entered into by the Companies;

(m) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies, their subsidiaries and, if necessary, any trusts or special purpose entities for which the Companies continue to have responsibility;

(n) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;

- (o) obtain any all applicable clearance certificates from governmental authorities;
- (p) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by the Companies;
- (q) establish and implement a claims process in respect of any or all of the Companies;
- (r) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) ratably among the registered shareholders thereof according to their rights and interests;
- (s) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Companies;
- (t) at any time after the affairs of any of the Companies have been fully wound up, make an application to the Court for an order dissolving any or all of the Companies;
- (u) wind up or dissolve all wholly-owned subsidiaries of the Companies;
- (v) assign any of the Companies into bankruptcy; and
- (w) do and execute all such other things as are necessary for winding up the business and affairs of the Companies and distributing the Property.

13. THIS COURT ORDERS that the Liquidator shall provide any creditor or shareholder of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by the Companies is confidential or otherwise material, non-public information, the Liquidator shall not provide such information

to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator may agree.

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

RECEIVER'S ACCOUNTS

15. ~~18.~~ **THIS COURT ORDERS** that the ~~Receiver~~ Liquidator, counsel to the Liquidator, and counsel to the ~~Receiver~~ Companies shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges ~~unless otherwise ordered by the Court on the passing of accounts, and that the Receiver~~ Liquidator, counsel to the Liquidator and counsel to the ~~Receiver~~ Companies shall be entitled to and are hereby granted a charge (the "~~Receiver's~~" Administration Charge") on the Property, as security for such fees and disbursements, ~~both before and after the making of this Order in respect of these proceedings, and that the Receiver's~~ and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances"), in favour of any Person, ~~but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~⁶

16. ~~19.~~ **THIS COURT ORDERS** that the ~~Receiver and~~ Liquidator, its legal counsel, and counsel to the Companies shall pass ~~its~~ their accounts from time to time, and for this purpose

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

the accounts of the ~~Receiver~~Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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

18. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;

- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Companies pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

FUNDING OF THE ~~RECEIVERSHIP~~LIQUIDATION

20. ~~21.~~ **THIS COURT ORDERS** that the ~~Receiver~~Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the ~~Receiver~~Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "~~Receiver's~~Liquidator's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the ~~Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA~~Administration Charge.

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

22. ~~23.~~ **THIS COURT ORDERS** that the ~~Receiver~~Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule** "A" hereto (the

~~"Receiver's~~"Liquidator's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICEEMPLOYEES

24. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay. Nothing contained in this Order shall prejudice the rights of employees of the Companies to make claims under the Wage Earner Protection Program Act, S.C. 2005, c. 47, s. 1 in the event that any of the Companies become bankrupt.

PIPEDA

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

26. ~~25.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~‘@’~~: www.mnpdebt.ca/firsthamilton.

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

GENERAL

28. ~~27.~~ **THIS COURT ORDERS** that ~~the Receiver~~[Liquidator](#) may from time to time apply to this Court for advice and directions in the discharge of its powers and duties ~~hereunder~~[under this Order](#).

29. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the ~~Receiver~~[Liquidator](#) from acting as a trustee in bankruptcy of any of the ~~Debtor~~[Companies](#).

30. ~~29.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United

States, to give effect to this Order and to assist the ~~Receiver~~Liquidator and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver~~Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the ~~Receiver~~Liquidator and its respective agents in carrying out the terms of this Order.

31. ~~30.~~ **THIS COURT ORDERS** that the ~~Receiver~~Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the ~~Receiver~~Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

33. **THIS COURT ORDERS** that the Liquidator may apply for its discharge upon providing one week's notice to the Applicants and to those parties who have filed a Notice of Appearance, and after passing its accounts in accordance with paragraph 16 hereof.

34. THIS COURT ORDERS that this Order and all of its provisions are effective as of
[NTD: insert time] Eastern Daylight Time on the date of this Order.



SCHEDULE "A"

~~RECEIVER~~LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd, the liquidator (the "Liquidator") of the assets, undertakings and properties of by FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

~~1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor (collectively, the "Companies"), including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____ May, 2020 (the "Order") made in an action having Court file number __-CL-_____, has received as such ReceiverLiquidator from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the ReceiverLiquidator is authorized to borrow under and pursuant to the Order.~~

~~2.2.~~ The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

~~3.3.~~ Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the ReceiverLiquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order ~~and in the Bankruptcy and Insolvency Act~~, and the right of the ReceiverLiquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

~~4.4.~~ All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

~~5.5.~~ Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the ~~Receiver~~Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

~~6.6.~~ The charge securing this certificate shall operate so as to permit the ~~Receiver~~Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

~~7.7.~~ The ~~Receiver~~Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MNP Ltd., solely in its capacity as Liquidator
of the Property, and not in its personal or
corporate capacity~~[RECEIVER'S NAME],
solely in its capacity
-as Receiver of the Property, and not in its
personal capacity~~

Per: _____
Name:
Title:

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants _____

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

WINDING-UP ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, P.O. Box 447

Commerce Court Postal Station

Toronto, Ontario, M5L 1G4

LISA S. CORNE (27974M)

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Lawyers for the Applicants

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

Applicants

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

APPLICATION RECORD

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