



Court File No. CV-20-00641372-00CL

**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 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

**FIRST REPORT OF MNP LTD. IN ITS CAPACITY AS  
COURT-APPOINTED LIQUIDATOR OF THE APPLICANTS**

**July 31, 2020**



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## INTRODUCTION

1. This first report (the “**First Report**”) is filed by MNP Ltd. (“**MNP**” or the “**Liquidator**”) in its capacity as Liquidator of the estate and effects of 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**” or “**Companies**”) pursuant to the Order of the Honourable Mr. Justice Hainey dated May 21, 2020 (the “**Appointment Order**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
  
2. The purpose of this First Report is to provide the Court with information regarding:
  - a. the Companies’ operations and financing;
  
  - b. the Liquidator’s activities following its appointment, including:
    - i. taking possession of the Companies’ Head Office, as defined below;
  
    - ii. attempts at taking possession of the Companies’ books and records;
  
    - iii. the filings and notices regarding the winding up of the Companies as required by the relevant provincial and federal statutes; and
  
  - c. the Liquidator’s communications with various investors in FHH preference shares (the “**Preference Shares**”) as well as other potential creditors;
  
  - d. the FHH Entities’ assets, the disposition of the Companies’ investments in corporate bonds (the “**Bonds**”) and the status of asset realizations;
  
  - e. the circumstances leading up to the decision by certain Preference Share investors to retain Paliare Roland Rothstein and Rosenberg LLP (“**Paliare Roland**”) as legal counsel to pursue any potential claims they may have against the FHH Entities, PSC and other persons; and

- f. provide the Liquidator's rationale in support of its motion that the Court appoint Paliare Roland as representative counsel ("**Representative Counsel**") for Investor Claimants (as defined below); and
- g. provide support for the Liquidator's request for an order(s), among other things:
  - i. approving this Report and the activities and actions of the Liquidator described herein;
  - ii. appointing Paliare Roland as Representative Counsel; and
  - iii. such other relief as to this Court may seem just.

### **TERMS OF REFERENCE**

- 3. In preparing this First Report, and making the comments herein, the Liquidator has been provided with, and has relied upon, information (the "**Information**") contained in or obtained from:
  - a. various documents filed in this proceeding, including the affidavit of Mr. Joseph Thomson ("**Thomson**"), sworn May 19, 2020 (the "**Thomson Affidavit**"), as well as other documents filed in the related liquidation proceedings of Pace Securities Corp. and other related entities ("**PSC**");
  - b. the Companies' books and records and certain available but unaudited, draft and/or internal financial information obtained by the Liquidator;
  - c. discussions with and information provided by the Companies' former directors and management;
  - d. discussions and communications with the Court appointed-liquidator of PSC, Ernst & Young Inc. ("**E&Y**") and its counsel;
  - e. discussions and communications with individual investors who purchased Preference Shares; and,
  - f. other third-party sources or as otherwise available to the Liquidator and its counsel.

4. The Liquidator has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Professional Accountants Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance in respect of the Information.
5. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.
6. Capitalized terms not defined in the First Report have the meaning ascribed to them in the Appointment Order.
7. The Liquidator will make a copy of this First Report, and related documents, available on the Liquidator's website at [www.mnpdebt.ca/firsthamilton](http://www.mnpdebt.ca/firsthamilton)

## **OVERVIEW AND BACKGROUND**

8. FHH carried on business as a business investment corporation, principally by using the services of PSC, in the capacity as portfolio manager, to invest FHH's funds in bonds and other debt instruments, and to acquire or develop equity investments.
9. FHH's registered office is listed as 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**").
10. The President and CEO of FHH is Mr. Joseph Thomson, who is also the President and CEO of PSC.
11. FHH was created as an investment vehicle for qualified investors to earn fixed dividends from FHH investing in a basket of high-yield bonds (the "**Bonds**"). FHH raised capital by selling the 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, were to be used to fund regular dividend payments to the preference shareholders.

12. Almost all of FHH's investors are retail investors, who are also members of the related entity Pace Credit Union, and they are also customers of PSC. PSC provided brokerage, investment and business management services to the FHH Entities.
13. 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.
14. Despite the fact that PSC provided brokerage and other services to FHH, 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, PSC contracts its back-office functions to a "carrying broker".
15. PSC's carrying broker is Laurentian Bank Securities ("LBS"). LBS is therefore the custodian of the securities and cash of FHH's investors.
16. As noted above, FHH purchased Bonds on margin. 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. As LBS is PSC's carrying broker, any margin loans provided through a PSC account are in fact provided by LBS.
17. Thus, LBS loaned funds to FHH to permit it to purchase more Bonds than FHH would otherwise have been able to purchase.
18. In addition to investing in Bonds, FHH was created to invest in or to acquire businesses which it could control and operate.
19. FHH had one active subsidiary. FHFS operated as a mortgage broker.

## **LIQUIDATOR'S ACTIVITIES**

20. Following its appointment, the Liquidator's activities included:

- a. securing access to, and taking possession of, the Head Office and the Companies' books and records;
- b. taking possession of the Bonds and investments available;
- c. consulting with the Companies' former directors and management regarding the Companies assets and obtaining downloads of the Companies electronic records in their possession;
- d. confirming the status of insurance coverages, including any Directors and Officers insurance ("**D&O Insurance**")
- e. freezing the Companies' bank accounts;
- f. with the assistance of its legal counsel, Blaney McMurtry LLP ("**Blaney**"), arranging for advertisement of the required Notices and filing winding up resolutions pursuant to the Ontario *Business Corporations Act* and the *Canada Business Corporations Act*; and
- g. establishing the Liquidator's website for this proceeding.

Further details and the results of the Liquidator's activities follow.

## **BOOKS AND RECORDS**

21. When the Liquidator first attended at the Head Office in Hamilton, there were no financial records or computer office equipment of any kind on-site. Other than the use of one office, it did not appear that anyone had actually used this facility. The Landlord's representative advised the Receiver that just prior to the Liquidator's appointment, approximately 20 Banker's Boxes of documents were removed from these premises.
22. The Liquidator advised legal counsel to Thompson of these findings and was directed to the Companies' former Chief Financial Officer Mr. Cliff Periera and the director of FHMB, and former internal accountant, Mr. Andre Sian.

23. The Liquidator also learned as part of that process that other FHH Entity financial records and documents were kept at the offices of PSC.
24. The Liquidator then contacted Mr. Sian, who advised that he was only in possession of certain electronic documents and records, that he then forwarded on to the Liquidator.
25. The Liquidator also contacted Mr. Periera to request that he turn over all financial records in his possession to the Liquidator. Mr. Periera advised that he had no records in his possession and referred the Liquidator back to Mr. Sian.
26. As E&Y had recently been appointed as liquidator of PSC, among other entities, and in fact, just days prior to the Liquidator's own appointment, the Liquidator therefore contacted E&Y to discuss the situation.
27. E&Y advised the Liquidator that it had taken possession of various boxes of FHH's financial records that were located at PSC offices, including subscription and other information regarding Preference Shareholders and their related investments.
28. In addition, the Liquidator was advised that Mr. Thomson had provided E&Y with additional boxes of financial records, taken from the Head Office just prior to the Liquidator's appointment, and that he had kept at his personal residence. E&Y has agreed to safeguard and protect these records of FHH on behalf of the Liquidator and provide access to same, as necessary.

## **ASSETS OF FHH**

### **Head Office Furniture and Equipment**

29. On May 21, 2020, the Liquidator took possession and control of the Head Office by, among other things, changing the locks and making other access arrangements. In addition, the Liquidator confirmed interim occupation arrangements with the landlord of the Head Office premises.

30. The furniture and chattels (the “**Furniture**”) at the Head Office appeared to be brand new, and indeed, appeared not to have been used at all. There were no computers, or other electronic equipment, nor were there any records of any kind, on site.
31. The Liquidator subsequently obtained three proposals from reputable liquidators for the purchase and removal of the Furniture and accepted the highest offer from Canam Appraiz Inc. for \$30,000 plus HST. The sale closed on June 5, 2020 and the Liquidator disclaimed the Head Office Lease effective June 12, 2020.

### **Corporate Bonds and Securities**

32. As set out in the Thomson Affidavit, FHH’s account with PSC, as at April 30, 2020, comprised:
  - a. Bonds with an estimated market value of approximately CDN \$4.4 million and USD \$1.6 million;
  - b. A cash credit balance of \$3.0 million; and,
  - c. margin loans owed by FHH to LBS of approximately USD \$4.2 million.
33. Thomson advised the Liquidator that FHH had not initiated any transactions in connection with the PSC account between April 30, 2020 and the date of the Liquidator’s appointment (May 21, 2020).
34. Following its appointment, the Liquidator obtained a preliminary evaluation of the market value of these Bonds and was advised by Scotia Capital Inc. (“**Scotia Capital**”) that the Bonds were illiquid, and a large portion of the issuers were insolvent. As a result, it was likely the Bonds had a current market value of approximately \$1.7 million. A copy of Scotia Capital Inc.’s preliminary review is attached as **Appendix “B”**.
35. In or around the same time, the Liquidator was advised that, on May 18, 2020, that is, prior to the Liquidator’s appointment, LBS took possession of the Bonds, pursuant to their enforcement rights under their security, as FHH was unable to make the payments pursuant to the margin agreement.



## Interest Receivable

36. Thomson also advised the Liquidator that a \$250,000 quarterly interest payment was due to be paid to FHH by Source Energy Services Ltd. (“**Source**”) on June 15, 2020 (the “**Source Interest Payment**”). The Liquidator corresponded with Source Energy and its payment agent, Computershare Trust Company of Canada (“**Computershare**”), to ensure that the Source Interest Payment was paid to the Liquidator. Compushare advised that it could only direct the interest payment to PSC as the broker of record.
37. By email dated June 16, 2020, Blaney, as Liquidator’s counsel, also advised LBS and PSC that the Liquidator required that any funds received by LBS or PSC from Source in respect of FHH must be remitted to the Liquidator. A copy of the above email is attached as **Appendix “C”**.
38. Legal counsel to LBS responded stating that they had been advised that Source had been granted a 60-day extension to make the Source Interest Payment, and that, in the circumstances, they would not address any entitlement to the Source Interest Payment at that time.

## Insurance

39. Following its appointment, the Liquidator sent correspondence to FHH’s insurance broker, Steer Insurance Brokers and Consultants Inc. (“**Steer**”) status and coverage of any insurance policies in place, along with the relevant renewal dates and the status of premiums.
40. Steer advised that:
  - a. FHH held \$3.0 million of D&O Insurance by AIG Insurance Company of Canada (“**AIG**”) with a term to June 28, 2020;
  - b. FHH also maintained a Commercial Package policy (General Liability and contents) with Intact Insurance with a term to December 31, 2020; and,
  - c. First Hamilton Financial Services held an E&O Policy with AIG with a term to January 21, 2021.

41. Steer further advised that, prior to the Liquidator's appointment, FHH's board of directors instructed Steer to issue a Notice of Potential Claim ("NOPC") to AIG. Steer further advised that the D&O Policy only provided coverage on a "Claims Made" basis and that the NOPC may not be sufficient to trigger a valid claim with AIG. Accordingly, in their view, in order to preserve the coverage available under the D&O Policy, an extension period premium would need to be paid by June 28, 2020.
42. On June 5, 2020, the Liquidator was contacted by Steer on behalf of 3 former directors of the FHH Entities, being Mr. Ernest Larry Eves, director and Chairman of the Board, Mr. Timothy Huxley, director and Secretary, and Mr. Michael Leskovec, and asked to convene a conference call to review the status of the D&O Policy.
43. A conference call among the above parties took place on June 17, 2020. During that call, the Liquidator advised the FHH's directors present that it had no funds available with which to pay to renew or extend the D&O Policy, including with respect to coverage for any claims that may arise for any actions that took place prior to the policy's expiry date set for June 28, 2020. Following further discussion, the Directors advised the Liquidator that they would arrange to personally advance the necessary funds to the Liquidator to cover the cost of the premium to extend coverage of the D&O Policy.
44. On June 23, 2020, the Liquidator received the sum of \$11,340.00 from the Directors for the purposes of renewing or extending the D&O Policy. The Liquidator in turn paid the premium to Steer to extend the D&O Policy coverage for any potential claims for a further five years.

#### **Other Assets**

45. The Liquidator has not discovered or been made aware of any other significant assets of the FHH Entities that may be realized upon for the benefit of the creditors and/or investors of the FHH Entities.

**FHH PREFERENCE SHARES**

46. According to FHH's offering memoranda dated April 30, 2018 and May 1, 2018, FHH offered two series of Preference Shares for sale to customers who were looking for fixed income securities. The proceeds from the subscription of two series of preference shares, along with borrowed funds, would be used to purchase eligible debt instruments.
47. In May 2018, FHH began concurrently offering Series B 5% Cumulative Redeemable Retractable Non-voting Preference Share as well as units comprised of Series A 7% Cumulative Non-voting Preference Shares and Class A share purchase warrants. Between April 2018 and June 2019, approximately 3.3 million of FHH's preference shares and units were sold at a price of \$10 each, for a total investment value of approximately \$32.5 million.
48. Of these 3.3 million outstanding units, as of the end of May 2020,
  - a. approximately 1.4 million shares/units were held in trust by LBS in registered retirement accounts of PSC's clients, at an initial investment value of approximately \$14.0 million;
  - b. approximately 1.8 million shares/units were held in trust by LBS in non-registered accounts of PSC's clients as physical certificates by the shareholders, all at a total initial investment value of approximately \$17.5 million; and
  - c. the remaining shares/units were redeemed or retracted by FHH for various reasons.
49. Based on the preliminary information regarding the market value of the Bonds provided by Scotia Capital at approximately \$1.7 million and the remaining margin debt to LBS estimated at over approximately \$2.4 million, absent a recovery from third party sources, it appears unlikely that there will be any significant distributions available from the Liquidation Proceedings for the holders of FHH Preference Shares or warrants.

**INVESTOR CLAIMANTS**

50. Following its appointment, MNP was contacted by more than 20 individuals who advised that they had purchased Preference Shares. Almost all of the individuals who contacted MNP advised that:
- a. they are elderly retirees, most of whom are in their late sixties and seventies;
  - b. the funds they invested were retirement funds from within their RRSP's and RRIF's, and that in many cases, the income stream and capital withdrawals was a critical component for them to be able to meet and fund their daily living expenses;
  - c. they were advised by PSC investment advisers that the Preference Shares offered them an above average yield of greater than 7%, compared to GIC's or based on FHH investments in low risk, corporate bonds. Further, they were not aware that FHH would be purchasing the securities on margin;
  - d. they did not recall completing any "Know Your Client" documentation nor any other questionnaires in which they set out their low risk tolerances, based on their advanced ages and financial situations, nor did they recall reviewing any of FHH's prospectuses or investment memorandums that advised of the real risk levels of investing in the Preference Shares. They further advised that, had they been made aware of the risks associated with the Preference Shares or the underlying securities, they never would have made the investment; and,
  - e. they characterized themselves as unsophisticated investors and as long-standing members of the PACE Credit Union, that they had made the investment principally because they had faith in the advice given to them by the PSC and or PACE Credit Union representatives.

**APPOINTMENT OF PALIARE ROLAND AS REPRESENTATIVE COUNSEL**

51. As set out above, other than the relatively minor recoveries from the sale of the office furniture and equipment, MNP has not recovered any funds, and does not currently have any funds with which to conduct any further investigations or to commence litigation to

try to recover any funds, and in particular, with respect to potential claims against FHH's directors and offices or anyone else (the "**Potential Claims**") who may be liable to FHH for conduct or activities that gives rise to damages.

52. As a result, in mid-June 2020, MNP contacted the law firm Paliare Roland Rothstein Rosenberg LLP ("**Paliare Roland**") to discuss whether it would be prepared to consider pursuing the Potential Claims on a contingency fee basis.
53. Following further discussions with Paliare Roland, as well as further discussions with some of the various investors/ retirees who had purchased FHH Preference Shares, it was agreed that given the large number of investors (the "**Investor Claimants**") and the potential complexity of the Potential Claims, it would be best to seek to have Paliare Roland appointment as Representative Counsel to the Investor Claimants.
54. In early July 2020, MNP expanded its dialogue with Paliare Roland to include E&Y as Court-appointed liquidator for PSC and other related entities, and the potential for Paliare Roland to act on behalf of the Investor Claimants, as well as other persons who may have claims against PSC and its related entities.
55. On or about July 8, 2020, Blaney and counsel for E&Y (collectively, the "**Liquidators**") received a letter from Paliare Roland, a copy of which is attached hereto as **Appendix "D"** advising that Paliare Roland had now been retained by certain individual investors in connection with claims involving the Preference Shares and that they were interested in seeing if a solution could be reached involving the Liquidator and E&Y, and indicating that they were interested in being appointed as representative counsel on behalf of the Investor Claimants.
56. Since that date, the Liquidators have engaged in a constructive dialogue with Paliare Roland, with a view to seeing if the parties could arrive at a form of order that could see Paliare Roland appointed as representative counsel for the Investor Claimants.
57. More recently, the discussions have expanded to include PACE Credit Union ("**PCU**"), another entity related to PSC. Based upon the information provided by the Investor Claimants, it appeared that they could also advance some or all of their claims in this

matter against PCU. The discussions with representatives of and counsel to PCU resulted in a role for PCU as well, that is referenced below.

58. Paliare Roland has now confirmed to the Liquidators, that it has been in contact with more than 27 Investor Claimants as of the date of this report.
59. The Liquidators and Paliare Roland have now agreed upon the terms of an order, subject to the approval of this Court, that would see Paliare Roland appointed as Representative Counsel for the Investor Claimants as defined therein. The draft order will be submitted jointly by the Liquidators (the “**Proposed Representative Counsel Order**”).
60. The Proposed Representative Counsel Order provides for the appointment of Paliare Roland as Representative Counsel for the Investor Claimants on the following terms:
  - a. Representative Counsel, acting in consultation with the Liquidators, would be authorized to form a committee of investors to advise it (the “**Representative Committee**”);
  - b. Representative Counsel would be authorized to take such steps and to perform such acts as are necessary or desirable for the purpose of representing the Investor Claimants, including, without limitation:
    - i. developing a process in consultation with the Liquidators, for the investigation, identification, advancement and resolution of valid and provable Investor Claims;
    - ii. addressing the Investor Claims, as part of these proceedings or in such related or consequential proceedings as may be approved by this Court, including, without limitation, by negotiation, compromise, arrangement, settlement, or litigation;
    - iii. reporting to and responding to inquiries from the members of the Representative Committee and individual Investor Claimants; and
    - iv. performing such other actions as approved by this Court;

- c. Investor Claimants would have the right to opt out from being represented by Representative Counsel;
  - b. the fees and expenses of Representative Counsel would be paid out of the funds recovered for the Investor Claimants pursuant to or by virtue of this appointment, in accordance with terms to be agreed with the members of the Representative Committee and approved by this Court in the ordinary course, or, in the absence of an agreement, as directed by further order of this Court, having regard to the resources invested, risk assumed and results achieved by Representative Counsel, together with such other considerations as this court determines to be relevant;
  - c. until Representative Counsel has completed its mandate or until this Court otherwise directs, no proceeding or enforcement process in respect of Tolled Claims (as defined in the Proposed Representative Counsel Order) shall be commenced or continued in any Court or tribunal against or in respect of the Companies, or any of their related entities, including PACE Credit Union, except with leave of this Court, and any and all Proceedings currently under way against or in respect of such parties would be stayed and suspended pending further order of this Court; and
  - d. to the extent that any Limitation Period (as defined in the Proposed Representative Counsel Order) expires on or after the date of the order, such Limitation Period would be tolled such that it ceases to continue running until the Court decided.
61. MNP has reviewed the qualifications of Paliare Roland to act as Representative Counsel, as set out in **Appendix “E”** attached hereto.
62. MNP supports the appointment of Paliare Roland as Representative Counsel on the terms of the Proposed Representative Counsel Order for the following reasons:
- a. MNP is satisfied as the qualifications and relevant experience of Paliare Roland to act on this mandate;
  - b. the Investor Claimants are, to the knowledge of MNP, a vulnerable and disparate group of individuals, primarily seniors, who were and are unsophisticated in matters

involving investments and in particular investments of the type like the Preference Shares, such that they would benefit from Representative Counsel assisting them in navigating the Liquidation Proceedings and advancing their claims;

- c. Representative Counsel would act as a single point of contact to receive and distribute pertinent information and coordinate communication with the Investor Claimants;
- d. the potential multiplicity of actions threatened to be commenced in relation to the PFL or FHH preference shares or warrants would not provide comprehensive representation for all Investor Claimants;
- e. the appointment of Representative Counsel will allow for all the claims that could be asserted by the Investor Claimants to be addressed in an efficient, timely and consistent manner under the exclusive jurisdiction of this Court;
- f. the appointment of Representative Counsel would assist in ensuring that all Investor Claimants are able to participate meaningfully and effectively in any process to resolve or adjudicate these claims;
- g. the appointment of Representative Counsel will benefit not only the Investor Claimants by improving their access to justice, but also other stakeholders by reducing the administrative burden associated with these proceedings; and
- h. given the vulnerability of the Investor Claimants, the social benefit to be derived from their representation by experienced counsel and the facilitation of the resolution of their claims in an efficient, timely and consistent manner, it is fair and just to appoint Representative Counsel.

63. Further, during the discussions with PCU and its counsel, as referenced above, PCU sought the opportunity to present a settlement proposal to Representative Counsel and the Liquidators with respect to any potential claims by the Investor Claimants against PCU and / or its officers and directors. Based on the discussions, the Liquidators and Paliare Roland were all of the view that such a proposal could ultimately prove beneficial to the



Investor Claimants, and thus, they were prepared to permit PCU a period of time to try to put together and propose such a settlement proposal.

64. As a result, the Proposed Representative Counsel Order includes a provision whereby PCU would have a period of time during which it would have the exclusive opportunity to present a settlement and/or settlement package in respect of direct and indirect Investor Claims (including claims over and third party claims) against PACE Credit Union and/or its officers and directors in respect of the PFL and FHH preference shares and warrants. Representative Counsel and the Liquidators would have the right to consider such a settlement but would not be required to accept it.
65. Paliare Roland has agreed to this provision, and accordingly, the Liquidator is agreeable to inclusion of this provision in the Proposed Representative Counsel Order.

## CONCLUSIONS AND RECOMMENDATIONS

66. Based on the foregoing, the Liquidator respectfully recommends that the Court make an order granting the relief detailed in the Notice of Motion herein and in paragraph 2. g of this Report and in particular appointing Paliare Roland as representative counsel for the Investor Claimants.

All of which is respectfully submitted this 31<sup>st</sup> day of July, 2020

**MNP LTD.** in its capacity as the Court-appointed Liquidator of First Hamilton Holdings Inc. First Hamilton Financial Services Inc., First Hamilton General Partner 2 Inc., First Hamilton Capital Inc. and First Hamilton Mortgage Brokers Inc. and not in its personal or corporate capacities

Per:



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

